



INSURANCE FOR YOUR COMMUNITY

LaMond Woods
lamond.woods@sentrywest.com



www.sentrywest.com

801-225-5000

3860 South 2300 East
Salt Lake City, UT, 84109

PO BOX 9289
Salt Lake City, UT, 84109

The following team members are available to assist you with any of your insurance needs. Please contact us with any questions regarding your policy, changes, claims or general questions.

Your SentryWest Service Team

Senior Partner:

LaMond C. Woods lamond.woods@sentrywest.com D: 801.438.9953
M: 801.360.1440

Commercial Lines Account Manager:

Tiffanie Thompson tiffanie.thompson@sentrywest.com D: 801.308.2074

Kacey Stackhouse kacey.stackhouse@sentrywest.com D: 801.438.9956

Ellie Chau ellie.chau@sentrywest.com D: 801.438.9952

Rachel Thaller
(Accounts A-C) rachel.thaller@sentrywest.com D: 385.354.7780

Kristen Brooksby
(Accounts D-L) kristen.brooksby@sentrywest.com D: 385.444.2145

Frances Davis
(Accounts M-R) frances.davis@sentrywest.com D: 801.308.2105

Kelly Antrim
(Accounts S-Z) kelly.antrim@sentrywest.com D: 385.313.9521

Melissa Boles
(Small Business) melissa.boles@sentrywest.com D: 385.715.4777

Private Client Account Manager

Audrey Dominguez audrey.dominguez@sentrywest.com D: 801.308.2081

HOA Requests eois@sentrywest.com D: 801.272.8468

All Other Certificate Requests Please send to the above account manager(s)

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.

SentryWest Insurance Services

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

INSURANCE COMPANY
6101 ANACAPRI BLVD., LANSING, MI 48917-3999

AGENCY SENTRY WEST INSURANCE SERVICES
43-0083-00 MKT TERR 076 (801) 272-8468

INSURED THE TIMBERS CONDOMINIUM

ADDRESS C/O BOULDER MOUNTAIN PROPERTY
MANAGEMENT PO BOX 5892
KETCHUM ID 83340-5892

BUSINESSOWNERS POLICY DECLARATIONS

Renewal Effective 10-01-2025

POLICY NUMBER 49-003-882-00

Company Use 57-57-ID-1710

Company
Bill

POLICY TERM	
12:01 a.m.	12:01 a.m.
to	
10-01-2025	10-01-2026

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.

54643 (01-90)

Entity: Association

PROPERTY COVERAGES - ALL DESCRIBED LOCATIONS

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
SPECIAL COVERAGE FORM TERRORISM - CERTIFIED ACTS			\$204.12	

BUSINESS LIABILITY PROTECTION

COVERAGE	LIMIT	PREMIUM	CHANGE
AGGREGATE LIMIT (Other than Products - Completed Operations)	\$4,000,000	\$3,363.54	
LIABILITY AND MEDICAL EXPENSE	\$2,000,000	Included	
Personal Injury	Included	Included	
TERRORISM - CERTIFIED ACTS		\$36.67	
BUSINESSOWNERS LIABILITY PLUS		\$302.72	
Fire, Lightning, Explosion, Smoke, And Water Damage Legal Liability	\$300,000	Included	
Hired Auto & Non-Owned Auto Liability	\$2,000,000	Included	
Medical Expenses - Per Person	\$10,000	Included	
Products - Completed Operations Aggregate	\$4,000,000	Included	
Blanket Additional Insured - Lessor of Leased Equipment	Included	Included	
Blanket Additional Insured - Managers or Lessors of Premises	Included	Included	
Blanket Waiver of Subrogation	Included	Included	
Broadened Knowledge of Occurrence	Included	Included	
Broadened Supplementary Payments Coverage	Included	Included	
Extended Watercraft Coverage	Included	Included	
Newly Formed or Acquired Organizations	Included	Included	
Personal Injury Extension Coverage	Included	Included	

Forms that apply to all locations:

54510 (07-12)	BP0002 (01-87)	BP0006 (01-87)	54961 (11-11)	BP0009 (01-87)
54679 (12-20)	54709 (04-10)	54098 (05-07)	54319 (04-20)	54867 (03-08)
54656 (08-91)	54088 (09-09)	64728 (02-14)	64776 (01-16)	64839 (07-19)
64855 (04-20)	64866 (12-20)	54254 (04-02)	54621 (07-88)	54353 (10-08)

AUTO-OWNERS INS. CO.

Issued 08-06-2025

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

POLICY NUMBER

49-003-882-00
57-57-ID-1710

INSURED THE TIMBERS CONDOMINIUM

Term 10-01-2025 to 10-01-2026

PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATIONS

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

COVERAGE	LIMIT
ACCOUNTS RECEIVABLE	\$200,000
ARSON REWARD	\$7,500
BAILEES COVERAGE	\$15,000
	\$10,000 PER ITEM
BUILDING GLASS COVERAGE	SEE FORM
BUSINESS PERSONAL PROPERTY - EXPANDED COVERAGE	UP TO 1,000 FT
BUSINESS PERSONAL PROPERTY AT FAIRS OR EXHIBITIONS	\$5,000
BUSINESS PERSONAL PROPERTY AT NEWLY ACQUIRED PREMISES	\$500,000 FOR 90 DAYS
BUSINESS PERSONAL PROPERTY IN TRANSIT	\$100,000
BUSINESS PERSONAL PROPERTY OFF PREMISES	\$100,000
DEBRIS REMOVAL	\$100,000
ELECTRONIC EQUIPMENT	
UNSCHEDULED EQUIPMENT	\$100,000
ELECTRICAL DISTURBANCE (SEE FORM FOR DEDUCTIBLE)	\$100,000
MECHANICAL BREAKDOWN	\$100,000
BUSINESS INCOME AND EXTRA EXPENSE	\$100,000
MEDIA	\$100,000
TRANSPORTATION	\$100,000
EMPLOYEE DISHONESTY	\$50,000
FINE ARTS, COLLECTIBLES, AND MEMORABILIA	\$50,000
	\$10,000 PER ITEM
FIRE DEPARTMENT SERVICE CHARGE*	\$25,000
*NOT AVAILABLE IN AZ	
FIRE EXTINGUISHER AND FIRE SUPPRESSION SYSTEM RECHARGE	\$10,000
FORGERY AND ALTERATION	\$50,000
MONEY & SECURITIES INSIDE PREMISES	\$50,000
MONEY & SECURITIES OUTSIDE PREMISES	\$50,000
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY	\$1,000,000 FOR 90 DAYS
OFF-PREMISES UTILITY SERVICE FAILURE	\$150,000
*BUSINESS INCOME/EXTRA EXPENSE LIMITED TO \$25,000 IN AL, NC, AND SC	
ORDINANCE OR LAW	
COVERAGE A, B AND C COMBINED	\$150,000
OUTDOOR PROPERTY	\$20,000
TREES, SHRUBS OR PLANTS	\$1,000 PER ITEM

AUTO-OWNERS INS. CO.

Issued 08-06-2025

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43-0083-00 MKT TERR 076

Company POLICY NUMBER 49-003-882-00
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INSURED THE TIMBERS CONDOMINIUM

Term 10-01-2025 to 10-01-2026

PREMIER PROPERTY PLUS COVERAGE PACKAGE DECLARATIONS

COVERAGE	LIMIT
OUTDOOR SIGNS	\$15,000
PERSONAL EFFECTS AND PROPERTY OF OTHERS	\$50,000
POLLUTANT CLEAN UP AND REMOVAL	\$100,000
REFRIGERATED PRODUCTS	\$25,000
REKEYING OF LOCKS	\$1,000
SALESPERSON'S SAMPLES	\$25,000
VALUABLE PAPERS AND RECORDS	\$150,000
WATER BACK-UP FROM SEWERS OR DRAINS	\$50,000

LOCATION 0001

Location: 101 Emerald Street, Ketchum, ID 83340

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
COVERAGE PACKAGE: PROPERTY PLUS		See Property Plus Declarations	\$1,603.38	
Tier: Premier				
TERRORISM - CERTIFIED ACTS SEE FORM(S) 54313, 59350, 59390				
Total Building Blanket Limit of Insurance		\$26,098,800		

Forms that apply to this location:

54094 (11-19) 54238 (12-01) 54244 (05-07) 54313 (09-19) 54328 (11-05)
54604 (07-88) 54661 (08-91) 59350 (01-15)

LOCATION 0001 - BUILDING 0001

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
BUILDING - GUARANTEED REPLACEMENT COST - BLANKET		\$6,334,700	\$4,402.39	
Special Coverage Form Deductible	\$5,000	Included		
Windstorm or Hail Flat Deductible	\$5,000	Included		
Adjusted Value Factor 0.0070				
BUSINESS INCOME AND EXTRA EXPENSE		12 Months	Included	
LIMITATION OF COVERAGE FOR FUNGI, MOLD, DRY ROT, AND WET ROT		See Form	Included	
EQUIPMENT BREAKDOWN	\$5,000	See Form	\$671.20	
COVERAGE PACKAGE: PROPERTY PLUS			Included	
Tier: Premier				

AUTO-OWNERS INS. CO.

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43-0083-00 MKT TERR 076

Company POLICY NUMBER 49-003-882-00
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INSURED THE TIMBERS CONDOMINIUM

Term 10-01-2025 to 10-01-2026

Forms that apply to this building:

54965 (05-11)	54658 (04-07)	54659 (12-20)	54499 (04-13)	54500 (04-13)
54069 (08-00)	54340 (04-13)	54743 (08-00)	54750 (08-00)	54073 (08-00)
54226 (08-00)	54752 (08-00)	54064 (08-00)	54072 (04-14)	54067 (08-00)
54708 (01-07)	54062 (08-00)	54060 (02-06)	54070 (02-05)	54745 (08-00)
54066 (08-00)	54065 (08-00)	54749 (08-10)	54068 (08-00)	54063 (03-13)
54227 (08-00)	54341 (03-13)	54748 (08-00)	54228 (04-13)	54841 (03-17)

Occupied As: 4 Unit

Secured Interested Parties: None

Rating Information

Occupancy: 4 Unit Condominium

Class Code: 65143

Program: Premier Condominium

Liability Rate Number: 00

Burglary Rate Group: 00

Construction: Frame, Sprinklered

Protection Class: 03

Territory: 002 Blaine County

Construction Year: 2006

LOCATION 0001 - BUILDING 0002

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
BUILDING - GUARANTEED REPLACEMENT COST - BLANKET		\$6,714,700	\$4,666.47	
Special Coverage Form Deductible	\$5,000	Included		
Windstorm or Hail Flat Deductible	\$5,000	Included		
Adjusted Value Factor 0.0070				
BUSINESS INCOME AND EXTRA EXPENSE		12 Months	Included	
LIMITATION OF COVERAGE FOR FUNGI, MOLD, DRY ROT, AND WET ROT		See Form	Included	
EQUIPMENT BREAKDOWN	\$5,000	See Form	Included	
COVERAGE PACKAGE: PROPERTY PLUS			Included	
Tier: Premier				

Forms that apply to this building:

54965 (05-11)	54658 (04-07)	54659 (12-20)	54499 (04-13)	54500 (04-13)
54069 (08-00)	54340 (04-13)	54743 (08-00)	54750 (08-00)	54073 (08-00)
54226 (08-00)	54752 (08-00)	54064 (08-00)	54072 (04-14)	54067 (08-00)
54708 (01-07)	54062 (08-00)	54060 (02-06)	54070 (02-05)	54745 (08-00)
54066 (08-00)	54065 (08-00)	54749 (08-10)	54068 (08-00)	54063 (03-13)
54227 (08-00)	54341 (03-13)	54748 (08-00)	54228 (04-13)	54841 (03-17)

Occupied As: 4 unit

Secured Interested Parties: None

Rating Information

Occupancy: 4 Unit Condominium

Class Code: 65143

Program: Premier Condominium

Liability Rate Number: 00

Burglary Rate Group: 00

Construction: Frame, Sprinklered

Protection Class: 03

Territory: 002 Blaine County

Construction Year: 2006

AUTO-OWNERS INS. CO.

Issued 08-06-2025

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

Company POLICY NUMBER 49-003-882-00
Bill 57-57-ID-1710

INSURED THE TIMBERS CONDOMINIUM

Term 10-01-2025 to 10-01-2026

LOCATION 0001 - BUILDING 0003

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
BUILDING - GUARANTEED REPLACEMENT COST - BLANKET		\$6,334,700	\$4,402.39	
Special Coverage Form Deductible	\$5,000	Included		
Windstorm or Hail Flat Deductible	\$5,000	Included		
Adjusted Value Factor 0.0070				
BUSINESS INCOME AND EXTRA EXPENSE		12 Months	Included	
LIMITATION OF COVERAGE FOR FUNGI, MOLD, DRY ROT, AND WET ROT		See Form	Included	
EQUIPMENT BREAKDOWN	\$5,000	See Form	Included	
COVERAGE PACKAGE: PROPERTY PLUS			Included	
Tier: Premier				

Forms that apply to this building:

54965 (05-11)	54658 (04-07)	54659 (12-20)	54499 (04-13)	54500 (04-13)
54069 (08-00)	54340 (04-13)	54743 (08-00)	54750 (08-00)	54073 (08-00)
54226 (08-00)	54752 (08-00)	54064 (08-00)	54072 (04-14)	54067 (08-00)
54708 (01-07)	54062 (08-00)	54060 (02-06)	54070 (02-05)	54745 (08-00)
54066 (08-00)	54065 (08-00)	54749 (08-10)	54068 (08-00)	54063 (03-13)
54227 (08-00)	54341 (03-13)	54748 (08-00)	54228 (04-13)	54841 (03-17)

Occupied As: 4 unit

Secured Interested Parties: None

Rating Information

Occupancy: 4 Unit Condominium

Class Code: 65143

Program: Premier Condominium

Liability Rate Number: 00

Burglary Rate Group: 00

Construction: Frame, Sprinklered

Protection Class: 03

Territory: 002 Blaine County

Construction Year: 2006

LOCATION 0001 - BUILDING 0004

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
BUILDING - GUARANTEED REPLACEMENT COST - BLANKET		\$6,714,700	\$4,666.47	
Special Coverage Form Deductible	\$5,000	Included		
Windstorm or Hail Flat Deductible	\$5,000	Included		
Adjusted Value Factor 0.0070				
BUSINESS INCOME AND EXTRA EXPENSE		12 Months	Included	
LIMITATION OF COVERAGE FOR FUNGI, MOLD, DRY ROT, AND WET ROT		See Form	Included	
EQUIPMENT BREAKDOWN	\$5,000	See Form	Included	

AUTO-OWNERS INS. CO.

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INSURED THE TIMBERS CONDOMINIUM

Term 10-01-2025 to 10-01-2026

COVERAGE	DEDUCTIBLE	LIMIT	PREMIUM	CHANGE
COVERAGE PACKAGE: PROPERTY PLUS Tier: Premier			Included	

Forms that apply to this building:

54965 (05-11)	54658 (04-07)	54659 (12-20)	54499 (04-13)	54500 (04-13)
54069 (08-00)	54340 (04-13)	54743 (08-00)	54750 (08-00)	54073 (08-00)
54226 (08-00)	54752 (08-00)	54064 (08-00)	54072 (04-14)	54067 (08-00)
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54066 (08-00)	54065 (08-00)	54749 (08-10)	54068 (08-00)	54063 (03-13)
54227 (08-00)	54341 (03-13)	54748 (08-00)	54228 (04-13)	54841 (03-17)

Occupied As: 4 unit

Secured Interested Parties: None

Rating Information

Occupancy: 4 Unit Condominium

Class Code: 65143

Program: Premier Condominium

Liability Rate Number: 00

Burglary Rate Group: 00

Construction: Frame, Sprinklered

Protection Class: 03

Territory: 002 Blaine County

Construction Year: 2006

	TERM	CHANGE
TOTAL POLICY PREMIUM	\$24,319.35	
PAID IN FULL DISCOUNT	\$2,431.98	
TOTAL POLICY PREMIUM IF ON FULL PAY PLAN BY 10/01/2025	\$21,887.37	

Paid In Full does not apply to fixed fees, statutory charges, or minimum premium.

Paid In Full Discount is available.

Merit Rating Discount of 10% Applies

54621 (7-88)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUNTANNING DEVICE EXCLUSION

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE BUSINESSOWNERS LIABILITY COVERAGE FORM.

It is agreed:

No coverage is provided by this policy for any claim, suit, action or proceeding against the insured arising out of the ownership, operation, maintenance or use of a suntanning device.

54621 (7-88)

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Page 1 of 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSIONS

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE BUSINESSOWNERS LIABILITY COVER-AGE FORM.

It is agreed:

A. The following exclusions are added to section **1.** of **B. EXCLUSIONS:**

- 1.** "Bodily injury" or "property damage" arising out of, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria, whether airborne or not, on or within a building or structure, including its contents. This exclusion applies whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- 2.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person, entity or governmental authority.

These exclusions do not apply to any "fungi" or bacteria that are on, or are contained in, a good or product intended for human consumption.

B. The following exclusions are added to section **1.** paragraph **p.** of **B. EXCLUSIONS:**

- 1.** Arising out of, in whole or in part, the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria, whether airborne or not, on or within a building or structure, including its contents. This exclusion applies whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- 2.** For any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person, entity or governmental authority.

C. The following definition is added to **F. LIABILITY AND MEDICAL EXPENSE DEFINITIONS:**

"Fungi" means any type or form of fungus, including but not limited to, any mold, mildew, mycotoxins, spores, scents or byproducts produced or released by any type or form of fungus.

All other policy terms and conditions apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CHANGES - ACTUAL CASH VALUE AND DEPRECIATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS STANDARD PROPERTY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

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

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 supersede any provision in this Coverage Form and any endorsement attached to the Coverage Form to the contrary.

All other policy terms and conditions apply.

**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

Auto-Owners INSURANCE

LIFE • HOME • CAR • BUSINESS

PO BOX 30660 • LANSING, MI 48909-8160

AUTO-OWNERS INSURANCE COMPANY

Agency phone: 801.272.8468

08-06-2025

THE TIMBERS CONDOMINIUM
C/O BOULDER MOUNTAIN PROPERTY
MANAGEMENT PO BOX 5892
KETCHUM ID 83340-5892

This is not a bill. The premium can be paid before a bill is sent using any of the following methods:

Pay Online
www.auto-owners.com
Pay My Bill

Pay by Mail
AUTO-OWNERS INSURANCE
PO BOX 740312
CINCINNATI, OH 45274-0312

Pay by Phone
1.800.288.8740

RE: Policy 49-003-882-00

Billing Account 016101583

Thank you for selecting Auto-Owners Insurance Group to service your insurance needs!

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 **801.272.8468**, and discuss which company and program might be appropriate for you. After talking with your agent, if there are any unanswered questions, please contact us at 517.323.1200.

Auto-Owners Insurance Company was formed in 1916. Our A+ (Superior) rating by AM Best signifies that we have the financial strength to provide the insurance protection you need. The Auto-Owners Insurance Group is comprised of five 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, 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.

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. 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 or by contacting us.

Contact Us

Auto-Owners Insurance Company
Phone: 844-359-4595 (toll free)
Email: 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: 49-003-882-00
Insurance Company: AUTO-OWNERS INS. CO.
Renewal Effective Date: 10-01-2025

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 \$24,319.35 or \$21,887.37 if Paid in Full discount applies.
(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.)

Your renewal includes a reduction or removal of coverage or an increase in deductible(s). Please see notices attached.

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.

NOTICE OF CHANGE IN POLICY TERMS COMMERCIAL PROPERTY VALUE ADJUSTMENT

Dear Policyholder,

A new replacement cost estimate has been obtained by Auto-Owners for each building covered on your policy. The coverage limit(s) for the building(s) on your policy exceeds the coverage limit returned by the new replacement cost estimates, and building coverage limit(s) have not been adjusted. Although your building coverage limit(s) have not been altered per the new replacement cost estimate, if applicable, the limit(s) have been increased for inflation according to the most recent adjusted value factor. Please contact your Auto-Owners Agency to ensure these building(s) are insured to value, and any changes needed to building coverage limit(s) are made promptly.

This notice is for informational purposes only. This notice provides no coverage and it must not be construed to replace or modify any provisions of your policy or endorsements. Your policy contains the specific terms, limits and conditions of coverage, and supersedes this notice.

You have the right to renew your policy. You also have the right to cancel your policy at any time. To cancel your policy, please provide the date on which cancellation is to take effect.

Please review your policy carefully. If you have any questions, 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.

COMMERCIAL CRIME POLICY DECLARATIONS

In return for payment of the premium, and subject to all the terms and conditions of this Policy, we agree with you to provide the insurance as stated in this Policy.

Insurance Company Name: StarNet Insurance Company		
Named Insured: The Timbers Condominium Association Inc		
Mailing Address: PO BOX 5892, c/o Boulder Mountain Property Management, Ketchum, ID 83340		
Policy Period: From: 10/1/2025 To: 10/1/2026 12:01 AM at your mailing address shown above		
Coverage is provided only if an amount is shown opposite an Insuring Agreement. If the amount is left blank or "Not Covered" is inserted, such Insuring Agreement and any other reference thereto in this Policy will be deemed to be deleted therefrom.		
	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Fidelity		
a. Employee Theft	\$100,000	\$1,000
b. ERISA Plan Official Dishonesty	Not Covered	Not Covered
c. Employee Theft Of Clients' Property	Not Covered	Not Covered
2. Forgery Or Alteration		
a. Forgery Of Negotiable Instruments	\$100,000	\$1,000
b. Forgery Of Payment Card Instruments	\$100,000	\$1,000
3. Inside The Premises – Theft Of Money And Securities	\$100,000	\$1,000
4. Inside The Premises – Robbery Or Safe Burglary Of Other Property	\$100,000	\$1,000
5. Outside The Premises	\$100,000	\$1,000
6. Computer And Funds Transfer Fraud	\$100,000	\$1,000
7. Fraudulent Impersonation	Not Covered	Not Covered
8. Money Orders And Counterfeit Money	\$100,000	\$1,000

If Added By Endorsement:		
Insuring Agreement(s) Or Coverage(s)	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
N/A	N/A	N/A
Percentage Of Deductible Amount Over Which Losses Must Be Reported:		
	N/A	%
Percentage Of Total Assets Applicable To Subsidiary Acquisitions:		
	N/A	%
Endorsements Forming Part Of This Policy When Issued:		
See attached Schedule of Forms and Endorsements BPS CR 77 00 (08 23)		
Cancellation Of Prior Insurance Issued By Us:		
By acceptance of this Policy, you give us notice cancelling prior Policy Numbers		
N/A , the cancellation to be effective at the time this Policy becomes effective.		
Producer Name:		
Ellie Briggs Sentry West Insurance Services-Salt Lake City-UT		

IN WITNESS WHEREOF, we have executed and attested these presents.



President



Secretary



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

PREFERRED PLUS CRIME POLICY SCHEDULE OF FORMS AND ENDORSEMENTS

It is hereby understood and agreed the following forms and endorsements are attached to and are a part of the policy:

Form and Edition	ST	Date Added*	Form Description
Reporting Claims			Crime Claim Reporting Instructions
CR DS 02 (06 22)			Commercial Crime Policy Declarations
BPS CR 77 00 (08 23)			Schedule of Forms and Endorsements
BPS CR 77 03 (08 23)			Premium Endorsement
CR 20 20 (06 22)			Calculation of Premium
CR 00 22 (06 22)			Commercial Crime Policy (Discovery Form)
BPS CR 77 02 (08 23)			Revised Definition of Theft
CR 25 02 (06 22)			Include Designated Agents as Employees
CR 25 08 (06 22)			Include Specified Non Compensated Officers as Employees
CR 25 10 (06 22)			Include Volunteer Workers Other Than Fund Solicitors as Employees
CR 07 30 (06 22)			Exclusion of Terrorism
ILP 001 (01 04)			U.S. Treasury Department's OFAC Advisory Notice to Policyholders
BPS CR 77 04 (08 23)			Office of Foreign Asset Control (OFAC) Exclusion Endorsement
CR 20 21 (06 22)			Exclusion of Certain Computer-Related Losses
CR 02 12 (06 22)			Idaho Changes



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Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

PREMIUM ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This Endorsement modifies Crime Protection Policy No. QDR0006016-00 and is added to the Schedule of Forms and Endorsements.

It is agreed that the basic premium charged for the attached policy for the period:

From: 10/1/2025

To: 10/1/2026

Is

Premium \$542.00

Taxes/Fees: \$0.00
(if applicable)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALCULATION OF PREMIUM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

The following is added to Paragraph **1.** of Section **E. Conditions:**

The premium for this Policy was computed based on rates in effect at the time the Policy was issued. On each renewal, continuation or anniversary of the effective date of this Policy, we will compute the premium in accordance with our rates and rules then in effect.

(In the Kidnap/Ransom And Extortion Policy, the provision above is added to Section **E.2. Other Conditions.**)

COMMERCIAL CRIME POLICY (DISCOVERY FORM)

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

Throughout this Policy:

1. The words "you" and "your" refer to:
 - a. The first Named Insured shown in the Declarations; and
 - b. Any "employee benefit plan", "subsidiary" or other entity that is named as an Insured in the Declarations or included as an Insured by endorsement.

The first Named Insured in Paragraph a. above will act for itself and for every other Insured for all purposes of this insurance.

2. The words "we", "us" and "our" refer to the company providing this insurance.

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

A. Insuring Agreements

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

1. Fidelity

a. Employee Theft

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

For the purposes of this Insuring Agreement, "theft" includes forgery.

b. ERISA Plan Official Dishonesty

We will pay for loss of or damage to "money", "securities" and "other property" belonging to an "ERISA employee benefit plan" resulting directly from "fraud or dishonesty" committed by:

- (1) An "ERISA plan official", whether identified or not; or
- (2) You, but only if you are a sole proprietor;
acting alone or in collusion with other persons.

c. Employee Theft Of Clients' Property

We will pay for loss of or damage to "money", "securities" and "other property" sustained by your "client" resulting directly from "theft" committed by an identified "employee", acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" includes forgery.

2. Forgery Or Alteration

a. Forgery Of Negotiable Instruments

- (1) We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
 - (a) Made or drawn by or drawn upon you; or
 - (b) Made or drawn by one acting as your agent;
or that are purported to have been so made or drawn.

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

- (2) If you are sued for refusing to pay any instrument covered in Paragraph (1) above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

b. Forgery Of Payment Card Instruments

We will pay for loss resulting directly from "forgery" of written instruments required in conjunction with any credit, debit or charge card issued to:

- (1) You; or
- (2) Any of your "employees" or "ERISA plan officials";
for business purposes.

3. Inside The Premises – Theft Of Money And Securities

We will pay for:

- a. Loss of "money" and "securities" inside the "premises" or "financial institution premises":
 - (1) Resulting directly from "theft" committed by a person present inside such "premises" or "financial institution premises"; or
 - (2) Resulting directly from disappearance or destruction.
- b. Loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" or "securities", if you are the owner of the "premises" or are liable for damage to it.
- c. Loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of, or unlawful entry into, those containers.

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

We will pay for:

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

5. Outside The Premises

We will pay for:

- a. Loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- b. Loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

6. Computer And Funds Transfer Fraud

We will pay for:

- a. Loss resulting directly from a fraudulent:
 - (1) Entry of "electronic data" or "computer program" into; or
 - (2) Change of "electronic data" or "computer program" within;

any "computer system", provided that the fraudulent entry or fraudulent change causes, with regard to Paragraphs (1) and (2) above:

(a) "Money", "securities" or "other property" to be transferred, paid or delivered to a person, entity or account beyond your control; or

(b) Your account at a "financial institution" to be debited or deleted;

without your knowledge or consent.

b. Loss resulting directly from a "financial institution" debiting your "transfer account" in reliance upon a "transfer instruction" purportedly issued by you directing the "financial institution" to transfer, pay or deliver "money" or "securities" from that account, but which "transfer instruction" proves to have been fraudulently issued by an imposter without your knowledge or consent.

7. Fraudulent Impersonation

We will pay for:

a. Loss resulting directly from you having acted upon a "transfer instruction" that was, in fact, issued by a "client" or "vendor", but in which the bank account information or wire transfer instructions of such "client" or "vendor" had been changed by you acting in good faith reliance upon a "change of account request" purportedly issued by an "authorized person" or the "client" or "vendor", but which "change of account request" proves to have been fraudulently issued by an imposter without the knowledge or consent of the "authorized person", "client" or "vendor" and the fraudulent act resulted in you transferring, paying or delivering "money" or "securities" to a person, entity or account beyond your control; or

b. Loss resulting directly from you having acted in good faith reliance upon a "transfer instruction" purportedly issued by an "authorized person", "client" or "vendor" and you transferred, paid or delivered "money" or "securities" to a person, entity or account beyond your control, but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the "authorized person", "client" or "vendor".

8. Money Orders And Counterfeit Money

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

a. Money orders issued by any post office, express company or "financial institution" that are not paid upon presentation; or

b. "Counterfeit money" that is acquired during the regular course of business.

B. Limit Of Insurance

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

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

C. Deductible

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

D. Exclusions

1. Exclusions Applicable To All Insuring Agreements

This Policy does not cover:

a. Acts Committed By You, Your Partners Or Members

Loss resulting from "theft" or any other fraudulent or dishonest act committed by:

(1) You; or

(2) Any of your partners or "members";

whether acting alone or in collusion with other persons, except when covered under Insuring Agreement A.1.b.

b. Acts Committed By Your Employees, ERISA Plan Officials, Managers, Directors, Trustees Or Representatives

Loss resulting from "theft" or any other fraudulent or dishonest act committed by any of your "employees", "ERISA plan officials", "managers", directors, trustees or authorized representatives:

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

except when covered under Insuring Agreement **A.1.a.**, **A.1.b.** or **A.1.c.**

c. Acts Committed By Your Employees Or ERISA Plan Officials Prior To The Policy Period

Loss caused by any "employee" or "ERISA plan official" if the "employee" or "ERISA plan official" had also committed "theft" or any other fraudulent or dishonest act prior to the effective date of this Policy and you or a "designated person", not in collusion with the "employee" or "ERISA plan official", learned of such "theft" or fraudulent or dishonest act prior to the Policy Period shown in the Declarations.

d. Confidential Or Personal Information

Loss resulting from:

- (1) The disclosure of your or another person's or entity's confidential or personal information; or
- (2) The use of another person's or entity's confidential or personal information, except that this Paragraph (2) does not apply to loss otherwise covered under this Policy that results directly from the use of your or an "employee benefit plan" participant's confidential or personal information.

For the purposes of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, "client", customer or "vendor" information, financial information, payment card information, health information, retirement or health savings account information or any other type of nonpublic information.

e. Data Security Breach

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

f. Governmental Action

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

g. Indirect Loss

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

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

h. Kidnap, Ransom, Extortion And Other Unlawful Demands

- (1) Loss resulting from the surrender of ransom in response to an unlawful demand including, but not limited to, an unlawful demand arising out of:
 - (a) An actual or alleged kidnap or threat to do bodily harm to any person, other than "robbery" covered under this Policy;
 - (b) A threat to do damage to any property or to contaminate, pollute or render substandard your products or goods;
 - (c) A threat to introduce a denial of service attack into any "computer system";

- (d) A threat to introduce a virus or other malicious instruction into any "computer system", which would encrypt, damage, destroy or corrupt "electronic data" or "computer programs" stored within the "computer system"; or
- (e) A threat to access, download, disseminate, divulge or utilize:
 - (i) Your information or the information of any other natural person or entity; or
 - (ii) Weaknesses in the source code within any "computer system";
 except when covered under Insuring Agreement **A.1.a.** or **A.1.b.**
- (2) Loss resulting from payment of any kind in response to a denial of service attack, ransomware, virus or other malicious instruction introduced into any "computer system" that denies or restricts access, encrypts, downloads or otherwise damages, destroys or corrupts any "computer system", "electronic data" or "computer program", except when covered under Insuring Agreement **A.1.a.** or **A.1.b.**
- (3) Fees, costs and expenses incurred by you arising out of any act or event in Paragraph (1) or (2) above.

i. Legal Fees, Costs And Expenses

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

j. Nuclear, Biological Or Chemical Hazard

Loss or damage resulting from the dispersal or application of pathogenic or poisonous biological or chemical materials, nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident, however caused.

k. Pollution

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

l. Virtual Currency

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

m. War And Military Action

Loss or damage resulting from:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

2. Additional Exclusions Applicable To Specific Insuring Agreements

a. Insuring Agreement **A.1.a.** does not cover:

(1) ERISA Employee Benefit Plans

Loss of property belonging to any "ERISA employee benefit plan".

(2) Inventory Shortages

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

- (a) An inventory computation; or
- (b) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(3) Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(4) Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel a warehouse receipt or any papers connected with it.

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

Inventory Shortages

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

- (1)** An inventory computation; or
- (2)** A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

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

(1) Inventory Shortages

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

- (a)** An inventory computation; or
- (b)** A profit and loss computation.

However, where your "client" establishes wholly apart from such computations that it has sustained a loss resulting from "theft" caused by an identified "employee", then you may offer your "client's" inventory records and actual physical count of inventory in support of the amount of loss claimed.

(2) Trading

Loss resulting from trading, whether in your "client's" name or in a genuine or fictitious account.

(3) Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel a warehouse receipt or any papers connected with it.

d. Insuring Agreement A.2.b. does not cover:

Non-compliance With Payment Card Issuer's Requirements

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

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

(1) Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

(2) Exchanges Or Purchases

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

(3) Fire

Loss or damage resulting from fire, however caused, except:

- (a)** Loss of or damage to "money" and "securities"; and
- (b)** Loss from damage to a safe or vault.

(4) Money Operated Devices

Loss of property contained in any money operated device, unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(5) Motor Vehicles Or Equipment And Accessories

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

(6) Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property", by vandalism or malicious mischief.

(7) Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone else acting on your express or implied authority, being induced by any fraudulent or dishonest act to voluntarily part with title to or possession of any property.

f. Insuring Agreement **A.6.** does not cover:

(1) Authorized Access

Loss resulting from a fraudulent:

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

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

any "computer system" by an "employee" or other person or entity with authorized access to that "computer system".

(2) Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification or other cards, or the information contained on such cards.

(3) Exchanges Or Purchases

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

(4) Fraudulent Instructions

Loss resulting from an "employee" or other person or entity acting upon any kind of instruction to:

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

(b) Debit or delete your account;

which instruction proves to be fraudulent, except for a "financial institution" acting upon an instruction to debit your "transfer account" when covered under Insuring Agreement **A.6.b.**

(5) Inventory Shortages

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

(a) An inventory computation; or

(b) A profit and loss computation.

E. Conditions

1. Conditions Applicable To All Insuring Agreements

a. Additional Premises Or Employees

If, while this Policy is in force, you establish any additional "premises" or hire additional "employees", other than through:

(1) Consolidation or merger with; or

(2) Purchase or acquisition of assets or liabilities of;

another entity, such "premises" and "employees" will automatically be covered under this Policy.

Notice to us of an increase in the number of "premises" or "employees" is not required and no additional premium will be charged for the remainder of the Policy Period shown in the Declarations.

b. Cancellation Or Termination

(1) Policy Cancellation

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

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

(i) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(ii) 30 days before the effective date of cancellation if we cancel for any other reason.

- (c) We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- (d) Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date.
- (e) If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- (f) If notice is mailed, proof of mailing will be sufficient proof of notice.

(2) Policy Termination

- (a) This Policy terminates in its entirety immediately upon:
 - (i) The effective date of a "change of control" of the first Named Insured; or
 - (ii) The voluntary dissolution or liquidation of the first Named Insured.
- (b) This Policy terminates as to any Insured, other than the first Named Insured, immediately upon:
 - (i) The effective date of a "change of control" of that Insured; or
 - (ii) The voluntary dissolution or liquidation of that Insured.

If this Policy terminates for any reason specified in Paragraph (a) or (b) above, we will send the first Named Insured any premium refund due. The refund will be pro rata.

(3) Individual Insured Or Coverage Cancellation

We, or the first Named Insured shown in the Declarations, may cancel this Policy as to any Insured or on any Insuring Agreement or coverage in accordance with the provisions of Paragraph (1) above.

(4) Termination Of Coverage As To Any Employee Or ERISA Plan Official

This Policy terminates as to any "employee" or "ERISA plan official":

- (a) As soon as:
 - (i) A "designated person"; or
 - (ii) An "employee" in your Human Resources Department or its equivalent; not in collusion with the "employee" or "ERISA plan official", learns of "theft" or any other fraudulent or dishonest act committed by the "employee" or "ERISA plan official", whether before or after becoming employed by you; or
- (b) On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

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

c. Changes

This Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

d. Concealment, Misrepresentation Or Fraud

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

- (1) This Policy;
- (2) The property covered under this Policy;
- (3) Your interest in the property covered under this Policy; or
- (4) A claim under this Policy.

e. Consolidation – Merger – Acquisition

(1) Except as provided in Paragraph (2) below, if you consolidate or merge with another entity where you are the surviving entity, or you purchase or acquire the assets or liabilities of another entity:

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

Any "employee benefit plan" acquired in such consolidation, merger or purchase or acquisition will automatically be included as an Insured under this Policy.

(2) For "subsidiaries" you acquire in which you own greater than 50% of the voting stock or voting rights, the coverage provided by this Policy will automatically apply to loss sustained by such acquired "subsidiary" resulting directly from an "occurrence" taking place at any time which is "discovered" by a "designated person" during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period To Discover Loss Condition E.1.j., provided that:

- (a) The assets of the acquired "subsidiary" do not exceed the Percentage Of Total Assets Applicable To Subsidiary Acquisitions shown in the Declarations, which is based on your total assets as reflected in your most recent fiscal year-end consolidated financial statements immediately preceding the effective date of this Policy; and
- (b) The acquired "subsidiary" has not had any paid or reported claims of the type covered under this Policy for the three-year period prior to the date of such acquisition.

You are not required to provide notice of the acquisition to us and you are not required to pay any additional premium for the remainder of the Policy Period shown in the Declarations.

Any "employee benefit plan" of an acquired "subsidiary" will automatically be included as an Insured under this Policy.

f. Cooperation

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

g. Duties In The Event Of Loss

Upon "discovery" of loss or a situation that may result in loss of or damage to "money", "securities" or "other property":

(1) Except as provided in Paragraph (2) below, you must:

- (a) Notify us as soon as possible;
- (b) Give us a detailed, sworn proof of loss within 120 days;
- (c) Cooperate with us in the investigation and settlement of any claim;
- (d) Produce for our examination all pertinent records;
- (e) Submit to examination under oath at our request and give us a signed statement of your answers; and
- (f) Secure all of your rights of recovery against any person or entity responsible for the loss and do nothing to impair those rights.

- (2) If a Deductible Amount applies to the loss and a percentage is shown in the Declarations as the Percentage Of Deductible Amount Over Which Losses Must Be Reported, you do not have to notify us if the amount of loss at the time of "discovery" does not exceed such percentage of the applicable Deductible Amount.

However, if you later learn that the amount of such loss exceeds, or may reasonably be expected to exceed, the percentage of the applicable Deductible Amount, then you must:

- (a) Notify us no later than 15 days from the earliest of:
- (i) The date you learned that such loss exceeded the percentage of the applicable Deductible Amount;
 - (ii) The effective date of termination or cancellation of this Policy; or
 - (iii) The termination of the period of time provided in the Extended Period To Discover Loss Condition **E.1.j.(1)**;
- (b) Give us a detailed, sworn proof of loss within 120 days from the date you gave us notice; and
- (c) Comply with the requirements set forth in Paragraphs **(1)(c)** through **(1)(f)** above.
- (3) If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.1.a.**, **A.1.b.**, **A.1.c.** or **A.2.**) involves a violation of law, you must notify the local law enforcement authorities.

h. Employee Benefit Plans

Any payment we make for loss sustained by any "employee benefit plan" will be made to the plan sustaining the loss and will fully release us on account of such loss.

i. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this Policy at any time during the Policy Period shown in the Declarations and up to three years afterward.

j. Extended Period To Discover Loss

We will pay for loss that you sustain prior to the effective date of cancellation or termination of this Policy in its entirety, as to any Insured or on any Insuring Agreement or coverage, which is "discovered" by a "designated person":

- (1) Except as provided in Paragraph **(2)** below, no later than 60 days from the date of that cancellation or termination. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you or that Insured, whether from us or another insurer, which replaces in whole or in part the coverage afforded under this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than one year from the date of that cancellation or termination with regard to any "ERISA employee benefit plan". However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you or that "ERISA employee benefit plan", whether from us or another insurer, that provides, at a minimum, the same coverage afforded by Insuring Agreement **A.1.b.** in an amount that is no less than the minimum amount of coverage required under ERISA and which also provides that such coverage applies to loss sustained prior to its effective date.

k. Inspections And Surveys

- (1) We have the right to:
- (a) Make inspections and surveys at any time;
 - (b) Give you reports on the conditions we find; and
 - (c) Recommend changes.
- (2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or entity to provide for the health or safety of workers or the public. And we do not warrant that conditions:
- (a) Are safe or healthful; or
 - (b) Comply with laws, regulations, codes or standards.

- (3) Paragraphs (1) and (2) above apply not only to us, but also to any rating, advisory, rate service or similar entity which makes insurance inspections, surveys, reports or recommendations.

i. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this Policy.
- (2) If a "designated person" of any Insured has knowledge of any information relevant to this 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) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (5) Payment by us to the first Named Insured for loss sustained by any Insured, or payment by us to any "employee benefit plan" for loss sustained by that plan, will fully release us on account of such loss.

m. Legal Action Against Us

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

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

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

n. Liberalization

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

o. Other Insurance

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

(1) Primary Insurance

When this Policy is written as primary insurance and:

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

(2) Excess Insurance

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

p. Ownership Of Property; Interests Covered

The property covered under this Policy is limited to property:

- (1) That you own or lease;

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

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

q. Policy Bridge – Discovery Replacing Loss Sustained

- (1) If this Policy replaces insurance that provided you with an extended period of time after cancellation or termination in which to discover loss and which did not terminate at the time this Policy became effective:
 - (a) We will not pay for any loss that occurred during the policy period of that prior insurance which is discovered by you during such extended period of time to discover loss, unless the amount of loss exceeds the limit of insurance and deductible amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this Policy.
 - (b) However, any payment we make for the excess loss will not be greater than the difference between the limit of insurance and deductible amount of that prior insurance and the Limit Of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.
- (2) The Other Insurance Condition **E.1.o.** does not apply to this condition.

r. Premiums

The first Named Insured shown in the Declarations:

- (1) Is responsible for the payment of all premiums; and
- (2) Will be the payee for any return premiums we pay.

s. Records

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

t. Recoveries

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

u. Territory

This Policy covers loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

v. Transfer Of Your Rights And Duties Under This Policy

- (1) Your rights and duties under this Policy may not be transferred without our written consent, except in the case of death of an individual Named Insured.
- (2) If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

w. Transfer Of Your Rights Of Recovery Against Others To Us

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

x. Valuation – Settlement

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

(1) Money

Loss of "money" but only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- (a) At face value in the "money" issued by that country; or
- (b) 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".

(2) Securities

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

- (a) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- (b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (i) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - (ii) Limit of Insurance applicable to the "securities".

(3) Property Other Than Money And Securities

- (a) Loss of or damage to property other than "money" and "securities" for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The Limit of Insurance applicable to the lost or damaged property;
 - (ii) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
- (b) We will not pay on a replacement cost basis for any loss or damage to property covered under Paragraph (a) above:
 - (i) Until the lost or damaged property is actually repaired or replaced; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage occurred.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.
- (c) We will, at your option, pay for loss or damage to such property:
 - (i) In the "money" of the country in which the loss or damage was sustained; or
 - (ii) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage was sustained, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".
- (d) Any property that we pay for or replace becomes our property.

2. Additional Conditions Applicable To Specific Insuring Agreements

a. Under Insuring Agreement A.1.b.

(1) Limit Of Insurance

You are responsible for selecting a Limit of Insurance for "ERISA employee benefit plans" covered under Insuring Agreement **A.1.b.** that is equal to, or greater than, the minimum amounts of coverage required under ERISA as set forth in Paragraphs **(a)** and **(b)** below.

(a) For "ERISA employee benefit plans" holding no employer securities:

(i) 10% of the amount of funds handled as of the effective date of this Policy; or

(ii) \$500,000;

whichever is less, but in no event less than \$1,000.

(b) For "ERISA employee benefit plans" holding employer securities:

(i) 10% of the amount of funds handled as of the effective date of this Policy; or

(ii) \$1,000,000;

whichever is less, but in no event less than \$1,000.

If two or more "ERISA employee benefit plans" are covered under Insuring Agreement **A.1.b.**, the Limit of Insurance must be written in an amount sufficient to cover each plan as if they were separately insured.

If at the time of "discovery" of loss sustained by an "ERISA employee benefit plan", the Limit of Insurance for Insuring Agreement **A.1.b.** no longer complies with the minimum amount of coverage required for such plan, we will automatically increase the Limit of Insurance for such plan so as to equal such required minimum amount of coverage. You are not required to pay any additional premium for the increase in the Limit of Insurance.

If the minimum amounts of coverage required under ERISA are amended after the effective date of this insurance, the amended minimum amounts of coverage will automatically apply to the "ERISA employee benefit plans" covered under Insuring Agreement **A.1.b.** You are not required to pay any additional premium for the remainder of the Policy Period shown in the Declarations.

(2) Payment For Loss Sustained By Multiple Plans

Any payment we make for loss:

(a) Sustained by two or more "ERISA employee benefit plans"; or

(b) Of commingled "money", "securities" or "other property" of two or more "ERISA employee benefit plans";

will be made to each such plan sustaining loss in the proportion that the amount of coverage required under ERISA for each such plan bears to the total amount of coverage on all plans sustaining loss.

(3) Deductible Amount

Section **C.** Deductible does not apply to loss sustained by an "ERISA employee benefit plan" covered under Insuring Agreement **A.1.b.**

b. Under Insuring Agreement A.1.c.

The **Ownership Of Property; Interests Covered** Condition **E.1.p.** is replaced by the following:

Ownership Of Property; Interests Covered

The property covered under this Insuring Agreement is limited to property:

(1) That your "client" owns or leases;

(2) That your "client" holds for others in any capacity; or

(3) For which your "client" is legally liable, provided that your "client" was liable for the property prior to the time the loss was sustained.

However, this Policy is for your benefit only. It provides no rights or benefits to any other person or entity, including your "client". Any claim for loss that is covered under this Insuring Agreement must be presented by you.

c. Under Insuring Agreement A.2.

(1) Deductible Amount

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

(2) Electronic And Mechanical Signatures

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

(3) Proof Of Loss

You must include with your proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Under Insuring Agreement A.5.

Armored Motor Vehicle Companies

We will only pay for the amount of loss you cannot recover:

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

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

e. Under Insuring Agreement A.7.

(1) Change Of Account Requests

You must make a reasonable effort to verify, but not through email, the authenticity of any "change of account request" with:

(a) The "client" or "vendor" purporting to have issued the "change of account request"; or

(b) An "authorized person", but not the "authorized person" purporting to have issued the "change of account request";

and contemporaneously document the result of your effort before transferring any property.

(2) Transfer Instructions

You must make a reasonable effort to verify, but not through email, the authenticity of any "transfer instruction" with:

(a) The "client" or "vendor" purporting to have issued the "transfer instruction"; or

(b) An "authorized person", but not the "authorized person" purporting to have issued the "transfer instruction";

and contemporaneously document the result of your effort before transferring any property.

F. Definitions

1. "Authorized person" means:

a. Any "employee", partner, "member", "manager", director or trustee;

b. Any "ERISA plan official"; or

c. You (but only if you are a sole proprietor);

who, with regard to Paragraphs **a.**, **b.** and **c.** above, has the authority to:

(1) Act upon "change of account requests" or direct others to act upon such requests; or

(2) Issue "transfer instructions" or direct others to issue such instructions.

2. "Change of account request" means an instruction received by you, which is transmitted:

a. By email, text message, instant message, telefacsimile, telephone or other electronic means; or

b. In writing;

directing you to change a "client's" or "vendor's" bank account information or wire transfer instructions.

3. "Change of control" means:

a. The acquisition of any Insured of more than 50% of its assets by an entity other than another Insured, or the merger or consolidation of any Insured into or with an entity other than another Insured, such that the acquired Insured is not the surviving entity; or

- b. The obtaining by any person, entity or affiliated group of persons or entities of the right to:
 - (1) Elect, appoint or designate more than 50% of the board of directors, board of trustees or functional equivalent thereof, of any Insured; or
 - (2) Exercise a majority control of the board of directors, board of trustees or a functional equivalent thereof, of any Insured.
- 4. "Client" means any natural person or entity to whom you provide goods or services in exchange for a fee or pursuant to a written agreement.
- 5. "Computer program" means a set of related electronic instructions, which direct the operation and function of a computer or devices connected to it, which enables the computer or devices to receive, process, store or send "electronic data".
- 6. "Computer system" means:
 - a. Any computer, including transportable or handheld devices, electronic storage devices and related peripheral components;
 - b. Any systems and applications software; and
 - c. Any related telecommunications networks, including the Internet, connected to or used in conjunction with such computer or devices:
 which, with regard to Paragraphs **a.**, **b.** and **c.** above:
 - (1) Collects, transmits, processes, stores or retrieves "electronic data"; and
 - (2) Is:
 - (a) Owned, leased or operated by you;
 - (b) Owned and operated by an "employee" who has agreed in writing to your personal device use policy; or
 - (c) Operated by an authorized third party while performing services for you, but only with respect to your "electronic data".
- 7. "Counterfeit money" means an imitation of "money", which is intended to deceive and to be taken as genuine.
- 8. "Custodian" means you, or any of your partners, "members" or "employees" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
- 9. "Designated person" means:
 - a. Any insurance risk manager;
 - b. Any partner, "member", "manager", director or trustee;
 - c. Any elected, appointed or otherwise titled officer;
 - d. The highest-ranking "employee" at the "premises" where such "employee" performs the majority of his or her duties; or
 - e. Any administrator, fiduciary, director, trustee, officer or manager of an "employee benefit plan"; of any Insured.
- 10. "Discovery", "discover" or "discovered" means the time when a "designated person" first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.
 "Discovery", "discover" or "discovered" also means the time when a "designated person" first receives notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this Policy.
- 11. "Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

12. "Employee":

a. Means:

(1) Any natural person:

- (a)** While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any other fraudulent or dishonest act committed by the "employee";
- (b)** Whom you compensate directly by salary, wages or commissions; and
- (c)** Whom you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you:

- (a)** To substitute for a permanent "employee" defined in Paragraph **(1)** above, who is on leave; or
- (b)** To meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you;

(3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business, but does not mean a temporary "employee" defined in Paragraph **(2) above;**

(4) Any natural person who is:

- (a)** An administrator, director, trustee, manager or "employee", except an administrator or manager who is an independent contractor, of a "Non-ERISA employee benefit plan"; or
- (b)** A director, trustee or "employee" of an Insured sponsoring a "Non-ERISA employee benefit plan", while that person is engaged in handling "money", "securities" or "other property" of the plan;

(5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;

(6) Any natural person who is a guest student or intern pursuing studies or duties;

(7) Any natural person employed by an entity merged or consolidated with you prior to the effective date of this Policy; and

(8) Any natural person who is your "manager", director or trustee while:

- (a)** Performing acts within the scope of the usual duties of an "employee"; or
- (b)** Acting as a member of any committee duly elected or appointed by resolution of your board of directors, board of trustees or functional equivalent thereof, to perform specific, as distinguished from general, directorial acts on your behalf.

b. Does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **a.** above.

13. "Employee benefit plan" means any "ERISA employee benefit plan" or "Non-ERISA employee benefit plan":

a. Shown in the Declarations as the first Named Insured; or

b. Included as an Insured and is sponsored:

(1) Solely by another Insured; or

(2) Jointly by another Insured and an employee organization, including a labor organization, solely for the benefit of that Insured's "employees".

14. "ERISA employee benefit plan" means any welfare or pension benefit plan that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

15. "ERISA plan official":

a. Means any natural person who is:

(1) An administrator, fiduciary, director, trustee, manager or "employee" of an "ERISA employee benefit plan"; or

- (2) A director, trustee or "employee" of an Insured sponsoring an "ERISA employee benefit plan", while that person is engaged in handling "money", "securities" or "other property" of such plan.
- b. Does not mean:
Any agent, broker, financial institution, registered representative, investment advisor, independent contractor or representative of the same general character.
16. "Financial institution" means:
- a. With regard to Insuring Agreement **A.3.:**
- (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or
- (2) An insurance company.
- b. With regard to Insuring Agreement **A.6.:**
- (1) A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution;
- (2) An insurance company; or
- (3) A stock brokerage firm or investment company.
- c. For Insuring Agreements other than Insuring Agreements **A.3.** and **A.6.**, any financial institution.
17. "Financial institution premises" means the interior of that portion of any building occupied by a "financial institution" listed in Paragraph **16.a.**
18. "Forgery" means the signing of the name of another person or entity with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
19. "Fraud or dishonesty" means larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, willful misapplication or other fraudulent or dishonest act, including any act or arrangement prohibited by title 18, section 1954 of the U.S. Code.
20. "Manager" means a natural person serving in a directorial capacity for a limited liability company.
21. "Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".
22. "Messenger" means you, or your relative, or any of your partners, "members" or "employees" while having care and custody of property outside the "premises".
23. "Money" means:
- a. Currency, coins and bank notes in current use and having a face value;
- b. Traveler's checks and money orders held for sale to the public; and
- c. In addition, includes:
- (1) Under Insuring Agreements **A.1.a.**, **A.1.b.**, **A.1.c.** and **A.2.**, deposits in your account at any "financial institution"; and
- (2) Under Insuring Agreement **A.6.**, deposits in your account at any "financial institution" listed in Paragraph **16.b.**
24. "Non-ERISA employee benefit plan" means any welfare or pension benefit plan other than an "ERISA employee benefit plan".
25. "Occurrence" means:
- a. Under Insuring Agreements **A.1.a.** and **A.1.c.:**
- (1) An individual act;
- (2) The combined total of all separate acts, whether or not related; or
- (3) A series of acts, whether or not related;
- committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both during and before such Policy Period.

- b. Under Insuring Agreement A.1.b.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts, whether or not related; or
 - (3) A series of acts, whether or not related;

committed by an "ERISA plan official" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, before such Policy Period or both during and before such Policy Period.
 - c. Under Insuring Agreement A.2.:**
 - (1) An individual act;
 - (2) The combined total of all separate acts, whether or not related; or
 - (3) A series of acts, whether or not related;

committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, before such Policy Period or both during and before such Policy Period.
 - d. Under all other Insuring Agreements:**
 - (1) An individual act or event;
 - (2) The combined total of all separate acts or events, whether or not related; or
 - (3) A series of acts or events, whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, before such Policy Period or both during and before such Policy Period.
- 26.** "Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include "computer programs", "electronic data" or any property specifically excluded under this Policy.
- 27.** "Premises" means the interior of that portion of any building you occupy in conducting your business.
- 28.** "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- a.** Caused or threatened to cause that person bodily harm; or
 - b.** Committed an obviously unlawful act witnessed by that person.
- 29.** "Safe burglary" means the unlawful taking of:
- a.** Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b.** A safe or vault from inside the "premises".
- 30.** "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or property and includes:
- a.** Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b.** Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include "money".
- 31.** "Subsidiary":
- a.** Means any entity covered under this Policy:
 - (1) In which on or before the effective date of this Policy you own, directly or indirectly, greater 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 or functional equivalent thereof; or

- (2) That you form or acquire during the Policy Period shown in the Declarations in which you own, directly or indirectly, greater 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 or functional equivalent thereof, subject to Paragraph **E.1.e.(2)** of the Consolidation – Merger – Acquisition Condition.
- b. Does not mean:
Any joint venture or partnership in which you have an ownership interest, unless the joint venture or partnership is added as an Insured by endorsement.
32. "Theft" means:
- a. The unlawful taking of property to the deprivation of the Insured; or
 - b. Solely with regard to Insuring Agreement **A.1.c.**, the unlawful taking of property to the deprivation of a "client".
33. "Transfer account" means an account maintained by you at a "financial institution" from which you can initiate the transfer, payment or delivery of "money" or "securities".
34. "Transfer instruction" means:
- a. With regard to Insuring Agreement **A.6.b.**, an instruction received by a "financial institution", which is transmitted:
 - (1) By email, text message, instant message, telefacsimile, telephone or other electronic means; or
 - (2) In writing, other than an instrument covered under Insuring Agreement **A.2.**;
directing the "financial institution" to transfer, pay or deliver "money" or "securities" from your "transfer account" to a person, entity or account beyond your control.
 - b. With regard to Insuring Agreement **A.7.**, an instruction received by you, which is transmitted:
 - (1) By email, text message, instant message, telefacsimile, telephone or other electronic means; or
 - (2) In writing;
directing you to transfer, pay or deliver "money" or "securities" to a person, entity or account beyond your control.
35. "Vendor" means a natural person or entity that provides or has provided goods or services to you pursuant to a written agreement but does not include any financial institution or armored motor vehicle company.
36. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

REVISED DEFINITION OF "THEFT"

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY (DISCOVERY FORM)

It is understood and agreed that 32. "Theft" under **F. Definitions** is deleted in its entirety and replaced with the following:

32. "Theft" means:

- a. The intentional unlawful taking of property to the deprivation of the Insured; or
- b. Solely with regard to Insuring Agreement A.1.c., the intentional unlawful taking of property to the deprivation of a "client".

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE DESIGNATED AGENTS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- COMMERCIAL FIDELITY AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT FIDELITY AND FORGERY POLICY

and applies to the Employee Theft Insuring Agreement.

SCHEDULE

Capacity Of Agent	Limit Of Insurance
Property Manager	\$100,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following is added to Paragraph 2. of Section **E. Conditions:**

Agents

1. The most we will pay under this insurance for loss caused by an agent included as an "employee" by this endorsement is the Limit Of Insurance shown in the Schedule. That Limit of Insurance is part of, not in addition to, the Limit Of Insurance shown in the Declarations as applicable to the Employee Theft Insuring Agreement.
2. Each such agent and the partners, members, officers and employees of that agent are considered to be, collectively, one "employee" for the purposes of this insurance. However, the Termination Of Coverage As To Any Employee provision in the Cancellation Or Termination Condition applies individually to each of them.

B. In Section **F. Definitions:**

The definition of "employee" is amended to include each natural person, partnership or corporation you appoint in writing to act as your agent in the capacity shown in the Schedule while acting on your behalf or while in possession of covered property. These natural persons, partnerships or corporations are not covered for faithful performance of duty, even in the event that this insurance may have been amended by endorsement to provide such coverage on other "employees".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE SPECIFIED NON-COMPENSATED OFFICERS AS EMPLOYEES

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- COMMERCIAL FIDELITY AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT FIDELITY AND FORGERY POLICY

SCHEDULE

Names Or Titles Of Non-compensated Officers
All non-compensated officers
Members of the Board of Directors
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

In Section **F. Definitions:**

The definition of "employee" is amended to include your non-compensated officers shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INCLUDE VOLUNTEER WORKERS OTHER
THAN FUND SOLICITORS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY

In Section F. Definitions:

The definition of "employee" is amended to include any non-compensated natural person, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY

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

- B.** 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. **But 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; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or
4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the "terrorism" was to release such material; or
5. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. 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, for the purpose of determining whether the threshold is exceeded.

With respect to this Paragraph **B.5.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Policy.

C. Application Of Other Exclusions

1. When the Exclusion Of Terrorism applies in accordance with the terms of Paragraphs **B.1.** through **B.4.** above, such exclusion applies without regard to the Nuclear, Biological Or Chemical Hazard Exclusion in this Policy.
2. 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 or damage which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear, Biological Or Chemical Hazard Exclusion or the War And Military Action Exclusion.

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.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

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OFFICE OF FOREIGN ASSET CONTROL (OFAC) EXCLUSION ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions laws or regulations of the European Union, United Kingdom or the United States.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY

A. The following is added to Section D.1. Exclusions Applicable To All Insuring Agreements:

We will not pay for loss or damage resulting directly or indirectly from the following. Such loss or damage is excluded, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

1. The failure, malfunction or inadequacy of:

a. Any of the following, whether belonging to any Insured or to others:

- (1)** Computer hardware, including microprocessors;
- (2)** Computer application software;
- (3)** Computer operating systems and related software;
- (4)** Computer networks;
- (5)** Microprocessors (computer chips) not part of any computer system; or
- (6)** Any other computerized or electronic equipment or components; or

b. Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph a. above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

2. Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for any potential or actual problems described in Paragraph 1. above.

B. The following is added to Section E.1. Conditions Applicable To All Insuring Agreements:

- 1. If an excluded cause of loss as described in Paragraph A. above results in a covered cause of loss under this insurance, we will pay only for the loss or damage.**
- 2. We will not pay for repair, replacement or modification of any items in Paragraphs A.1.a. and A.1.b. above to correct any deficiencies or change any features.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDAHO CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY
COMMERCIAL FIDELITY AND FORGERY POLICY
GOVERNMENT CRIME POLICY
GOVERNMENT FIDELITY AND FORGERY POLICY
KIDNAP/RANSOM AND EXTORTION POLICY

A. Under the Commercial Crime Policy, Commercial Fidelity And Forgery Policy, Government Crime Policy and Government Fidelity And Forgery Policy, Paragraphs **(a)** and **(b)** of **(1) Policy Cancellation** under the **Cancellation Or Termination** Condition are replaced by the following:

(a) The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first Named Insured or the date we receive the request.

(b) Policies In Effect

(i) 60 Days Or Less

If this Policy has been in effect for 60 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- i.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10-day notification period begins to run five days following the date of postmark; or
- ii.** 30 days before the effective date of cancellation if we cancel for any other reason.

(ii) More Than 60 Days

If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- i.** Nonpayment of premium;
- ii.** Fraud or material misrepresentation made by you or with your knowledge in obtaining the Policy, continuing the Policy or in presenting a claim under the Policy;
- iii.** Acts or omissions on your part which increase any hazard insured against;
- iv.** Change in the risk which materially increases the risk of loss after the Policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- v.** Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- vi.** A determination by the Director of Insurance that continuation of this Policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- vii.** Violation or breach by the Insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- i. 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10-day notification period begins to run five days following the date of postmark; or
- ii. 30 days before the effective date of cancellation if we cancel for any other reason stated in Paragraph **(b)(ii)** above.

B. Under the Kidnap/Ransom And Extortion Policy, Paragraphs **(1)** and **(2)** of the **Cancellation Of Policy** Condition are replaced by the following:

(1) The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first Named Insured or the date we receive the request.

(2) Policies In Effect

(a) 60 Days Or Less

If this Policy has been in effect for 60 days or less, we may cancel this Policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (i)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10-day notification period begins to run five days following the date of postmark; or
- (ii)** 30 days before the effective date of cancellation if we cancel for any other reason.

(b) More Than 60 Days

If this Policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:

- (i)** Nonpayment of premium;
- (ii)** Fraud or material misrepresentation made by you or with your knowledge in obtaining the Policy, continuing the Policy or in presenting a claim under the Policy;
- (iii)** Acts or omissions on your part which increase any hazard insured against;
- (iv)** Change in the risk which materially increases the risk of loss after the Policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (v)** Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;
- (vi)** A determination by the Director of Insurance that continuation of this Policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (vii)** Violation or breach by the Insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (i)** 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10-day notification period begins to run five days following the date of postmark; or
- (ii)** 30 days before the effective date of cancellation if we cancel for any other reason stated in Paragraph **(2)(b)** above.

C. The following are added and supersede any other provision to the contrary:

1. Nonrenewal

- a.** If we elect not to renew this Policy, we will mail or deliver to the first Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the Policy.
- b.** We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

- c. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this Policy, this Policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring policy.
- d. We need not mail or deliver this notice if:
 - (1) We have offered to renew this Policy;
 - (2) You have obtained replacement coverage; or
 - (3) You have agreed in writing to obtain replacement coverage.
- e. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Premium Or Coverage Changes At Renewal

- a. If we elect to renew this Policy, we will mail or deliver written notice of any total premium increase greater than ten percent (10%), which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage, to the first Named Insured at the last mailing address known to us.
- b. Any such notice will be mailed or delivered to the first Named Insured at least 30 days before the expiration or anniversary date of the Policy.
- c. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the Policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - (1) 30 days after notice is given; or
 - (2) The effective date of replacement coverage obtained by the first Named Insured.
- d. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
- e. If the first Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

COMMUNITY ASSOCIATION CRIME

CLAIM REPORTING INSTRUCTIONS

HOW TO REPORT A CLAIM

Report all claims, in writing, directly to Berkley Program Specialists at the following e-mail address – claims59@berkley-ps.com. Claims may also be reported by telephone:

Berkley Program Specialist
Claims Department
Phone: (888) 417-9882
Email: claims59@berkley-ps.com

Include a complete notice of loss (ACORD Notice of Loss form or equivalent) that provides the following information:

1. Insured Name
2. Policy Number
3. Date of Loss
4. Location Address
5. Claimant's Name
6. Description of the Loss

In addition,

- Attach a copy of the Policy to the email.
- Attach all other pertinent documents and/or photos

You will receive an acknowledgement of the claim from Berkley Program Specialists within 72 hours of receipt.

If you receive legal correspondence or documents regarding an action against you, immediate notification to the carrier is required. The carrier will review for coverage prior to accepting the defense of any litigation. As a result, you may be asked by the carrier to engage personal counsel to protect your interests until such time as coverage is accepted.

Claims reported by e-mail will receive a brief acknowledgement via e-mail within 2 working days. Coverage decisions will be issued as quickly as possible, and a Reservation of Rights will be issued if Berkley Program Specialists requires additional time to determine coverage.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

PREFERRED PLUS DIRECTORS & OFFICERS POLICY DECLARATIONS PAGE

Policy Number: QDO0012062-00

Policy Form Number: BPS DO 76 00 (06 23)

Item 1. **Name of Organization:**
The Timbers Condominium Association Inc

Mailing Address:
PO BOX 5892
c/o Boulder Mountain Property Management
City, State, Zip Code:
Ketchum, ID 83340

Item 2. **Policy Period:** From 10/1/2025 To 10/1/2026
(Month, Day, Year) (Month, Day, Year)
(Both dates at 12:01 a.m. Standard Time at the address of the **Organization** as stated in Item 1.)

Item 3. (a) Limit of Liability for each **Policy Year:** \$1,000,000
(b) **FLSA Defense Sublimit of Liability: \$150,000** — This limit is part of and not in addition to the Limit of Liability provided for in 3(a).

Item 4. Retentions:
Insuring Agreement A: **\$0** Each **Claim**
Insuring Agreement B and/or C: **\$1,000** Each **Claim**

Item 5. Premium: \$1,083.00 Annual Taxes/Surcharges: \$0.00 Annual Fees: \$0.00

Item 6. Endorsements Attached:
See Schedule of Forms and Endorsements

Item 7. Notices: All notices required to be given to the **Insurer** under this policy shall be addressed to:
*Berkley Program Specialists,
1250 E Diehl Rd #200,
Naperville, IL 60563*

Item 8. Prior & Pending Litigation Date:
10/1/2016

These Declarations along with the completed and signed Application and Preferred Plus Directors & Officers Policy shall constitute the contract between the **Insureds** and the **Insurer**.

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

SCHEDULE OF FORMS AND ENDORSEMENTS

Reporting Claims	Directors & Officers Claim Reporting Instructions
Reporting Cyber Claims	Cyber Claim and Incident Reporting
BPS DO 76 00 (06 23)	Preferred Plus Directors & Officers Policy Declarations Page
BPS DO 76 03 (06 23)	Schedule of Forms and Endorsements
BPS DO 76 01 (06 23)	Preferred Plus Directors & Officers Policy Table of Contents
BPS DO 76 02 (06 23)	Preferred Plus Directors & Officers Policy
BPD DO 76 27 (06 23)	Cap on Losses from Certified Acts of Terrorism
BPS DO 78 00 PN (06 23)	Policyholder Notice - U.S. Treasury Department's OFAC Advisory Notice
BPS DO 78 01 PN (06 23)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
BPS DO 77 00 ID (09 23)	Idaho Amendatory Endorsement
BPS DO 76 22 (06 23)	Commercial Cyber Data Breach Coverage

PREFERRED PLUS
DIRECTORS & OFFICERS POLICY

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**PREFERRED PLUS
DIRECTORS & OFFICERS POLICY**

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD OR THE AUTOMATIC DISCOVERY PERIOD, OR THE PURCHASED DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the **Application** and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons, Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary, Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim** to which this Policy applies is first made against the **Organization**, any **Subsidiary**, or the **Property Manager** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization**, any **Subsidiary**, or the **Property Manager, Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without the requirement of any additional premium, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Discovery Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- B.** If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-

six (36) months respectively from the end of the **Policy Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

- C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

- A. **"Application"** shall mean all written materials and information, including all signed applications and any materials attached thereto or incorporated therein, submitted by or on behalf of the **Insureds** to the **Insurer** in connection with the underwriting of this Policy. The **Application** is deemed attached to and incorporated into this Policy.

- B. **"Automatic Discovery Period"** shall mean, as discussed in Section II. Discovery Period, Paragraph A., the automatic ninety (90) day extension of the coverage granted by the Policy with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**.

- C. **"Claim"** shall mean:

- (1) a written demand for monetary relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document; or
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document.

- D. **"Claimant"** shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

It is further understood and agreed that **Claimant** shall not include any employee of any **Property Manager**.

- E. **"Construction Defect(s)"** shall mean any actual or alleged defective, faulty or delayed construction or any other matter constituting a construction defect under applicable law, whether common law or statutory, regardless of whether it results from:

- (1) defective or incorrect architectural plans or other designs;

- (2) defective or improper soil testing;
- (3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence;
- (4) construction, manufacture or assembly of any tangible property;
- (5) the failure to provide or pay for any construction-related goods or services; or
- (6) the supervision or management of any construction-related activities.

F. **"Costs of Defense"** shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.

G. **"Discovery Period"** shall mean, as discussed in Section II. Discovery Period, Paragraph A., an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**, which extended coverage can be purchased by the **Organization**.

H. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:

- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
- (2) misrepresentation;
- (3) violation of employment laws;
- (4) sexual or other harassment in the workplace;
- (5) discrimination; whether based upon race, sex, age, national origin, religion, sexual orientation, disability (physical or mental), or based upon any other ground prohibited under applicable state or federal law;
- (6) wrongful failure to employ or promote;
- (7) wrongful discipline;
- (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
- (9) failure to grant tenure;
- (10) negligent employee evaluation;
- (11) retaliation;
- (12) failure to provide adequate workplace or employment policies or procedures;
- (13) defamation (including libel and slander);
- (14) invasion of privacy;
- (15) wrongful demotion;
- (16) negligent reassignment;
- (17) violation of any federal, state or local civil rights laws;
- (18) negligent hiring;
- (19) negligent supervision;
- (20) negligent training;
- (21) negligent retention; or
- (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary'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 **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.

I. **"Financial Insolvency"** shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.

J. **"Fungi"** shall mean any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.

- K. "Insured"** shall mean:
- (1) the **Organization**;
 - (2) any **Subsidiary**;
 - (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any;
 - (4) all **Insured Persons**; and
 - (5) any **Property Manager**, but only if such **Property Manager** is acting pursuant to the written authority granted by the **Organization** or on behalf of and at the direction of the **Organization** or any **Subsidiary**.
- L. "Insured Persons"** shall mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members, whether salaried or not. It shall also mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of any **Property Manager**, but only if such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Organization** or any **Subsidiary**.
- M. "Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V. and VI., **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:
- (1) criminal or civil fines or penalties imposed by law or taxes;
 - (2) the value of perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
 - (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.
- It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.
- N. "Organization"** shall mean the entity named in Item 1 of the Declarations.
- O. "Policy Year"** shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.
- P. "Policy Period"** shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.
- Q. "Property Manager"** shall mean any entity providing real estate property management services to the **Organization** or any **Subsidiary** pursuant to a written contract.
- R. "Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

S. "Subsidiary" shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or
- (3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

T. "Wrongful Act" shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
 - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
 - (b) **Employment Practices Wrongful Act**;
- (2) any matter claimed against any **Insured Persons** solely by reason of their status with the **Organization** or any **Subsidiary**.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A.** brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B.** to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise;
- C.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement;
 - (2) any **Wrongful Act** or any circumstance known by any **Insured Person** prior to the date stated in Item 8 of the Declarations which would indicate the probability of such **Claim** being made, provided, however, this exclusion shall only apply to the **Organization**, its **Subsidiaries** and those **Insured Persons** having such knowledge; or
 - (3) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending

as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;

- D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, emotional distress, invasion of privacy, wrongful entry, trespassing, eviction, false arrest, false imprisonment, malicious prosecution, abuse of process, libel or slander; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act**;
- E. for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, 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 or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F. for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, or equivalent position of an entity other than the **Organization** or any **Subsidiary**;
- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, **fungi**, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement 1.A.;
- H. by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I. other than **Costs of Defense**:
 - (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property;
 - (2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay;
 - (3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this exclusion shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, I.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3 of the Declarations, if any; or
 - (4) for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral; provided, however this exclusion shall not apply to employment related obligations which would have attached absent such contract or agreement;
- J. for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;

- K.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
- (1) actual, alleged or threatened:
 - (a) inhalation of, ingestion of, contact with, or exposure to any **Fungi** or bacteria; or
 - (b) existence of or presence of any **Fungi** or bacteria on or within a building or structure including its contents, regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to any injury or damage; or
 - (2) any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of **Fungi** or bacteria by any **Insured** or by any other person or entity;
- L.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged **Construction Defect(s)**;
- M.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development;

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limits of Liability and Retention

- A.** The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** to which this insurance applies in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations. The **Insured** shall be solely responsible to pay any and all **Loss** within the Retention. Under no circumstances shall the **Insurer** be required to pay any **Loss** within the Retention.
- B.** One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.
- C.** **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount.
- D.** With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.

- E. For the purpose of applying the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

Section VI. Costs of Defense and Settlements

- A. The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. The **Insurer** may, with the written consent of the **Insured**, make any settlement of a **Claim** which the **Insurer** deems reasonable. If the **Insured** withholds its written consent to settlement of a **Claim** recommended in writing by the **Insurer**, the **Insurer's** liability will be limited to:
- (1) the amount of Loss in excess of the retention (if any) which the **Insurer** would have paid to settle the **Claim** had the **Insured** consented to the recommended settlement; and
 - (2) the **Costs of Defense** covered by the Policy and incurred as of the date the **Insurer** recommended the settlement in writing to the **Insured**.

Upon failing to provide written consent to a settlement that the **Insurer** recommends in writing, the **Insured** shall, at its sole expense, assume all further responsibility for the **Costs of Defense** incurred after the date the **Insurer** recommended the settlement to the **Insured** in writing, including all additional costs associated with the investigation, defense and/or settlement of the **Claim**.

Section VII. Notice of Claim

- A. The **Insureds** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date a Board Member or an employee of the **Property Manager** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.
- B. If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a **Wrongful Act** and gives notice to the **Insurer** of: (1) the **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.
- C. In addition to furnishing the notice as provided in Section VII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.

Section VIII. Coverage Extensions

A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a

domestic partner under the provisions of any applicable federal, state or local law.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

B. Application

It is agreed the particulars and statements contained in the **Application** submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the **Application**, except as to the **Organization**, its **Subsidiaries**, and any **Insured Person** making such untrue statement or having knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

C. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

D. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the

assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

E. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

F. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

G. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

H. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

I. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

J. Organization Represents Insured

By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

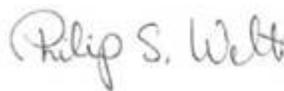
K. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the **Application** submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.



President



Secretary

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

DIRECTORS & OFFICERS INSURANCE POLICY

- 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 injury or damage that is otherwise excluded under this Coverage Part.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

**POLICYHOLDER NOTICE U.S. TREASURY DEPARTMENT'S
OFFICE OF FOREIGN ASSETS CONTROL (OFAC) ADVISORY NOTICE**

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.

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. This list can be located on the United States Treasury's web site: <http://www.treasury.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, 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 or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE**

Coverage for acts of terrorism, as defined in the Terrorism Risk Insurance Act, as amended, (the “Act”), is included in your policy. As defined in Section 102(1) of the Act: The term “act of terrorism” means 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 an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; 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 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Act. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Act contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers’ liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism as defined in the Act is \$0, and does not include any charges for the portion of losses covered by the United States government under the Act.



A Berkley Company

Domicile Office: 11201 Douglas Avenue, Urbandale, IA 50322

Main Administrative Office: 475 Steamboat Road, Greenwich, CT 06830

Underwriting Office: 1250 Diehl Road, Suite 200, Naperville, IL 60563 Telephone: (866) 893-3922

IDAHO AMENDATORY ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In compliance with the insurance regulations of the state of Idaho, the following Section of the Policy is amended as follows:

1. It is understood and agreed that Paragraph **A. Cancellation or Non-Renewal** under **Section IX. General Conditions** is hereby deleted in its entirety and replaced with the following:

A. Cancellation or Non-Renewal

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation. Cancellation will be effective on the later of the date requested by the first Named Insured.

2. Policies in effect

- a. 60 Days or Less

If this policy has been in effect for 60 days or less, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason

- b. More than 60 days

If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

- (1) Nonpayment of premium;
- (2) Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
- (3) Acts or omissions on your part which increase any hazard insured against;
- (4) Change in the risk which materially increases the risk of loss after the policy has been issued or renewed including, but not limited to, an increase in exposure due to regulation, legislation or court decision;
- (5) Loss of or decrease in reinsurance which provided us with coverage for all or part of the risk insured;

- (6) A determination by the Director of Insurance that continuation of this policy would jeopardize our solvency or place us in violation of the insurance laws of Idaho or any other state; or
- (7) Violation or breach by the insured of any policy terms or conditions other than nonpayment of premium.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium. If delivered via United States mail, the 10 day notification period begins to run five days following the date of postmark; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason stated in 2.b. above.

NONRENEWAL

1. If we elect not to renew this policy, we will mail or deliver to the first Named Insured a written notice of intention not to renew at least 45 days prior to the expiration or anniversary date of the policy.
2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
3. If notice is not mailed or delivered at least 45 days before the expiration or anniversary date of this policy, this policy will remain in effect until 45 days after notice is mailed or delivered. Earned premium for the extended period of coverage will be calculated pro rata at the rates applicable to the expiring policy.
4. We need not mail or deliver this notice if: a. We have offered to renew this policy; b. You have obtained replacement coverage; or c. You have agreed in writing to obtain replacement coverage.
5. If notice is mailed, proof of mailing will be sufficient proof of notice.

PREMIUM OR COVERAGE CHANGES AT RENEWAL

1. If we elect to renew this policy, we will mail or deliver written notice of any total premium increase greater than ten percent (10%) which is the result of a comparable increase in premium rates, change in deductible, reduction in limits or reduction in coverage to the first Named Insured, at the last mailing address known to us.
2. Any such notice will be mailed or delivered to the first Named Insured at least 30 days before the expiration or anniversary date of the policy.
3. If notice is not mailed or delivered at least 30 days before the expiration or anniversary date of the policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until the earlier of the following:
 - a. 30 days after notice is given; or

- b. The effective date of replacement coverage obtained by the first Named Insured.
4. If the first Named Insured accepts the renewal, the premium increase, if any, and other changes will be effective on and after the first day of the renewal term.
 5. If the first Named Insured elects not to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

COMMERCIAL CYBER DATA BREACH COVER

THIS ENDORSEMENT'S AGGREGATE LIMIT OF INSURANCE WILL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF THE COVERAGE PROVIDED BY THIS ENDORSEMENT, INCLUDING WITHOUT LIMITATION, PAYMENTS FOR DAMAGES, CLAIMS, CLAIM EXPENSES, REGULATORY FINES, AND LOSSES.

FOR THE AVOIDANCE OF DOUBT, CLAIM EXPENSES ARE INCLUDED WITHIN, REDUCE, AND MAY EXHAUST THE APPLICABLE LIMITS OF LIABILITY.

THIS ENDORSEMENT PROVIDES INDEPENDENT COVERAGES, TERMS, AND DEFINITIONS.

PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY

Various provisions in this **Endorsement** restrict coverage, and coverage is subject to certain conditions precedent set forth in this Endorsement. Read the entire **Endorsement** carefully to determine what is and what is not covered, and the rights and duties of the **Named Insured** and the **Company**.

Schedule of Insurance

Coverage	Limits of Insurance / Sublimits of Insurance
ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE	\$ 250,000
A. LIABILITY COVERAGE LIMIT (Inclusive of the following Insuring Agreements):	\$ 250,000
1. Media	
2. Network Security	
3. Data Compromise	
a. Privacy	
b. Regulatory Coverage	
Regulatory Fines (Sublimit)	\$10,000 each Regulatory Proceeding Claim
B. FIRST PARTY COVERAGE LIMIT (Inclusive of the following Insuring Agreement):	\$50,000
1. Privacy Breach	
C. PER EVENT DEDUCTIBLE	\$1,000
D. ENDORSEMENT PREMIUM	INCLUDED

ENDORSEMENT PERIOD From 10/1/2025 to 10/1/2026

At 12:01 A.M. Standard Time at the address of the **Named Insured** as stated herein.

COMMERCIAL CYBER DATA BREACH COVER

In consideration of the payment of the premium, in reliance on all information provided to the **Company**, and subject to all provisions of this **Endorsement**, the **Named Insured** and **Company** agree as follows:

SECTION I: INSURING AGREEMENTS

This Section lists the coverages that apply if indicated in the Schedule of Insurance and have a Limit of Insurance on the Schedule. If no Limit of Insurance is set forth for an Insuring Agreement in the Schedule, coverage has not been purchased for such Insuring Agreement. For coverage under this **Endorsement**, the applicable **Event** must be first **Discovered** during the **Endorsement Period** and reported to the **Company** in accordance with Section IV.A.

A. LIABILITY COVERAGE

1. MEDIA

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Media Wrongful Event**, provided the **Media Wrongful Event** is first **Discovered** during the **Endorsement Period**.

2. NETWORK SECURITY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Network Security Event**, provided the **Network Security Event** is first **Discovered** during the **Endorsement Period**.

3. DATA COMPROMISE

a. PRIVACY

The **Company** will pay on the **Insured's** behalf the **Damages** resulting from a **Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

b. REGULATORY

The **Company** will pay on the **Insured's** behalf the **Regulatory Fines** and **Claim Expenses** resulting from a **Regulatory Proceeding Claim** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

B. FIRST PARTY COVERAGE

1. PRIVACY BREACH

The **Company** will pay the **Named Insured** for **Privacy Breach Expenses** directly arising from a **Privacy Breach Event**, provided the **Privacy Breach Event** is first **Discovered** during the **Endorsement Period**.

SECTION II: LIMITS OF INSURANCE AND DEDUCTIBLE

A. LIMITS OF INSURANCE

1. ENDORSEMENT AGGREGATE COVERAGE LIMIT OF INSURANCE

The Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule is the maximum aggregate limit of the **Company's** liability under all Insuring Agreements in this **Endorsement** combined, regardless of the number of **Claims**, the number of **Losses**, the number of claimants, and the number of Insuring Agreements triggered.

The Liability Coverage Limits, including sublimits, and the First Party Coverage Limits, including sublimits, listed in the Schedule are all part of, and not in addition to, the Endorsement Aggregate Coverage Limit of Insurance set forth in the Schedule.

COMMERCIAL CYBER DATA BREACH COVER

2. LIABILITY LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "Liability Coverage Limit" for an Insuring Agreement in Section I.A. of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Damages** from all **Claims** and **Related Claims** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the Liability Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

3. FIRST PARTY COVERAGE LIMIT OF INSURANCE

If a Limit of Insurance is set forth in the Schedule under the heading "First Party Coverage Limit" for an Insuring Agreement in Section I.B. of this Endorsement, then such Limit of Insurance is the maximum limit of the **Company's** liability for all **Loss** and **Related Losses** in the aggregate under that Insuring Agreement, which amount is part of, and not in addition to, the First Party Coverage Limit and the Endorsement Aggregate Coverage Limit of Insurance for the **Endorsement Period** set forth in the Schedule.

B. DEDUCTIBLE

1. The **Company** shall only be liable for the amount of **Damages** or **Loss** which is in excess of the applicable Deductible set forth in the Schedule. Such Deductible shall solely be the obligation of the **Named Insured**. The **Company** has no obligation to the **Named Insured** or to any other person or entity to pay all or any portion of any Deductible amount for or on behalf of the **Named Insured**.
2. For the purpose of applying the Deductible, the **Named Insured** shall pay one single Deductible amount for **Damages** and **Loss** arising from the same **Event** or **Related Events**, regardless of whether there is more than one **Claim** or **Loss** arising from the same **Event** or **Related Events**.

C. RELATED EVENTS, RELATED CLAIMS, RELATED LOSS

1. Each **Event** and all its **Related Events** shall be treated as a single **Event**.
2. Each **Claim** and all its **Related Claims** shall be treated as a single **Claim**.
3. Each **Loss** and all its **Related Losses** shall be treated as a single **Loss**.

D. ENDORSEMENT PERIODS

In no event will any **Event** or **Related Event**, **Claim** or **Related Claim**, or **Loss** or **Related Loss** constitute an **Event**, **Claim**, or **Loss** (as applicable) in more than one **Endorsement Period**.

SECTION III: DEFENSE AND SETTLEMENT

A. DUTY TO DEFEND

1. Duty to Defend

The **Company** has the right and duty to defend any **Claim** against the **Insured** seeking **Damages** under this **Endorsement**, even if any of the allegations are groundless, false, or fraudulent. The **Company** has no duty to defend any **Claim** or pay any **Damages** for a **Claim**:

- a. Arising from an **Event** not first **Discovered** during the **Endorsement Period**;
- b. Which is not covered by this **Endorsement**; or
- c. Seeking relief not covered by this **Endorsement**.

COMMERCIAL CYBER DATA BREACH COVER

2. Termination of Duty to Defend

- a. The **Company's** right and duty to defend ends when the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance is exhausted by the **Company's** payments or the **Company** deposits the remaining portion of the Endorsement Aggregate Coverage Limit of Insurance or applicable Limit of Insurance with a court of competent jurisdiction.
- b. The **Company's** right and duty to defend ends when the **Company** makes any of the following determinations:
 - (i) the **Claim** arises from an **Event** not first **Discovered** during the **Endorsement Period**, (ii) the **Claim** is not covered by this **Endorsement**, or (iii) the **Claim** seeks relief that is not covered by this **Endorsement**.

3. Selection of Counsel

The **Company** shall have the right to select and appoint counsel to defend any **Claim**. The **Insured** shall not appoint counsel to defend any **Claim** without **Approval** in advance. Any costs incurred by an **Insured** for work performed by counsel, when that counsel was not **Approved**, shall be borne by the **Insured** and shall not erode the applicable Deductible set forth in the Schedule or be recoverable under this **Endorsement**. The **Company** shall have the right to substitute its chosen counsel for any counsel previously selected by the **Insured** without **Approval** unless otherwise prohibited by applicable law.

B. SETTLEMENT

The **Company** has the right to investigate, direct the defense of, and/or settle any **Claim** as the **Company** deems expedient.

C. COMPANY'S APPROVAL REQUIRED

It is a condition precedent for coverage under this **Endorsement** that the **Insured** shall not admit any liability, make any payment, assume any obligation, incur any expense, enter into or negotiate any settlement, stipulate to any judgment or award, or dispose of any **Claim** without **Approval**.

SECTION IV: REPORTING REQUIREMENTS

A. INSURED'S DUTY TO REPORT

1. NOTICE IS A CONDITION PRECEDENT TO COVERAGE

It is a condition precedent to coverage under this **Endorsement** that if a **Knowledge Group Member** first **Discovers** during the **Endorsement Period** any **Event** (including each **Related Event**, if any), **Claim** (including each **Related Claim**, if any), **Loss** (including each **Related Loss**, if any), or **Circumstances**, an **Insured** must provide written notice to the **Company** of such **Event**, **Claim**, **Loss** or **Circumstances**, such notice to include the information set forth in Section IV. A. 2 below, and to be provided as soon as practicable, but in all cases no later than thirty (30) days after first **Discovered**.

It is a condition precedent to coverage under this **Endorsement** that if the **Company** sends written notice to the **Named Insured** that this **Endorsement** is being cancelled for non-payment of premium, the **Named Insured** must provide written notice to the **Company** of any **Event**, **Claim**, **Loss** or **Circumstances** in accordance with the prior paragraph, but in any event no later than the earlier of: (i) thirty (30) days after such **Event**, **Claim**, **Loss** or **Circumstances** is first **Discovered**, and (ii) prior to the effective date of the cancellation.

Such notices must be sent to the **Company**. Notice to any **Vendor** (including lawyers, experts, and litigation support staff) does not constitute notice to the **Company** of an **Event**, **Claim**, **Loss** or **Circumstances** under this **Endorsement**.

2. INFORMATION TO BE INCLUDED IN NOTICES

In providing the notice under A.1, of this Section IV, each notice must include a written report with the following information:

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- a. If notice is of an **Event**, then a description of the **Event**, when and how the **Knowledge Group Member** first **Discovered** the **Event**, the **Circumstances** giving rise to the **Event**, and any **Claim** or **Loss** reasonably expected to arise from that **Event**.
- b. If notice is of a **Claim**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Claim**, then a description of the **Claim**; when and how the **Knowledge Group Member** first **Discovered** the **Claim**; the names of the claimant or potential claimant, the **Impacted Individuals**, the **Impacted Entities**, and any other persons or entities involved; the specific **Third Party Liability Event** or regulatory proceeding which may form the basis of the **Claim**; all pleadings and other documents setting forth the **Claim** or notifying an **Insured** of the **Claim**; the **Circumstances** giving rise to the **Claim**; and the nature and extent of any potential **Damages**.
- c. If notice is of a **Loss**, or of an **Event** or **Circumstances** reasonably likely to give rise to a **Loss**, then a description of the **Loss**, when and how the **Knowledge Group Member** first **Discovered** the **Loss**, the **Circumstances** giving rise to the **Loss**, and the nature and extent of any potential **Loss**.
- d. If the notice is of **Circumstances**, then, in addition to the information in A.2.a., b., and c. above, a description of the **Circumstances**, when and how the **Knowledge Group Member** first **Discovered** the **Circumstances**, the reason the **Knowledge Group Member** believes such **Circumstances** are reasonably likely to result in an **Event**, **Claim** or **Loss**, and the nature and extent of any potential **Damages** or **Loss**.

3. REPORTS OF MALICIOUS CODES AND EXPLOITS

For **Network Security Events** based upon, arising out of, attributable to, caused by or resulting from **Malicious Code** or **Exploit**, the **Named Insured** must provide the **Company** as soon as possible with (a) any identifying characteristics, markers, or other information which may identify the **Malicious Code** or **Exploit** involved in the **Event**, and (b) a written report by a forensic **Vendor** which identifies the **Malicious Code** or **Exploit** involved in the **Event**, such report be provided to the **Company** no later than thirty (30) days after the first **Discovery** of such **Event**.

For all other **Events**, such a report must be provided at the **Company's** request.

B. NO COVERAGE

1. No coverage under this **Endorsement** will be provided for:
 - a. Any **Damages** incurred or paid prior to the time the **Company** is notified of the **Claim** or any **Related Claim** pursuant to Section IV.A.; or
 - b. Any **Loss** incurred or paid prior to the time the **Company** is notified of a **Loss** or any **Related Loss** pursuant to Section IV.A.
2. No coverage under this **Endorsement** will be provided if any **Insured** reports any matter knowing or having reason to know it to be false or fraudulent.

C. DETERMINATION OF FIRST DISCOVERY

1. Each **Claim** and all its **Related Claims**, whenever made, will be deemed a single **Claim** first **Discovered** on the earlier of the following:
 - a. When the **Event** giving rise to the **Claim** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - b. When the earliest of the **Related Claims** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.1. applies regardless of the following:

- a. The number of **Related Claims**;

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- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved;
 - c. Whether the **Related Claims** are asserted in a class action or otherwise; or
 - d. The timing of the **Related Claims**, even if the **Related Claims** were received or **Discovered** in more than one **Endorsement Period**.
2. **Loss** and all its **Related Losses**, whenever occurring, will be deemed a single **Loss** first **Discovered** on the earlier of the following:
- a. When the **Event** giving rise to the **Loss** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - b. When the earliest of the **Related Losses** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.2. applies regardless of the following:

- a. The number of **Related Losses**;
 - b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons or entities involved; or
 - c. The timing of the **Related Losses**, even if the **Related Losses** occurred or were **Discovered** in more than one **Endorsement Period**.
3. Each **Event** and all its **Related Events**, whenever occurring, will be deemed a single **Event** first **Discovered** on the earliest of the following:
- a. When the **Event** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence;
 - b. When the earliest of the **Related Events** was first **Discovered**, or could have been **Discovered** through the exercise of due diligence; and
 - c. When the earliest **Circumstances** were first **Discovered**, or could have been **Discovered** through the exercise of due diligence.

This Section IV.C.3. applies regardless of the following:

- a. The number of **Related Events** or **Circumstances**;
- b. The number or identity of **Impacted Individuals, Impacted Entities**, or any other persons, entities, or claimants involved; or
- c. The timing of the **Related Events** or **Circumstances**, even if the **Related Events** or **Circumstances** occurred or were **Discovered** in more than one **Endorsement Period**.

For purposes of this Section IV.C., due diligence includes but is not limited to compliance with Section V.

SECTION V: DUE DILIGENCE AND COOPERATION

A. DUE DILIGENCE REQUIREMENTS

1. It is a condition precedent to coverage under this **Endorsement** that the **Named Insured** must, at its sole cost and expense, use due diligence to prevent and mitigate against any **Damages** or **Loss**, and to protect and monitor the security of **Protected Information** and its **Computer System**. This includes, but is not limited to:
- a. Providing and maintaining appropriate physical security for the **Named Insured's** premises and the **Computer System**;

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- b. Performing and installing all available software updates and patches as soon as practicable but in no event later than thirty (30) days from the time the update or patch becomes available;
- c. Installing, maintaining, monitoring, and updating firewalls, virus scans and anti-virus software, and ensuring that the foregoing are active and in use for the **Computer System**;
- d. Providing and running a data backup system at appropriate intervals, including without limitation performing a full backup of the **Computer System** at least once every thirty (30) days;
- e. Providing and maintaining password protection and encryption for all **IOT Devices, Portable Devices and Peripheral Hardwired Devices**;
- f. Providing and maintaining encryption for **Protected Information** and financial transactions such as credit card, debit card, and check processing; and
- g. Providing and maintaining secure disposal procedures for files containing **Protected Information** no longer needed for use.

B. COOPERATION

The **Insured** agrees not to take any action, or fail to take any requested action, that prejudices the **Insured's** rights or the **Company's** rights with respect to a **Claim** or **Loss**. In the event of a **Claim** or a **Loss**, the **Insured** must do the following upon the **Company's** request:

1. Fully assist and cooperate with the **Company** in the conduct, defense, investigation, negotiation, and settlement of a **Loss** or **Claim** or investigation of coverage of a **Loss** or **Claim**;
2. Submit to an examination under oath; provide the **Company** with written statements; attend meetings and negotiations; produce and make available all information, books, records, documents, and other materials which the **Company** deems relevant; and authorize the **Company** to obtain records and other information;
3. Take additional steps to protect the **Computer System** and **Protected Information** from further loss or damage and keep a record of the expenses necessary to do so;
4. Attend hearings, depositions, proceedings, trials, and appeals;
5. Assist the **Company** in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and pursuing or enforcing any right of contribution or indemnity against a person or entity who may be liable to the **Insured**;
6. Accept the **Company's** assignment of counsel unless otherwise prohibited by applicable law; and
7. Provide reports of forensic **Vendors** that identify the **Malicious Code** or **Exploit** involved in the **Event** as soon as possible; provided that this provision supplements, and does not replace, the reporting requirements set forth in Section IV.A.

SECTION VI: EXCLUSIONS

A. The **Company** shall not be liable to pay, indemnify or reimburse for any **Claim, Damages** or **Losses** based upon, arising out of, attributable to, caused by or resulting from, whether actual or alleged:

1. Any of the following:
 - a. Intentional creation or distribution of **Malicious Code** or **Exploit** by any **Insured**;
 - b. Unauthorized tampering with any **Computer System** by any **Insured**; or
 - c. Any dishonest, fraudulent, criminal, malicious, or willful act, error, or omission by any **Insured**.
2. Any **Mass Event**.
3. Any of the following:
 - a. Failure, interruption of service, or defect by third parties;
 - b. Misconfiguration of information technology systems, including but not limited to domain name system configuration changes and domain name hijacking, by third parties;

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- c. Unauthorized access or unauthorized use of a third party's computer system;
- d. Malicious insider activity of or by third parties; or
- e. Distribution of **Malicious Code** or **Exploit** by third parties,

in each case that impact the **Computer System** and cause **Claims, Losses or Damages**. For the purposes of this exclusion third parties shall refer to (i) any cloud service provider; (ii) any other entity providing to an **Insured**, or servicing for an **Insured**, any hardware or software over the internet; or (iii) any other entity providing software as a service, infrastructure as a service, managed security as a service, platform as a service, or any form of cloud data storage as a service to an **Insured**.

- 4. Any mechanical or service failure, interruption of service, or defect of:
 - a. Telephone, communications or data transmission lines, equipment or infrastructure;
 - b. Internet system, internet service provider or cloud service provider, device or computer system (other than a **Computer System**, or an internet system owned or leased by and operated under the control of the **Named Insured**); or
 - c. Electricity (including but not limited to power interruption, surge, brownout or blackout), gas, water or other utilities or their equipment or infrastructure (including, but not limited to power lines).
- 5. Shortcomings, errors or mistakes in any set of instructions (oral, written or electronic), scripts, program, code or software that is executed, run or installed on the **Computer System** either (a) during the course of a legitimate and authorized upgrade, update or maintenance process of any software, firmware or hardware on or part of a **Computer System**, or (b) that are present within the firmware or hardware of a **Computer System** as a result of the manufacturing process, in each case for (a) and (b), for the purposes of this exclusion, that directly causes **Claims, Losses or Damages**.
- 6. Any of the following:
 - a. Bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time;
 - b. Physical injury to tangible property, including all resulting loss of use of that property; or
 - c. Loss of use of tangible property that is not physically injured.

This exclusion shall not apply to a **Claim** for mental injury, mental anguish, or emotional distress directly resulting from a **Privacy Breach Event** or a **Media Wrongful Event**. For purposes of this exclusion, electronic data is not considered tangible property.

- 7. Any of the following:
 - a. Nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism;
 - b. Pathogenic or poisonous biological or chemical materials, whether or not man-made, including communicable disease events;
 - c. War, invasion, acts of foreign enemies, hostilities (whether war is declared or not), riot, civil unrest, rebellion, revolution, insurrection, war-like action, coup, usurped powers or military power, including but not limited to those by state-sponsored actors, and action taken by government authority in hindering or defending against any of these; or
 - d. Fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
- 8. Any unlawful or unauthorized obtaining, gathering, collecting, acquiring, sharing, using, distribution or sale by an **Insured** of any **Protected Information**. Provided, however, this exclusion shall not apply to **Privacy Breach Expenses** or **Regulatory Proceedings Claims**, in each case directly arising from a **Privacy Breach Event**, and which are otherwise covered under this **Endorsement**.
- 9. The unsolicited dissemination of any communication to actual or prospective customers of the **Named Insured**, or to any other third party.

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10. Any violation of the Telecommunications Act, the CAN-SPAM Act, or any other federal, state or local legislation, regulation or law or common law, either: (a) protecting a person's or entity's right of seclusion or privacy (other than a **Privacy Law**), or (b) addressing the unsolicited distribution, transmission or dissemination of any communication.
11. Any gaining of any profit or advantage to which the **Insured** is not legally entitled.
12. Any patent infringement or theft, copying, display, or publication of any patent, process, or trade secret.
13. Any breach of contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following: Solely with respect to actual or alleged breach of contract, liability that would have attached to the **Named Insured** in the absence of such contract.
14. Any liability or obligation the Named Insured, or anyone acting on behalf of the Named Insured, assumes under any contract, agreement, understanding, warranty (including but not limited to product warranty), or other guarantee or promise. This exclusion shall not apply to the following: Liability that would have attached to the Named Insured in the absence of any such contract, agreement, understanding, warranty or other guarantee or promise.
15. Any seizure, nationalization, confiscation, destruction, deletion or expropriation of any **Protected Information** or any **Computer System** held or used by an **Insured** by order of any governmental authority.
16. Any of the following:
 - a. Violation of any federal, state, local, foreign legislation, regulation, or law prohibiting any restraint of trade or antitrust activity;
 - b. Any price fixing, price discrimination, monopoly or monopolization, predatory pricing, unfair competition, collusion, or conspiracy;
 - c. Any unfair, false, misleading, or deceptive trade or business practice; or
 - d. Any false, misleading, deceptive, or fraudulent statement or representation in advertising or promoting the products, services, or business of the **Named Insured**; provided, however, that this exclusion will not apply to a **Claim** directly arising from a **Media Wrongful Event**.
17. Any of the following:
 - a. Discrimination of any kind; or
 - b. Wrongful employment practice of any kind.
18. Any **Circumstances, Claim, Event, or Loss**:
 - a. That was the subject of notice to another insurer or potential indemnitor prior to the Effective Date of this **Endorsement**; or
 - b. **Discovered** prior to the Effective Date of this **Endorsement**, or could have been **Discovered** through the exercise of due diligence prior to the Effective Date of this **Endorsement**.
19. The presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any other substances, including asbestos, fungus, mold and lead, which are or may be injurious to public health, property or the environment ("hazardous substances"), including but not limited to:
 - a. The cost of cleanup or removal of hazardous substances;
 - b. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances;
 - c. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to property or the environment, which may otherwise result; or

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- d. Any cost, based upon, arising out of, attributable to, caused by or resulting from, or involving in any way any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize hazardous substances.
- B. The **Company** shall not be liable to pay for any **Claim** or **Damages** based upon, arising out of, attributable to, caused by or resulting from any **Claim** or **Damages**, whether actual or alleged, by any of the following:
1. Any **Insured** against another **Insured**, except for an otherwise covered **Claim** by an **Insured** under Section I.A.3.a.;
 2. Solely in the case of a **Privacy Breach Event**, by any person or entity other than an **Impacted Individual**, an **Impacted Entity**, or (solely in the case of a **Regulatory Proceeding Claim**) a federal or state regulatory body or regulator;
 3. Any entity owned or controlled by, or which is under common ownership or control with, the **Named Insured**;
 4. Any person or entity which owns or controls the **Named Insured**; or
 5. Any independent contractor of the **Named Insured**.

SECTION VII: GENERAL CONDITIONS

A. TERMINATION

The cancellation and nonrenewal provisions of the policy to which this **Endorsement** is attached shall apply to this **Endorsement**. This **Endorsement** shall remain in effect until the expiration of the **Endorsement Period** unless:

1. The policy to which this **Endorsement** is attached is cancelled or non-renewed prior to the expiration of the **Endorsement Period**; or
2. This **Endorsement** is removed at the request of the **Named Insured**, such removal to be confirmed by further endorsement to the policy.

B. CHANGE IN CONTROL

1. For purposes of this **Endorsement**, a "Sale Transaction" means either of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with or into, or sells more than 50% of its assets to, any other person or entity or group of persons or entities acting in concert, such that the **Named Insured** is not the surviving entity; or
 - b. Any person or entity or group of persons or entities acting in concert acquire more than 50% of the issued and outstanding voting equity securities of the **Named Insured** or control voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of the **Named Insured**.

In the event of a Sale Transaction, this **Endorsement** shall continue in full force and effect as to any **Event** first **Discovered** prior to the Sale Transaction. There shall be no coverage under this **Endorsement** for any **Event** first **Discovered** after the Sale Transaction. The **Named Insured** shall give the **Company** written notice of the Sale Transaction as soon as practicable but not later than thirty (30) days after the Sale Transaction.

2. For purposes of this **Endorsement**, an "Acquisition Transaction" means any of the following that occurs during the **Endorsement Period**:
 - a. The **Named Insured** consolidates or merges with any other person or entity or group of persons or entities acting in concert such that the **Named Insured** is the surviving entity;
 - b. The **Named Insured** acquires the assets of any other person or entity or group of persons or entities acting in concert, where such assets represent a market value, as of the date of such acquisition, of 10% or greater of the **Named Insured's** market value;

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- c. The **Named Insured** acquires or creates a new entity or subsidiary such that the **Named Insured** holds more than 50% of the issued and outstanding voting equity securities or controls voting rights representing the right to vote for election of or to appoint more than 50% of the directors or trustees of such entity or subsidiary; or
- d. The subsequent addition of another entity or person as a **Named Insured** in addition to the entity or person listed at the time of the commencement of the **Endorsement Period** as the **Named Insured** on the Policy Declarations to which this **Endorsement** is attached.

In the event of an Acquisition Transaction, then there is coverage under this **Endorsement** for such additional entity, subsidiary or person for any **Claim, Loss, Event, or Circumstances** first **Discovered** within the sixty (60) day period immediately following the Acquisition Transaction or until the end of the **Endorsement Period**, whichever occurs first. There is no coverage for such additional entity, subsidiary or person after that time period unless (i) as soon as practicable but no later than thirty (30) days after the Acquisition Transaction, the **Named Insured** provides the **Company** with notice and the particulars of such Acquisition Transaction; (ii) the **Company** agrees to extend the coverage of this **Endorsement** to such surviving **Named Insured**, newly acquired or created entity or subsidiary, or additional entity or person, as applicable, and the **Company** amends the terms of this **Endorsement** accordingly; and (iii) the **Named Insured** pays any additional premium when due. Such extended coverage does not apply to any **Claim, Loss, Event, or Circumstances** first **Discovered** or that could have been first **Discovered** (either by a **Knowledge Group Member** or equivalent in such additional entity or subsidiary) through the exercise of due diligence (including but not limited to in compliance with Section V) before the Acquisition Transaction.

C. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** will not relieve any **Insured** or the **Company** of any obligations nor deprive the **Company** of its rights and defenses under this **Endorsement** unless such obligations are in violation of applicable law.

D. EXCESS COVERAGE

This insurance shall be excess of any other insurance that applies to any **Claim, Event, Loss, Circumstances** or **Damages** covered hereunder and shall not contribute with any or all other insurance, including any deductible or retention, whether collectible or not.

E. ASSIGNMENT

This **Endorsement** and any and all interests and rights hereunder are not assignable without **Approval**.

F. TERMS TO CONFORM TO APPLICABLE LAW

Where necessary, the **Company** shall amend the terms and conditions of this **Endorsement** to conform to applicable law.

G. TERRITORY

This **Endorsement** applies to acts committed or **Losses** occurring anywhere in the world except as set forth under "Sanctions" in Section VII.H.; provided, however, that any **Claim** must be brought in the United States.

H. SANCTIONS

This **Endorsement** does not apply, and the **Company** shall not be liable to provide coverage or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would be in violation of any trade or economic sanctions law or regulation applicable to the **Company's** jurisdiction of domicile or those of another jurisdiction with which the **Company** is legally obligated to comply, including without limitation any trade or economic sanctions or embargo by the United States.

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I. LEGAL ACTION AGAINST THE COMPANY

1. No legal action or claim may be brought against the **Company** based upon, arising out of, attributable to, caused by or resulting from this Endorsement unless the following criteria are met:
 - a. There has been full compliance by the **Insureds** with all the terms and conditions of this **Endorsement**; and
 - b. The action is brought within the limit of time provided under applicable law, but in no event later than sixty (60) months from the date the **Knowledge Group Member** first **Discovers** the earliest of any **Circumstances, Claim, Event** or **Loss** pertaining to such action.
2. In the event that the requirements set forth in Section VII.I.1. have been complied with, with respect to a legal action or claim against the **Company**, the amount of damages and losses shall be limited to the following:
 - a. The amount of a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving such dispute on the merits; or
 - b. The amount for which the legal action or claim was settled, provided that the settlement was agreed to in accordance with the terms and conditions of this **Endorsement**.

J. NO JOINDER

No individual or entity shall have any right under this **Endorsement** to join the **Company** as a party to any **Claim** to determine the liability of the **Insured**, nor shall the **Company** be impleaded by the **Insured** or the **Insured's** legal representative in any such **Claim**.

K. SUBROGATION

In the event of any payment under this **Endorsement**, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve and secure such rights, including the execution of such documents necessary to enable the **Company** to effectively bring suit in the name of the **Insured**.

The **Company** assumes no duty to recover any amounts paid under this **Endorsement**; however, any amounts as may be recovered pursuant to the exercise of the **Company's** rights of subrogation shall be applied as follows: (i) to the repayment of expenses incurred by the **Company** in exercising any rights of subrogation; (ii) to **Damages and Losses** incurred by the **Named Insured** in excess of the Limits of Liability hereunder; and (iii) to **Damages and Losses** paid by the **Company**.

L. HEADINGS

The titles of paragraphs, sections, provisions, or endorsements of or to this **Endorsement** are intended solely for convenience and reference, and are not deemed in any way to limit or expand the provisions to which they relate and are not part of the **Endorsement**.

SECTION VIII: DEFINITIONS

Except where this Endorsement expressly or by implication indicates otherwise, the plural of any term includes the singular, and the singular of any term includes the plural. To the extent of any conflict between defined terms in this **Endorsement** and the policy to which this **Endorsement** is attached, then the definitions set forth in this **Endorsement** shall prevail.

- A. **Approval** and **Approved** means the **Company's** written approval, including in response to a written request for approval by the **Named Insured**. Where **Approval** is required in this **Endorsement** the **Named Insured** must promptly submit such written request for **Approval** to the **Company**.
- B. **Circumstances** means facts, subjects, situations, decisions, causes, persons, transactions, events, acts, errors or omissions, or class of persons or events, in each case which could reasonably be likely to give rise to a **Claim, Loss**, or **Event**, as applicable.

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C. **Claim** means each of the following:

1. For the purposes of **Third Party Liability Events**, a **Third Party Claim**; and
2. For the purposes of Section I. A. 3. "b.", the REGULATORY INSURING AGREEMENT, a **Regulatory Proceeding Claim**.

D. **Claim Expenses** means each of the following, with respect to any **Claim**:

1. Reasonable and necessary fees, costs and expenses charged by any **Vendor** and **Approved**, such **Vendor Approved** in advance (including lawyers, experts, and litigation support staff) for the investigation, adjustment, settlement and/or defense of such **Claim**;
2. Post-judgment interest which accrues after a **Final Judgment**; and
3. The premiums for appeal, attachment, or similar bonds, but only for bond amounts **Approved** and within the remaining applicable Limits of Insurance. The **Company** does not have any obligation to furnish these bonds.

Claim Expenses do not include the following:

1. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**;
2. Fees, costs, and expenses incurred prior to the time that a **Claim** was reported to the **Company**;
3. Fees, costs, and expenses incurred without **Approval**;
4. Fees, costs, and expenses incurred to improve or upgrade the **Computer System** beyond what it was prior to the **Claim**; or
5. Fees, costs, and expenses to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief.

E. **Company** means the Insurer as titled on the Schedule page of this **Endorsement**.

F. **Computer System** means a computer or series of interconnected computers owned or leased by and operated under the control of the **Named Insured**. **Computer System** also includes the following, but only if owned or leased by and operated under the control of the **Named Insured**:

1. **Electronic Media**;
2. **Portable Devices**;
3. **IOT Devices**; and
4. **Peripheral Hardwired Devices**.

Computer System does not include a computer system the **Named Insured** operates for others.

G. **Corporate Information** means any business information of a third party, which is not available to the general public and is provided to an **Insured** subject to a mutually executed written confidentiality agreement with the **Named Insured**, or which the **Named Insured** is legally required to maintain in confidence. The **Corporate Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations. The term **Corporate Information** does not include **Personally Identifiable Information**.

H. **Damages** means each of the following:

1. With respect to a **Third Party Claim**, **Claim Expenses** and the following monetary amounts the **Insured** becomes legally obligated to pay resulting from a **Final Judgment** or settlement:
 - a. Compensatory damages,
 - b. Attorney's fees and other litigation costs included in any **Final Judgment**, and
 - c. Pre-Judgment interest included in any **Final Judgment**.
2. With respect to a **Regulatory Proceeding Claim**, **Claim Expenses** and only the **Regulatory Fines** the **Insured** becomes legally obligated to pay.

Damages does not include any of the following:

- i. Any monetary amount which the **Insured** is not legally obligated to pay;
- ii. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
- iii. Past, present and future earned and unearned royalties, profits, fees, costs, expenses, or commissions, or the return of royalties, profits, fees, costs, expenses, commissions, and profits unjustly held or obtained;

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- iv. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, or return of any consideration;
 - v. Fees, costs, and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief;
 - vi. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
 - vii. Civil or criminal fines or penalties imposed by law, except **Regulatory Fines**;
 - viii. Punitive and exemplary damages;
 - ix. The multiple portion of any multiplied damages; or
 - x. Taxes, loss of tax benefit or fines, tax penalties or sanctions imposed against the **Named Insured**.
- I. **Discovers** or **Discovered** means the time a **Knowledge Group Member** receives, receives notice of, or becomes aware of any of the following: (i) any **Event**; (ii) any **Circumstances**; or (iii) any **Claim** or **Loss** or potential **Claim** or **Loss**, regardless of the potential amount of the **Claim** or **Loss**.
- J. **Electronic Media** means any electronic data which is unique to the **Named Insured**, including audio or visual information, ready-for-use applications, programs, and other content in machine-readable format.
- K. **Electronic Media Advertising** means **Electronic Media** which advertises or promotes the **Named Insured's** products or services.
- L. **Endorsement** means this Endorsement issued by the **Company**.
- M. **Endorsement Period** means the **Endorsement Period** set forth in the Schedule.
- N. **Event** means a **Media Wrongful Event**, a **Network Security Event** or a **Privacy Breach Event**.
- O. **Exploit** means a vulnerability in a **Computer System** or software through which **Malicious Code**, or software designed to find, create, or take advantage of such vulnerability, can enter such **Computer System**.
- P. **Final Judgment** means a non-appealable order of a court or other tribunal (e.g., arbitral panel) resolving, on the merits, a dispute between an **Insured** and a third party (including government agencies), as to which either no further appeal is possible or a decision is made with **Approval** not to appeal further.
- Q. **Impacted Entities** means any business, entity or organization whose **Corporate Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
- 1. **Impacted Entity** does not include any **Impacted Individual**; and
 - 2. **Impacted Entity** may be domiciled anywhere in the world.
- R. **Impacted Individuals** means any person whose **Personally Identifiable Information** is lost, stolen, unintentionally or unknowingly disseminated, or accidentally published by a **Privacy Breach Event** covered under this **Endorsement**. This definition is subject to all of the following provisions:
- 1. **Impacted Individual** does not include any **Impacted Entity**. Only an individual person may be an **Impacted Individual**; and
 - 2. **Impacted Individual** may reside anywhere in the world.
- S. **IOT Device** means any electronic device (other than a **Portable Device**) or hardwire connected device, that connects to the **Computer System** directly or through a **VPN**. **IOT Devices** include, but are not limited to, smart printers, industrial control systems, security systems, smart speakers, smart televisions and smart appliances.
- T. **Insured** means the **Named Insured**, **Knowledge Group Members**, and the **Named Insured's** employees but only while such employees are acting within their capacity as such for the **Named Insured**.
- U. **Knowledge Group Member(s)** mean the **Named Insured's** principals, officers, directors, and risk managers, but only while acting in their capacity as such for the **Named Insured**.
- V. **Loss(es)** means **Privacy Breach Expenses**.

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Loss(es) do not include:

1. Costs and expenses required to comply with any injunctive or other non-monetary equitable, declaratory, regulatory, or administrative relief, including but not limited to costs to remove electronic data from a website or social media site;
2. Any monetary amount which is not insurable under the applicable law or jurisdiction pursuant to which the **Endorsement** is construed;
3. Discounts, prizes, awards, coupons, or other incentives offered to the **Insured's** clients, **Impacted Individuals**, or **Impacted Entities**;
4. Consideration charged by, paid to or owed to the **Insured**, including but not limited to restitution, disgorgement, reduction, royalties or licensing fees, or return of any consideration;
5. Any costs, fees or expenses incurred or paid by the **Insured** in establishing the existence of or amount of **Loss**, other than to a **Vendor** (including lawyers, experts, and litigation support staff) designated in writing or **Approved** in advance;
6. Fines, taxes, penalties, loss of tax benefits or sanctions; or
7. Indirect or consequential losses.

W. Malicious Code means an unauthorized or harmful program, code, or script, including but not limited to any virus, Trojan horse, worm, time, logic bomb, spyware, ransomware, or malware.

X. Mass Event means the original and any variant of a **Malicious Code** or **Exploit** that is both:

1. The subject of an alert by, or is identified by a name or designation that is assigned by, any (i) United States (federal or state) government entity or agency or (ii) computer security, forensics, threat intelligence, or anti-virus entity, service provider or vendor (including but not limited to CrowdStrike, Juniper Networks, Mandiant/FireEye, Norton, Malwarebytes, McAfee, Kaspersky, Digital Shadows, RiskIQ, Recorded Future, Flashpoint, Anomali, Mimecast, Proofpoint, Palo Alto Networks, RSA, Seculert/Radware, Symantec, or Verizon); and
2. Publicized (meaning reported on in two or more news or technology media or publications, including but not limited to The New York Times, Washington Post, Los Angeles Times, Financial Times, FOX Corporation, CNN, The Wall Street Journal, NBC News, ABC News, CBS News, VICE Motherboard, Data Breach Today, Krebs on Security, Dark Reading, ZD NET, Wired, PC World, The Register, or CSO Online);

in each case, prior to an **Insured** providing notice of an **Event, Loss, Claim** or **Circumstances**, whichever is earliest, pursuant to Section IV. A.

Y. Media Wrongful Event means any or all of the following that is unintentionally or unknowingly caused by **Electronic Media Advertising** first published or disseminated during the **Endorsement Period**:

1. Libel, slander or other defamation; or
2. Infringement of copyright, trademark, title, slogan, trade name, trade dress, service mark, service name, or misappropriation of ideas.

Z. Named Insured means the person(s) and/or entity(ies) listed on the Policy Declarations, to which this Endorsement is attached.

AA. Network Disruption Event means an interruption, disruption, failure, suspension, or delay in the performance of the **Computer System** directly caused by **Unauthorized Access** or **Unauthorized Use** of, or the introduction of **Malicious Code** or **Exploit** into, the **Computer System**.

BB. Network Security Event means any one or more of the following directly caused by a **Network Disruption Event**:

1. The inability of an **Insured** or authorized third party user to access the **Computer System**;
2. An **Insured's** transmittal or distribution of **Malicious Code** or **Exploit** to, or the failure or corruption of, a third party's computer system or network; or
3. The perpetuation of a denial of service attack on a third party's computer system or network.

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CC. Peripheral Hardwired Devices means non-portable devices connected by hardwire to the **Computer System**, including but not limited to printers, scanners, and routers.

DD. Personally Identifiable Information means any non-public information about a person that allows such person to be uniquely and reliably identified, or allows access to the person's financial account or medical records information, and for which notification of unauthorized access is required by a **Privacy Law**. The term **Personally Identifiable Information** does not include publicly available information that is lawfully made available to the general public (including, without limitation, being made available by such person on social media or other public sites), or **Corporate Information**. The **Personally Identifiable Information** must be in the direct care, custody or control of the **Named Insured** in the ordinary course and scope of its business operations.

EE. Portable Device means an electronic portable device such as a computer, smart phone, smart wearable or other similar device that connects to the **Computer System** either directly or through a **VPN**.

FF. Privacy Breach Event means the following actual or alleged events:

1. Theft, loss, unintentional or unknowing dissemination, or accidental publication of **Protected Information**;
2. **Unauthorized Access or Unauthorized Use of Protected Information**; or
3. The **Named Insured's** violation of a **Privacy Law**.

GG. Privacy Breach Expenses means the following reasonable and necessary fees, costs and expenses directly incurred for or by the **Named Insured**, and **Approved** in advance, in responding to a **Privacy Breach Event**:

1. Notification Expenses:

Notification fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to notify an **Impacted Individual** and any regulator required to be notified by applicable law that: (i) a **Privacy Breach Event** occurred, and (ii) there was, may have been or may be **Unauthorized Access or Unauthorized Use** of the **Personally Identifiable Information**.

2. Monitoring Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to provide credit monitoring, identity theft, or fraud resolution services to an **Impacted Individual** affected by a **Privacy Breach Event**.

3. Cyber Investigation Expenses:

Fees and expenses charged by a **Vendor** (including lawyers, experts, and litigation support staff) to investigate any or all of the following:

- a. Whether **Protected Information** has been accessed; or
- b. Whether the **Named Insured** has an obligation to provide notice under a **Privacy Law**.

4. Crisis Management Expenses:

a. Fees and expenses charged by an **Approved** public relations firm, law firm or crisis management firm to perform crisis management services to minimize the potential harm to the **Named Insured's** business from a **Privacy Breach Event**; and

b. Fees and expenses charged by a call center designated in writing or **Approved** in advance to assist in managing incoming calls during and concerning a **Privacy Breach Event**.

Privacy Breach Expenses shall not include the following:

- i. Salaries, wages, fees, remuneration, overhead, benefits, or expenses of the **Company** or the **Insureds**; or
- ii. Fees, costs or expenses to enhance, upgrade or otherwise modify, or improve the **Computer System** beyond the level that existed immediately prior to the occurrence of a **Privacy Breach Event**.

HH. Privacy Law means any law or regulation governing the protection of **Personally Identifiable Information**, provided that the text of the law or regulation expressly requires one or more of the following:

1. Posting privacy policies;
2. Adopting specific privacy or security controls for **Personally Identifiable Information**; or

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3. Notifying **Impacted Individuals** if their **Personally Identifiable Information** has potentially been accessed or disclosed without authorization.

II. Protected Information means **Personally Identifiable Information** or **Corporate Information**.

JJ. Regulatory Fines means the civil or administrative fines or penalties assessed against a **Named Insured** in a **Regulatory Proceeding Claim**, if such fines and penalties are insurable under the applicable law and the **Named Insured** is legally obligated to pay such fines and penalties, in all cases arising from a **Privacy Breach Event**.

KK. Regulatory Proceeding Claim means each of the following that alleges the failure to comply with a U.S. federal or state **Privacy Law**:

1. A written demand to the **Named Insured** for documentation or information commenced by service of a complaint or similar pleading brought by a federal or state regulatory body or regulator; or
2. An investigation or civil proceeding brought against the **Named Insured** by a federal or state regulatory body or regulator.

LL. Related Claims mean all **Claims** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

MM. Related Events means all **Events** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

NN. Related Losses mean all **Losses** that are based upon, arising from, in consequence of, directly or indirectly resulting from, or involving the same, continuous, repeated, related, or substantially similar **Circumstances**, or a same, continuous, repeated, related, or substantially similar series of **Circumstances**.

OO. Third Party Claims means a written demand or assertion of a legal right for monetary damages or services, including the service of a civil complaint or similar proceeding, or request for arbitration or mediation, brought against an **Insured**, in each case directly arising from a **Third Party Liability Event**. For the avoidance of doubt, **Third Party Claims** do not include **Regulatory Proceeding Claims**.

PP. Third Party Liability Event means any or all of the following:

1. **Media Wrongful Event**;
2. **Network Security Event**; or
3. **Privacy Breach Event**.

QQ. Unauthorized Access or Unauthorized Use means the access to or use of the **Computer System** or **Protected Information** by a person or entity not authorized to do so, or the access to or use of the **Computer System** or **Protected Information** by an authorized person or entity in an unauthorized manner.

RR. Vendor means a third party person or entity that provides services to the **Named Insured** that the **Company** has either (i) designated in writing, or (ii) **Approved**. Where indicated, the term **Vendor** may include lawyers, experts, and litigation support staff.

SS. VPN means a virtual private network.

COMMUNITY ASSOCIATION DIRECTORS & OFFICERS

CLAIM REPORTING INSTRUCTIONS

HOW TO REPORT A CLAIM

Report all claims, in writing, directly to Berkley Program Specialists at the following e-mail address – claims59@berkley-ps.com. Claims may also be reported by telephone:

Berkley Program Specialist
Claims Department
Phone: (888) 417-9882
Email: claims59@berkley-ps.com

Include a complete notice of loss (ACORD Notice of Loss form or equivalent) that provides the following information:

1. Insured Name
2. Policy Number
3. Date of Loss
4. Location Address
5. Claimant's Name
6. Description of the Loss

In addition,

- Attach a copy of the Policy to the email.
- Attach all other pertinent documents and/or photos

You will receive an acknowledgement of the claim from Berkley Program Specialists within 72 hours of receipt.

If you receive legal correspondence or documents regarding an action against you, immediate notification to the carrier is required. The carrier will review for coverage prior to accepting the defense of any litigation. As a result, you may be asked by the carrier to engage personal counsel to protect your interests until such time as coverage is accepted.

Claims reported by e-mail will receive a brief acknowledgement via e-mail within 2 working days. Coverage decisions will be issued as quickly as possible, and a Reservation of Rights will be issued if Berkley Program Specialists requires additional time to determine coverage.

Cyber Claim and Incident Reporting

Any Cyber incident which may trigger coverage under this policy should be reported immediately to the Claims Department using the following information below:

Starnet Hotline Email address: starnet_claims@moxfive.com

Starnet Hotline Phone Number: 1-833-762-1833