

OLD REPUBLIC INSURANCE COMPANY

Crime Declarations

Item 1. **Named Insured:** <NamedInsured>

Item 2. Limits Of Liability And Retentions:
(Purchased coverage is represented by a monetary figure larger than \$0)

INSURING CLAUSE	LIMITS OF LIABILITY	RETENTION
Employee Theft Coverage	\$<ETFcoverage>	\$<ETFRET>
Client Coverage	\$<CCcoverage>	\$<CCRET>
Qualified Plan Coverage	\$<QPcoverage>	n/a
Forgery or Alteration Negotiable Instruments Coverage	\$<FANIcoverage>	\$<FANIRET>
Forgery or Alteration Corporate Credit Card Coverage	\$<FACCCoverage>	\$<FACCRet>
Premises Coverage	\$<IPcoverage>	\$<IPRET>
In Transit Coverage	\$<ITcoverage>	\$<ITRET>
Social Engineering Fraud Coverage	\$<SEcoverage>	\$<SERET>
Funds Transfer Fraud Coverage	\$<FTcoverage>	\$<FTRET>
Computer Fraud Coverage	\$<CFcoverage>	\$<CFRET>
Money Orders and Counterfeit Currency Fraud Coverage	\$<MOcoverage>	\$<MORET>

Item 3. Coverage Extensions:

COVERAGE EXTENSION	SUBLIMIT OF LIABILITY
Sublimited Proof of Loss Expenses	\$<POLSub>
Sublimited Computer Investigation and Record Retrieval Expenses	\$<CISub>
Sublimited Legal Expenses	\$<LegalExpenses>

Item 4. Forms/Endorsements Effective At Inception:

OLD REPUBLIC INSURANCE COMPANY

CRIME COVERAGE SECTION

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OLD REPUBLIC INSURANCE COMPANY

CRIME COVERAGE SECTION

In consideration of payment of the premium and subject to the Declarations, General Terms and Conditions, and the limitations, conditions, provisions and other terms of this Coverage Section, the Insurer and the **Insureds** agree as follows:

COVERAGE PROVIDED UNDER THIS COVERAGE SECTION SHALL APPLY TO LOSS OR DAMAGE (IF APPLICABLE) **DISCOVERED** DURING THE **POLICY PERIOD** OR ANY APPLICABLE DISCOVERY PERIOD DESCRIBED IN THE DISCOVERY AND DISCOVERY PERIOD SECTIONS SUBJECT TO THE TERMS AND CONDITIONS OF THIS COVERAGE SECTION.

I. INSURING CLAUSES

A. Employee Theft and Qualified Plan Coverage

(i) Employee Theft Coverage

The Insurer shall pay for loss of or damage to **Covered Property** sustained by an **Insured** or a **Plan**, other than a **Qualified Plan**, resulting directly from **Theft** committed by an **Employee**, whether identified or not, acting alone or in collusion with others.

(ii) Client Coverage

The Insurer shall pay for loss of or damage to **Covered Property** sustained by a **Client** resulting directly from **Theft** committed by an identified **Employee** whether acting alone or in collusion with others.

(iii) Qualified Plan Coverage

The Insurer shall pay for loss of **Covered Property** sustained by a **Qualified Plan** resulting directly from **ERISA Dishonesty** committed by a **Plan Fiduciary**, whether identified or not, acting alone or in collusion with others.

B. Forgery or Alteration Coverage

(i) Negotiable Instruments Coverage

The Insurer shall pay for loss sustained by an **Insured** resulting directly from **Forgery** or **Alteration** of a **Negotiable Instrument** committed by a **Third Party**.

(ii) Negotiable Instrument Legal Expenses Coverage

The Insurer shall reimburse the **Named Insured** for **Legal Expenses** in defending an **Insured** in any legal proceeding brought against it to enforce payment of a **Negotiable Instrument** as the result of loss otherwise covered under Insuring Clause B(i) above. Any **Legal Expenses** reimbursement shall be part of and not in addition to the applicable Limit of Liability set forth in Item 2 of the Declarations. The maximum amount the Insurer shall pay for such sublimited **Legal Expenses** shall be indicated in Item 3 of the Declarations.

(iii) Corporate Credit Card Coverage

The Insurer shall pay for loss sustained by an **Insured** resulting directly from **Forgery** of any written instrument required in connection with any credit card, charge card, or debit card issued by a **Third Party** to an **Insured**, or any **Employee** at the request of an **Insured**, for business purposes.

C. Premises Coverage

The Insurer shall pay for loss sustained by an **Insured** resulting directly from:

- (i) **Theft of Money or Securities** inside or from the **Premises** by a person physically present in such **Premises** at the time of loss;
- (ii) loss of or damage to **Property** located inside the **Premises** resulting directly from an actual or attempted **Robbery**;
- (iii) loss of or damage to **Property** located inside the **Premises** in any locked safe or vault resulting directly from an actual or attempted **Safe Burglary**; or
- (iv) the destruction or disappearance of **Money or Securities**, within or from the **Premises**, provided (i) – (iv) above are committed solely by a **Third Party**.

In the event of loss covered under this Insuring Clause C(ii) and C(iii) above, the Insurer shall also cover damage to the **Premises** or its exterior, or to a locked safe, vault, cash drawer, or cash box within the **Premises**, which damage results directly from actual or attempted **Robbery** or **Safe Burglary**.

D. In Transit Coverage

The Insurer shall pay for loss sustained by an **Insured** resulting directly from:

- (i) **Theft of Money or Securities** while **In Transit** committed by a **Third Party**; or
- (ii) the actual destruction or disappearance of **Money or Securities** while **In Transit** committed by a **Third Party**.

In the event of loss covered under this Insuring Clause D, the Insurer shall also cover damage to, or destruction of, **Property** occurring during the actual or attempted **Theft** while **In Transit**.

E. Social Engineering Fraud Coverage

The Insurer shall pay for loss of **Money or Securities** sustained by an **Insured** resulting directly from **Social Engineering Fraud**.

F. Funds Transfer Fraud Coverage

The Insurer shall pay for loss of **Money or Securities** sustained by an **Insured** resulting directly from **Funds Transfer Fraud** committed by a **Third Party**.

G. Computer Fraud Coverage

The Insurer shall pay for loss sustained by an **Insured** resulting directly from the unauthorized:

- (i) transfer, payment, or delivery of **Money or Securities**; or
- (ii) transfer or delivery of **Property**,
by a **Third Party** following a **Network Intrusion**.

H. Money Orders and Counterfeit Currency Fraud Coverage

The **Insurer** shall pay for loss sustained by an **Insured** resulting directly from **Money Orders and Counterfeit Currency Fraud** committed by a **Third Party**.

II. COVERAGE EXTENSIONS

A. Sublimited Proof of Loss Expenses

The **Insurer** shall pay **Proof of Loss Expenses** resulting directly from loss covered under any Insuring Clause if such covered loss is in excess of the applicable Retention for such Insuring Clause. The Insurer's maximum liability for all **Proof of Loss Expenses** shall be the Proof of Loss Sublimit of Liability set forth in Item 3 of this Coverage Section's Declarations.

B. Sublimited Computer Investigation and Record Retrieval Expenses

The Insurer shall pay **Computer Investigation Expenses** and **Record Retrieval Expenses** resulting directly from loss covered under Insuring Clause G, provided such loss is in excess of the applicable Retention for the applicable Insuring Clause. The Insurer's maximum liability for all **Computer Investigation Expenses** and **Record Retrieval Expenses** shall be the Computer Investigation and Record Retrieval Expenses Sublimit of Liability set forth in Item 3 of this Coverage Section's Declarations.

III. DEFINITIONS

When used in this Coverage Section, either in the singular or the plural:

Alteration means the material modification of an original document by a person acting without authority and with the intent to deceive.

Certificated Security means a security represented in physical certificate that is commonly traded on an exchange.

Client means a customer to whom an **Insured** provides goods or services pursuant to a written contract or for a fee.

Computer Investigation Expenses mean reasonable costs, charges, fees, or expenses incurred by an **Insured** with the Insurer's prior written consent, for computer forensic services to investigate a covered loss. **Computer Investigation Expenses** shall not include regular or overtime wages, salaries, fees, benefits, or other internal costs or expenses incurred by an **Insured**.

Computers mean any electronic devices for storing and processing electronic data (including third-party hosted computing services accessed across the internet and their associated infrastructure, platform, and software services) that are leased or owned by an **Insured**.

Confidential Information means confidential or personal information including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, retirement or health savings account information or any similar type of non-public information.

Control Group Officer means any:

- (i) natural person while serving as the **Insured's** chief financial officer, head of human resources, head of risk management, or such functionally equivalent position of the **Insured**; or
- (ii) the non-administrative personnel of the Human Resources Department and/or Risk Management Department of the **Insured**.

Covered Property means **Money, Securities, or Property**.

Cryptocurrency means any form of digital currency, digital asset, or any electronic medium of exchange in which transactions are verified and records maintained by a decentralized system using cryptography rather than by a centralized authority.

Discovery or **Discovered** means knowledge acquired by any **Control Group Officer** that would cause a reasonable person to believe a loss of a type covered by this Coverage Section has occurred or an occurrence has arisen that may subsequently result in a covered loss. This includes loss:

- (i) sustained prior to the inception date of any coverage under this Coverage Section;
- (ii) which does not exceed the Retention; or
- (iii) the exact amount or details of which are unknown.

Discovery or **Discovered** shall not include knowledge acquired by a **Control Group Officer** acting alone or in collusion with an **Employee** that was a participant in in any **Theft, Forgery, or ERISA Dishonesty**.

Employee means any natural person:

- (i) other than an **Executive Officer** or **Plan Fiduciary**, while in the regular service of an **Insured** in the ordinary course of such **Insured's** business, whom such **Insured** has the right to govern and direct in the performance of such service, including any part-time, seasonal, or temporary worker, volunteer, guest student or intern; including such person:
 - (a) up to ninety (90) days after termination of their employment with the **Insured**; or (b) while on a medical, military or family leave with the consent of the **Insured**;
- (ii) leased to the **Insured** under a written contract between the **Insured** and a labor leasing firm to provide labor or services for the **Insured** that are usual to the duties of an employee or officer, whose labor or service is directed by the **Insured**;
- (iii) former **Employee** of an **Insured** as described in (i) above serving as a consultant to an **Insured**, provided such individual is indemnified by the **Insured** for such service pursuant to a written agreement;
- (iv) **Executive Officer** while performing acts within the scope of the usual duties of an **Employee**;
- (v) **Plan Fiduciary**.

An **Employee** of one **Insured** is deemed an **Employee** of all **Insureds**. **Employee** shall not include any agent, broker or commission merchant of any **Insured**, or any independent contractor of any **Insured**.

ERISA means the Employee Retirement Income Security Act of 1974 as amended.

ERISA Dishonesty means any intentional act of larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, willful misapplication, or any other intentional fraudulent or dishonest act. **ERISA Dishonesty** shall also include any intentional act prohibited by Title 18, §1954 of the U.S. Code - Offer, Acceptance, or Solicitation to Influence Operations of Employee Benefit Plan.

Executive Officer means any natural person:

- (i) duly elected or appointed director, trustee (excluding a bankruptcy or litigation trustee), advisory board member, officer, governor, or manager of an **Insured**;
- (ii) chief legal counsel, controller, director of human resources or risk manager of an **Insured**;
- (iii) holder of a functionally equivalent position in (i) or (ii) above of an **Insured** that is organized and operated outside of the United States of America, its territories, or possessions.

Financial Institution means any depository institution (including any bank, savings bank, savings and loan association, trust company or credit union), stock brokerage firm, or investment company in which a **Transfer Account** is maintained.

Forgery means affixing the handwritten signature of another natural person without authorization and with the intent to deceive. A mechanical, electronic, or digital signature will be considered a handwritten signature. **Forgery** shall not include a signature that consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

Funds Transfer Fraud means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephone, or written instructions (other than **Forgery**), purportedly issued by an **Insured** to a **Financial Institution** by a **Third Party** which directs such **Financial Institution** to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Insured** at such financial institution, without such **Insured's** knowledge or consent.

Insured means the **Named Insured** identified in Item 1 of this Coverage Section's Declarations, and/or any **Subsidiary**, **Qualified Plan** or **Plan**.

In Transit means being carried or transported outside the **Premises**, from one person or place to another, by an **Insured** within the custody of: (i) any **Employee**; (ii) a **Messenger**; or (iii) an armored vehicle company duly authorized by such **Insured** to have physical custody of **Money** or **Securities**. Such conveyance begins immediately upon receipt of such **Money** or **Securities** by such **Employee**, **Messenger**, or armored vehicle company from such **Insured** and ceases immediately upon delivery to the designated recipient or its agent, whichever is earlier. Further, such conveyance shall not cease while temporarily in the home of an **Employee** while **In Transit**.

Legal Expenses mean reasonable costs, fees and expenses incurred and paid, with the Insurer's prior written consent.

Messenger means any natural person duly authorized by an **Insured** to have care and custody of **Money** or **Securities** outside the **Premises**.

Money means a medium of exchange authorized or adopted by a domestic or foreign government as part of its currency, coin, bank notes, or precious metals in bullion form having a face value; or travelers checks, money orders, or register checks held for sale to the general public. **Money** shall not include **Cryptocurrency**.

Money Orders and Counterfeit Currency Fraud means the good faith acceptance by an **Insured**:

- (i) in exchange for merchandise, **Money**, or services, of any post office or express company or bank money order, issued or purporting to have been issued by any post office, express company, or bank, if such money order is not paid upon presentation; or
- (ii) in the regular course of business, of counterfeit paper currency.

Negotiable Instrument means a check, draft or similar written promise, order, or direction to pay a sum certain in **Money** that is made, drawn by, or drawn upon an **Insured** or made or drawn by anyone acting as an **Insured's** agent, or that is purported to have been so made or drawn. For purposes of Insuring Clause B, Forgery and Alteration Coverage, a substitute check as defined in The Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

Network means any system connecting two (2) or more computing devices for transmitting and sharing information, including but not limited to any: computer, computer program, computer database integrated or peripheral storage unit, computer network or database, mobile device, software, websites, application software, or operating system, which are leased or owned by an **Insured**.

Network Intrusion means:

- (i) access; or
 - (ii) entry or deletion of an application or software program,
- to, or on the **Network** by any **Third Party** without the **Insured's** knowledge or authorization.

Owner means any natural person who owns twenty-five percent (25%) or more of any corporation, has an ownership interest in any limited liability company, or is a partner of any partnership.

Plan means any employee benefit plan, welfare benefit plan, or pension benefit plan which is sponsored solely by an **Insured** or sponsored jointly by an **Insured** and a labor organization for the benefit of the employees of the **Insured**, other than a **Qualified Plan**.

Plan Fiduciary means any natural person while in the service of any **Insured** who is required to be bonded by Title 1 of **ERISA**, including:

- (i) a fiduciary;
- (ii) a trustee;
- (iii) an administrator;
- (iv) an officer;
- (v) any other natural person who handles assets of a **Qualified Plan**; or
- (vi) any natural person described in (i) through (v) above during a period not exceeding ninety (90) days following the voluntary resignation of such natural person from the service of the **Insured**.

Plan Fiduciary shall not include any independent contractor, or any agent, broker, factor, commission merchant, consignee, or representative of the same general character or employee thereof.

Premises mean:

- (i) the interior portion of a building, facility, or property occupied by an **Insured** in conducting its business or occupied by the **Financial Institution** of the **Insured**, except this does not apply to the **Client Coverage**;
- (ii) solely with respect to **Client Coverage**, the interior portion of a building occupied by the **Client** to conduct the **Client's** business, and
- (iii) solely with respect to a **Financial Institution**, **Premises** includes the night depository chute or safe maintained by such **Financial Institution**.

Proof of Loss Expenses mean reasonable costs, charges, fees, or expenses incurred by an **Insured**, with the Insurer's prior written consent, to establish the amount of covered loss. **Proof of Loss Expenses** shall not include regular or overtime wages, salaries, fees or benefits or other internal costs or expenses incurred by any **Insured**.

Property means tangible property that has intrinsic value other than **Money**, **Securities**, computer programs, or electronic data.

Qualified Plan means any employee benefit plan, welfare benefit plan, or pension benefit plan as defined under **ERISA**, which is sponsored solely by an **Insured**, or sponsored jointly by an **Insured** and a labor organization for the benefit of the employees of the **Insured**.

Record Retrieval Expenses mean reasonable costs, charges, fees, or expenses incurred by an **Insured**, with the consent of the Insurer, to reproduce record keeping information contained in manuscripts, records, accounts, tapes, microfilms, account ledgers, or such other methods, provided such recordkeeping was not lost or damaged by, or as the result of, a **Network Intrusion**. **Record**

Retrieval Expenses shall not include regular or overtime wages, salaries, fees, benefits, or other internal costs or expenses incurred by any **Insured**.

Robbery means the unlawful taking of **Covered Property** from the custody of an **Employee**, or other custodial person (except a person acting as a watchman, porter, or janitor) duly authorized by an **Insured** to have custody of such **Covered Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other custodial person.

Safe Burglary means the unlawful taking of **Covered Property** from a locked vault or safe located within the **Premises**, provided that such unlawful taking must be by forcible or violent entry (evidenced by visible marks). **Safe Burglary** will also include the unlawful taking of a vault or safe from within the **Premises**.

Securities mean any tangible:

- (i) **Certificated Security**;
 - (ii) revenue and other stamps in current use;
 - (iii) tokens, chips, or tickets in current use; or
 - (iv) evidence of debt in connection with credit or charge cards that are not issued by an **Insured**,
- provided (i)-(iv) above represent either **Money** or **Property**. **Securities** shall not include **Money** or **Cryptocurrency** or any registered or coupon obligations.

Social Engineering Fraud means the loss of **Money** or **Securities** resulting directly from the transfer, payment, or delivery of **Money** or **Securities** from the **Premises** or a **Transfer Account** to a person, place, or account beyond the **Insured's** control by:

- (i) an **Employee** acting in good faith reliance upon a telephone, written or electronic instruction that purported to be a **Transfer Instruction** but, in fact, was not issued by a **Client**, **Employee**, or **Vendor**; or
- (ii) a **Financial Institution** as instructed by an **Employee** acting in good faith reliance upon a telephone, written or electronic instruction that was purported to be a **Transfer Instruction** but, in fact, was not issued by a **Client**, **Employee**, or **Vendor**.

Theft means the unlawful taking of **Covered Property** to the direct deprivation of an **Insured** or solely with respect to Client Coverage, to the deprivation of a **Client**. For purposes of the **Employee Theft** and **Qualified Plans Coverage**, **Theft** includes **Forgery**.

Third Party means any natural person or entity other than: (i) an **Employee**; (ii) a **Client**; or (iii) a natural person acting in collusion with an **Employee**.

Transfer Account means:

- (i) an account maintained by an **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment or delivery of **Money** or **Securities**, provided this does not apply to Client Coverage; or
- (ii) solely with respect to Client Coverage, an account maintained by a **Client** at a **Financial Institution** from which the **Client** can initiate the transfer, payment or delivery of **Money** or **Securities**.

Transfer Instruction means:

- (i) solely with respect to Funds Transfer Fraud Coverage, an instruction (other than a covered instrument) from the **Insured** directing a **Financial Institution** to pay, transfer, or deliver **Money** or **Securities** from a **Transfer Account**; or
- (ii) solely with respect to Social Engineering Fraud Coverage, a telephone, written or electronic instruction from a **Client**, **Employee**, or **Vendor** to transfer, pay, or deliver **Money** or **Securities** from the **Premises** or a **Transfer Account**.

Vendor means any **Third Party** that has provided goods or services to an **Insured** under a legitimate pre-existing arrangement or other written agreement. **Vendor** shall not include any asset manager, broker-dealer, counter party, custodian, or any similar entity or natural person.

IV. EXCLUSIONS

A. This Coverage Section does not cover:

Acts of Owners

loss or damage resulting from any fraudulent, dishonest, or criminal act by an **Owner** of the **Insured** or, solely with respect to Insuring Clause A(ii), any **Owner** of a **Client**, whether acting alone or in collusion with others;

Advantage

loss sustained by one **Insured** to the advantage of any other **Insured**, except when covered under Insuring Clause A(iii);

Authorized Representative

loss or damage due to **Theft, Forgery, Alteration, Computer Fraud, Funds Transfer Fraud, Money Orders And Counterfeit Currency Fraud** or other fraudulent, dishonest or criminal act (other than **Robbery** or **Safe Burglary**) committed by any authorized representative of an **Insured**, whether acting alone or in collusion with others; provided that this Exclusion shall not apply to otherwise covered loss under Insuring Clauses A(i) or A(ii), resulting from **Theft** or **Forgery** committed by an **Employee** acting in collusion with such authorized representative;

Confidential Information

- (i) loss involving the disclosure or use of an **Insured's** or another entity or person's **Confidential Information** while in the care, custody, or control of an **Insured**; or
- (ii) fees, costs, fines, penalties, or any other expenses incurred by an **Insured** which result, directly or indirectly, from the access to or disclosure of **Confidential Information**.

Provided, this Exclusion shall not apply to loss that is otherwise covered under this Coverage Section through the use of confidential or personal information to facilitate such loss;

Cryptocurrency

direct, indirect, or consequential loss of or damage to **Cryptocurrency** or arising from **Cryptocurrency**;

Fire

resulting from fire, except:

- (i) loss of **Money** or **Securities**; or
- (ii) damage to any safe or vault caused by the application of fire for the purposes of **Safe Burglary**;

Fraudulent Instructions

any transfer, payment, or delivery of **Covered Property**:

- (i) approved by any **Employee**; or
- (ii) arising out of any misrepresentation received by any **Employee**, agent, independent contractor, or other representative of the **Insured**,

whether such transfer, payment or delivery was made in good faith or as a result of trick, deceit, fraud, or false pretenses, except when otherwise covered under Insuring Clauses A or E;

Gambling and Lottery

any gambling, game of chance, lottery, or similar game;

Governmental Action

loss resulting from seizure or destruction of **Covered Property** by order of governmental authority;

Indirect Loss

indirect or consequential loss or damage of any kind; including but not limited to loss of income, expenses, profits, or revenue, fines, or penalties; provided this Exclusion shall not apply to **Legal Expenses** otherwise afforded coverage under Insuring Clause B(ii) or covered expenses under Section II, Coverage Extensions A. Sublimated Proof of Loss Expenses or B. Sublimated Computer Investigation and Record Retrieval Expenses;

Inventory Computation

any loss established through an inventory computation or physical count or a profit or loss computation, unless the **Insured** establishes wholly apart from such computation or physical count that it sustained a loss covered under Insuring Clause A, then the **Insured** may offer its inventory records and an actual physical count of inventory in support of the amount of loss claimed;

Kidnap, Ransom and Extortion

kidnap, ransom, or other extortion payment (except in a **Robbery**) surrendered to any person as a result of a threat to do bodily harm to any person or a threat to do damage to or cause the loss of use of, any **Property**, **Computers**, or **Network**, or to disclose **Confidential Information**;

Legal Fees

fees, costs, or expenses incurred or paid in defending or prosecuting any legal proceeding, arbitration, mediation, or investigation; provided this Exclusion will not apply to **Legal Expenses** otherwise afforded coverage under Insuring Clause B(ii);

Loans and Extensions of Credit

the extension of credit, or any loan, credit, or similar promise to pay by an **Insured**, whether approved in good faith or as a result of trick, deceit, fraud, or false pretenses;

Nuclear Reaction and Radiation

loss or damage resulting directly or indirectly from nuclear reaction, nuclear radiation, or radioactive contamination, or any act or condition incident to any of the foregoing;

Premises

loss of or damage to any buildings; provided this Exclusion does not apply to loss covered under Insuring Clause C;

Records

loss of or damage to manuscripts, records, accounts, microfilms, tapes , or any other records, whether written or electronic, or costs to reproduce any information contained in any such record;

provided this Exclusion does not apply to expenses covered under the Record Retrieval Expenses Coverage Extension;

Trading

any authorized or unauthorized trading of **Covered Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account; provided this Exclusion shall not apply to:

- (i) direct loss caused by **Theft** or **Forgery** by an **Employee** which results in an improper financial gain to an **Employee**; or
- (ii) loss otherwise covered under Insuring Clause A(iii);

War and Insurrection

loss or damage resulting directly or indirectly from declared or undeclared war, civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization, or any act or condition incident to any of the foregoing.

- B. In addition, Insuring Clause A does not cover loss resulting directly or indirectly from:

Former Employees

the acts of any **Employee** acting alone or in collusion with any other employee more than ninety (90) days following the termination of such **Employee**;

- C. In addition, Insuring Clauses C and D do not cover loss resulting directly or indirectly from:

Exchange and Purchase

an **Insured** having given or surrendered **Covered Property** in exchange or purchase with a **Third Party**;

Mail and In Transit

the damage, disappearance, or destruction of **Covered Property** while in the mail or in the custody of a carrier for hire other than a **Messenger** or an armored vehicle company.

- D. In addition, Insuring Clauses E, F, and G do not cover loss resulting directly or indirectly from:

Contract

the failure of any party to perform in whole or in part under any contract;

Credit and Debit Cards

the use or acceptance of any credit, debit, charge, access, convenience, identification, cash management or other cards;

Failure/Malfunction of a Product

the failure, malfunction, defect, inadequacy or illegitimacy of any product or service.

- E. None of the coverages under this Coverage Section, excluding the Employee Theft Coverage and the Social Engineering Fraud Coverage, apply to loss that is covered under the Social Engineering Fraud Coverage, or to loss that is not covered under the Social Engineering Fraud Coverage because either the amount of loss exceeds the Coverage Limit for the Social Engineering Fraud Coverage or the Social Engineering Fraud Coverage was not purchased.

- F. This Coverage Section does not cover loss resulting from any actual or alleged fraudulent, dishonest, or criminal act by any **Employee**; provided this Exclusion does not apply to loss covered under the Employee Theft Coverages.
- G. The In Transit Coverage does not apply to loss if, at the time the property was conveyed to the **Messenger** or armored motor vehicle company, the **Insured** knew of any verifiable threat related to such loss.

V. RETENTION AND LIMIT OF LIABILITY

A. Insureds Other than Qualified Plan:

For all loss sustained by any **Insured** (other than a **Qualified Plan**), the following shall apply:

- (i) The Insurer's liability under this Coverage Section shall apply only to that part of each covered loss that is in excess of the applicable Retention set forth in Item 2 of this Coverage Section's Declarations.
- (ii) The Insurer's maximum liability for each loss sustained by an **Insured** (other than a **Qualified Plan**) shall not exceed the Limit of Liability applicable to such loss set forth in Item 2 of this Coverage Section's Declarations, regardless of the number of **Insureds** sustaining the loss.
- (iii) If a loss is covered under more than one Insuring Clause, the maximum amount payable under this Coverage Section shall not exceed the largest applicable Limit of Liability for such Insuring Clauses.
- (iv) All loss resulting from a single act or any number of acts of the same **Employee, Third Party**, or any other parties or actors, regardless of whether or not such loss was sustained by one or more **Insureds**, and regardless of whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss.
- (v) For purposes of the Forgery Coverages, all loss resulting from a single act or acts committed by one or more persons, whether involving one or more covered instruments, will be treated as a single loss.
- (vi) With respect to loss sustained by more than one **Insured**, the maximum liability of the Insurer for all loss sustained by any or all **Insureds** combined shall not exceed the amount for which the Insurer would be liable if all loss was sustained by any one **Insured**.
- (vii) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, whether under this Coverage Section, any prior bond or policy, or any renewal or replacement of this Coverage Section, the liability of the Insurer with respect to any loss shall not be cumulative from year to year or from policy period to policy period.
- (viii) The Insurer shall only be responsible for that part of loss that exceeds the applicable Retention set forth in Item 2 of this Coverage Section's Declarations. Any Retention shall be borne by the **Insureds** and at their own risk. The Insurer shall recognize payment of any applicable Retention amount by an **Insured**, or any other source.

- (ix) In the event that the **Insured** receives payment, after applying a deductible or retention, under any other policy or bond for loss also afforded coverage under this Coverage Section, then the applicable Retention set forth Item 2 of this Coverage Section's Declarations shall be reduced by the amount of such other satisfied deductible or retention.

B. Qualified Plan

Solely with respect to covered loss sustained by each **Qualified Plan** under Insuring Clause A(iii):

- (i) The Insurer's maximum liability for all loss sustained by each **Qualified Plan** shall not exceed the Limit of Liability, as set forth in Item 2 of this Coverage Section's Declarations, unless such Limit of Liability is less than the minimum limit of insurance required by **ERISA**. In such event, the Limit of Liability shall be amended in accordance with **ERISA** as follows:
 - (a) If the **Qualified Plan** does not hold employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the funds handled by such **Qualified Plan** in the preceding reporting year, up to a maximum Limit of Liability of \$500,000.
 - (b) If the **Qualified Plan** does hold employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the funds handled by such **Qualified Plan** in the preceding reporting year, up to a maximum Limit of Liability of \$1,000,000.
 - (c) In no event shall the Limit of Liability be less than \$1,000.
- (ii) The payment of any such loss under this Coverage Section shall not reduce the liability of the Insurer for other losses whenever sustained; provided that the total liability of the Insurer for all loss resulting from any act or any series of acts committed by the same **Plan Fiduciary**, or in which the same **Plan Fiduciary** is concerned or implicated, regardless of whether such act or series of acts was committed before or during the **Policy Period**, will be treated as a single loss and the Limit of Liability as set forth in Item 2 of this Coverage Section's Declarations will apply.
- (iii) In compliance with Title 1 of **ERISA** and solely with respect to loss covered under Insuring Clause A(iii), payment by the Insurer shall be held by the **Insured** for the benefit of any **Qualified Plan** sustaining a loss. If such payment is in excess of the amount of coverage required by **ERISA** for such **Qualified Plan**, such excess shall be held by the **Insured** for the use and benefit of any other named **Qualified Plan** should such **Qualified Plan** also **Discover** loss recoverable under this Coverage Section. If **Covered Property** of two or more **Qualified Plans** is commingled, recovery hereunder for loss of such **Covered Property** shall be shared by such **Qualified Plan(s)** on a pro rata basis in accordance with the amount of coverage each such **Qualified Plan** is required to carry pursuant to **ERISA**.
- (iv) There shall be no Retention applicable to such loss afforded coverage under this Insuring Clause A(iii).

VI. REPORTING, PROOF OF LOSS, AND LEGAL PROCEEDINGS

- A. As a condition precedent to coverage hereunder, the **Named Insured** shall, upon **Discovery**:
 - (i) provide written notice at the earliest practicable moment, but in no event later than ninety (90) days after such **Discovery**;

- (ii) furnish detailed proof of loss with full particulars duly sworn to the Insurer within one hundred and eighty (180) days;
 - (iii) submit to examination under oath at the Insurer's request;
 - (iv) produce all pertinent records at such reasonable times and places as the Insurer shall designate; and
 - (v) provide full cooperation with the Insurer in all matters pertaining to a loss under this Coverage Section.
- B. No **Insured** shall institute legal proceedings against the Insurer earlier than ninety (90) days after the detailed proof of loss has been furnished to the Insurer and no later than two (2) years immediately following any **Discovery**.
- C. The **Insured** must retain records of all **Covered Property** so the Insurer may verify the amount of any loss or damage.

VII. OTHER INSURANCE AND INDEMNITY

- A. With respect to any loss covered by this Coverage Section, if any **Insured** or any other party in interest has any bond, indemnity, or insurance which would cover such loss in whole or in part in the absence of this Coverage Section, then this Coverage Section shall not apply to the extent of the amount recoverable under such bond, indemnity, or insurance. This Coverage Section shall only cover such loss, in excess of any Retention, subject to its limitations, conditions, provisions and other terms, to the extent of the amount such covered loss is in excess of the amount recoverable or received under such bond, indemnity, or insurance.
- B. Solely with respect to loss of or damage to **Covered Property** while in the custody of any bank, trust company, similarly recognized place of safe deposit, or armored vehicle company, the coverage afforded by this Coverage Section shall be specifically excess to any amount recoverable or received by such **Insured** under:
 - (i) such **Insured's** contract, if any, with, or insurance carried by, any of the foregoing; or
 - (ii) any other valid and collectible insurance or indemnity in force that would cover the loss in whole or in part.

VIII. SUBROGATION

- A. In the event of any payment under this Coverage Section, the Insurer shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery, and such **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**.
- B. Recoveries for any loss covered under this Coverage Section, whether affected by the Insurer or by an **Insured**, less the cost of obtaining them, shall be distributed as follows:
 - (i) to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
 - (ii) to the Insurer for the amount of such loss paid to an **Insured** as covered loss;
 - (iii) to an **Insured** for the Retention applicable to such loss; and
 - (iv) to an **Insured** for the amount of other unreimbursed or uncovered loss.
- C. Any recoveries shall not include amounts from:
 - (i) insurance, reinsurance, security, indemnity, or suretyship taken for the Insurer's benefit;
 - (ii) original **Securities** after duplicates of the **Securities** have been issued.

IX. TERMINATION OF COVERAGE

- A. Coverage under this Coverage Section will terminate immediately with respect to any **Employee**:
- (i) after any **Insured** learns of a **Theft, Forgery** or other act involving fraud or dishonesty committed by such **Employee** while employed with or in the service of an **Insured**, and regardless of whether the **Insured** sustained a loss as a result thereof;
 - (ii) after any **Insured** learns of an act involving fraud or dishonesty, and which act involves **Covered Property** of a value greater than or equal to twenty-five thousand dollars (\$25,000) committed by such **Employee** prior to employment or service with an **Insured**.
- In addition, there will be no coverage available for loss caused by any **Employee** for whom similar prior insurance has been terminated or cancelled and not reinstated in writing since that termination or cancellation.
- B. Coverage under this Coverage Section will terminate immediately with respect to any **Subsidiary, Qualified Plan, or Plan** on the date that such entity ceases to be a **Subsidiary**, or such **Qualified Plan** or **Plan** no longer qualifies as such as defined by this Policy.
- C. Coverage under this Coverage Section will terminate immediately upon the **Named Insured's** liquidation or dissolution.
- D. Any prior fidelity bonds or crime policies issued to the **Named Insured** by the Insurer or any of its affiliates shall terminate as of the inception of this Coverage Section.

X. NEWLY ACQUIRED SUBSIDIARIES, QUALIFIED PLANS, OR PLANS

- A. In the event a **Qualified Plan** or **Plan** is acquired or created during the **Policy Period** such **Qualified Plan** or **Plan** will be afforded coverage for loss **Discovered** during the **Policy Period** subject to Section XII, Liability For Prior Losses.
- B. If during the **Policy Period** an **Insured** acquires or creates a new **Subsidiary**, or acquires an entity by merger or consolidation, such that the entity becomes a **Subsidiary**, then coverage under automatically shall apply to the new **Subsidiary**, and **Employees**, but only for loss **Discovered** on or after the effective date of the transaction; provided however, that if such entity's assets exceed fifteen percent (15%) of the **Named Insured's** total consolidated assets as of the date immediately preceding the effect of date of such transaction, then such coverage will not extend beyond the earlier of: (i) the end of the policy date; (ii) ninety (90) days following such date, unless the **Named Insured** has provided the Insurer with written notice of the transaction within such earlier period and pays any additional premium as required by the Insurer.

XI. DISCOVERY AND DISCOVERY PERIOD

- A. Subject to paragraph C, below, coverage shall apply under this Coverage Section provided loss or damage is sustained by an **Insured** and such loss or damage is **Discovered**:
- (i) prior to the termination of the Coverage Section or the Policy; or
 - (ii) prior to the termination of applicable coverage offered under any Insuring Clause, or termination of such Insuring Clause.
- B. There will be no coverage available for any loss or damage that any **Control Group Officer** is aware of prior to the inception date of this Coverage Section.

C. Discovery Period

If this Policy or Coverage Section is cancelled or terminated for any reason (including dissolution or liquidation of the **Named Insured**) other than non-payment, the Insurer shall pay:

- (i) covered loss or damage to an **Insured** if such loss or damage is **Discovered** within sixty (60) days after the effective date of cancellation or termination; or
- (ii) covered loss to a **Qualified Plan** if such loss is **Discovered** within one (1) year after the effective date of cancellation or termination.

D. Any discovery period referenced in this section will terminate immediately on the inception date of any insurance policy or bond that replaces in whole or in part the coverage afforded under this Coverage Section, regardless of whether the replacement provides coverage for such loss or damage.

XII. LIABILITY FOR PRIOR LOSSES

A. If this Coverage Section has replaced similar prior insurance written by a company other than the Insurer, and such other insurance ("Prior Insurance") provided a period of time to discover loss occurring prior to the termination or cancellation of that coverage, and a loss is discovered within the period provided by the Prior Insurance to discover losses, the Insurer will not pay for such loss unless the covered amount of loss exceeds the limit of liability under said Prior Insurance. The Insurer will then only pay the **Insured** for any excess covered loss subject to the terms and conditions of this Coverage Section.

B. Any payment that the Insurer makes to an **Insured** under this insurance shall not exceed the difference between the amount of insurance under the **Insured's** Prior Policy and the Limit of Liability as set forth in the Declarations. The Insurer will not apply any Retention to any excess loss payment.

XIII. VALUATION AND FOREIGN CURRENCY

A. All premiums, limits, retentions, loss, and other amounts referenced in this Coverage Section are expressed and payable in the currency of the United States of America. Except as otherwise provided in this Coverage Section, if a judgment is rendered, a settlement is denominated or any element of loss under this Coverage Section is stated in a currency other than United States of America dollars, payment under this Coverage Section shall be made in United States of America dollars at the rate of exchange published in The Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

B. In the event of a loss of **Securities**, the Insurer shall value such **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**, provided that at its sole discretion, the Insurer may:

- (i) pay the value of such **Securities** or purchase replacement **Securities**, in which event the **Insured** must assign the Insurer all rights, title and interest in and to those **Securities**; or
- (ii) issue its indemnity in the form of, or pay the cost of, a Lost Instrument Bond or similar suretyship, to effect replacement of such **Securities**.

C. **Money** valuation will be based upon the actual face value of the **Money** on the day such loss was **Discovered**. In the event of a loss involving foreign currency, the United States of America dollar

value of foreign currency will be based on the rate of exchange published in The Wall Street Journal on the day loss involving foreign currency is **Discovered**.

- D. In the event of a loss of precious metals, the United States of America dollar value of any precious metals will be based on the price published for precious metals in The Wall Street Journal on the day loss involving precious metals is **Discovered**.
- E. In the event of a loss of **Property**, other than any loss of precious metals, the Insurer shall pay the least of the:
- (i) price paid by an **Insured** for the **Property**;
 - (ii) cost to repair or replace **Property** with that of similar quality and value; or
 - (iii) actual cash value of the **Property** on the date the loss was **Discovered**.

XIV. OWNERSHIP INTERESTS

Covered loss or damage under this Coverage Section is limited to:

- (i) **Covered Property** an **Insured** owns, leases, or for which an **Insured** is legally liable prior to the loss, or held by an **Insured** in any capacity whether or not the **Insured** is liable;
- (ii) Solely for the purposes of coverage under Insuring Clause A(ii), Client Coverage, **Covered Property**: (a) owned or held by a **Client**; or (b) for which a **Client** is legally liable.

Coverage under this Coverage Section is for the benefit of the **Insured** only and provides no rights or benefits to any other person or organization.

XV. JOINT LOSS PAYEE

The Insurer will pay loss to any **Qualified Plan** directly to such **Qualified Plan**. All other loss due under this Coverage Section will be paid solely to the **Named Insured** or jointly to the **Named Insured** and any other payee as directed by the **Named Insured**.

Any loss covered under this Coverage Section involving **Covered Property** in which a **Client** has an interest, may be payable by the Insurer to the **Named Insured** and such **Client** as joint payees, at the direction of the **Named Insured**, provided that the coverage afforded pursuant to this Coverage Section is for the sole use and benefit of the **Named Insured**. Any **Client** shall not be considered an **Insured** under this Coverage Section, nor shall such **Client** have any rights or benefits under this Coverage Section.

XVI. CONCEALMENT, MISREPRESENTATION, AND FRAUD

This Coverage Section shall not afford coverage for any loss with respect to any **Insured** that, at any time, conceals or misrepresents a material fact concerning:

- (i) this Coverage Section, or any **Application** submitted for coverage under this Coverage Section;
- (ii) **Covered Property** covered under this Coverage Section;
- (iii) an **Insured's** interest in **Covered Property** covered under this Coverage Section; or
- (iv) a claim under this Coverage Section.