

# THE HARTFORD CRIMESHIELD<sup>SM</sup> ADVANCED

## I. CONSIDERATION CLAUSE

In exchange for the payment of premium and subject to the Declarations, Insuring Agreements, Exclusions, General Conditions, Definitions and terms of this Policy, the Insurer and "Insured" agree as follows:

**ONLY THOSE INSURING AGREEMENTS THAT ARE DESIGNATED WITH AN "X" ON THE POLICY DECLARATIONS PAGE ARE INCLUDED UNDER THIS POLICY.**

## II. INSURING AGREEMENTS

### INSURING AGREEMENT 1. – EMPLOYEE THEFT

The Insurer will pay for loss of or damage to "money", "securities" and "other property" incurred by the "Insured" which results directly from "theft" by an "employee", whether or not identifiable, while acting alone or in collusion with other persons.

### INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES

The Insurer will pay for loss of or damage to "money", "securities" and "other property" sustained by the "Insured's" "client" when such loss results directly from "theft" on said "client's premises" by the "Insured's" identified "employee".

### INSURING AGREEMENT 3. – COMPUTER AND FUNDS TRANSFER FRAUD

1. The Insurer will pay for loss of and loss from damage to "money", "securities" and "other property" following and directly related to the use of any computer to fraudulently cause a transfer of such "money", "securities" and "other property" from inside the "premises" or "banking premises"
  - a. to a person (other than a "messenger") outside those "premises"; or
  - b. to a place outside those "premises".
2. The Insurer will pay for loss of "money" or "securities" through "funds transfer fraud" resulting directly from "fraudulent transfer instructions" communicated to a "financial institution" and instructing such institution to pay, deliver, or transfer "money" or "securities" from the "Insured's" "transfer account".

### INSURING AGREEMENT 4. – INSIDE THE PREMISES – *Money, Securities and Other Property*

1. The Insurer will pay for loss of "money" and "securities" inside the "premises" or "banking premises" resulting directly from "theft", disappearance or destruction.
2. The Insurer will pay for loss of or damage to "other property":
  - a. inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
  - b. inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
3. The Insurer will pay for loss from damage to the "premises" or its exterior resulting from an actual or attempted:
  - a. "theft" of "money" or "securities"; or
  - b. "robbery" or "safe burglary" of "other property"if the "Insured" is the owner of the "premises" or is liable for damage to it.

4. The Insurer will pay for 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” or unlawful entry into those containers.

#### **INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property***

1. The Insurer will pay for 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.
2. The Insurer will pay for 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”.

#### **INSURING AGREEMENT 6. – DEPOSITORS FORGERY OR ALTERATION**

1. The Insurer 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 upon the “Insured”; or
  - b. made or drawn by one acting as the “Insured’s” agent and drawn on the “Insured’s” account or that are purported to have been so made or drawn.
2. The Insurer will treat mechanically or electronically produced or reproduced signatures the same as handwritten signatures.
3. If the “Insured” is sued for refusing to pay any instrument in 1. above, on the basis that it has been forged or altered and the “Insured” has the Insurer’s written consent to defend against that suit, the Insurer will pay for any reasonable legal expenses that the “Insured” incurs and pays in such defense. The amount that the Insurer will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement. If a Deductible Amount applies to this Insuring Agreement, the Insurer will also apply it to the amount of legal expenses incurred in this Insuring Agreement.
4. The “Insured” must include with the “Insured’s” proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss and describing both sides of said instrument.

#### **INSURING AGREEMENT 7. – CREDIT, DEBIT OR CHARGE CARD FORGERY**

The Insurer will pay for loss which results directly from forgery or alteration of written instruments required in conjunction with any credit, debit, or charge card issued to the “Insured” or any “employee” for business use.

#### **INSURING AGREEMENT 8. – MONEY ORDERS AND COUNTERFEIT CURRENCY**

1. The Insurer will pay for loss resulting directly from the “Insureds” having accepted in good faith and in the regular course of business, in exchange for merchandise, “money” or services;
  - a. money orders issued by any post office, express company or bank in any country that are not paid upon presentation; or
  - b. “counterfeit” paper currency of any country that is acquired during the regular course of business.

Unless otherwise shown in the Declarations, the Limit of Insurance under this Insuring Agreement is \$50,000 and there is no deductible applying to loss covered under this Insuring Agreement.

## **INSURING AGREEMENT 9 – INVESTIGATIVE EXPENSES**

The Insurer will pay for reasonable "investigative expenses" incurred and paid by the "Insured" per "occurrence" to establish the existence and determine the amount of loss covered under Insuring Agreements 1. through 8. if elected, provided that the amount of direct covered loss exceeds the Deductible Amount applicable to such covered loss.

## **INSURING AGREEMENT 10. – COMPUTER SYSTEMS RESTORATION EXPENSES**

The Insurer will pay for "computer systems restoration expense" resulting directly from any loss covered under INSURING AGREEMENT 1. – EMPLOYEE THEFT, INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES or INSURING AGREEMENT 3. – COMPUTER AND FUNDS TRANSFER FRAUD incurred by the "Insured" but only if such covered loss is in excess of the Deductible applicable to such covered loss.

## **INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT**

The Insurer will provide reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft" provided that all of the following requirements are met:

1. There has been an "identity theft" involving the personal identity of an "identity recovery insured" under this policy; and
2. Such "identity theft" is first discovered by the "identity recovery insured" during the "policy period" for which this Identity Recovery Expenses Reimbursement coverage is applicable; and
3. Such "identity theft" is reported to the Insurer as soon as practicable but in no event later than 60 days after it is first discovered by the "identity recovery insured."

### **III. LIMIT OF INSURANCE**

- A. The most that the Insurer will pay for loss and expense in any one "occurrence" is the applicable Limit of Insurance shown in the Declarations.
- B. INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage is subject to the limit set forth on the Declarations page.
  1. Legal costs as provided under paragraph d. of the definition of "identity recovery expenses" are part of, and not in addition to, the INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit.
  2. Lost Wages and Child and Elder Care Expenses as provided under paragraphs e. and f. of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit. Coverage is limited to lost wages and expenses incurred within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".
  3. Mental Health Counseling as provided under paragraph g. of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage limit. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by the "identity recovery insured".

#### IV. DEDUCTIBLE

The Insurer will not pay for loss or expense in any one "occurrence" unless the amount of the loss or expense exceeds the Deductible Amount shown in the Declarations. The Insurer will then pay the amount of loss or expense in excess of the Deductible Amount, up to the Limit of Insurance. In the event that more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount will be applied.

#### V. DEFINITIONS

- A. *"Banking premises"* means the interior portion of that part of any building occupied by a banking institution or similar safe depository.
- B. *"Client"* means any entity for which the "Insured" provides goods or services as specified in a written agreement, but only while the written agreement is in effect.
- C. *"Client's premises"* means the interior of that portion of any building that the "Insured's" "client" occupies in conducting its business.
- D. *"Computer System"* means: a computer and all input, output, processing, storage, off line media library and communication facilities which are connected to such computer, provided that such computer and facilities are:
  - 1. under the direct operation and control of the "Insured";
  - 2. at an "electronic data processor" with whom the "Insured" has contracted for data processing services (including other financial institutions); or
  - 3. at an automated clearing house (including a Federal Reserve Bank), or other electronic communications system including but not limited to Fedwire, Clearing House Interbank Payment System (CHIPS) and Society for Worldwide International Financial Telecommunications (SWIFT);
- E. *"Computer Systems Restoration Expenses"* means reasonable expenses, incurred by the "Insured" with the Insurer's prior written consent, to reproduce or duplicate damaged or destroyed "data" or computer programs. If such "data" or computer programs cannot be duplicated from other "data" or computer programs, then "computer systems restoration expense" shall also include reasonable costs incurred for computer time, computer programmers, technical experts or consultants to restore such "data" or computer programs to substantially the same level or operational capability existing immediately before the covered loss. "Computer systems restoration expenses" shall not include 1) expenses incurred by any "client" 2) "Investigative Expenses" and 3) the "Insured's" internal corporate costs, including salaries.
- F. *"Controlled Partnership"* means a limited partnership in which and so long as the "Named Insured" owns or controls, directly or indirectly, more than 50% of the limited partnership interest and is the sole general partner.
- G. *"Counterfeit"* means an imitation of an actual valid original which is intended to deceive and to be taken as an original.
- H. *"Custodian"* means the "Insured", or any of the "Insured's" partners, an "LLC Manager", "LLC Member" or any "employee" while having the care and custody of "money", "securities" or "other property" inside the "premises", excluding any person while acting as a "watchperson" or janitor.
- I. *"Data"* means a representation of information, knowledge, facts, concepts or instructions which are processed and stored in a "computer system".
- J. *"Electronic Data Processor"* means a natural person, partnership or corporation authorized by the "Insured" to perform services as a data processor of the "Insured's" checks or other accounting records (not including preparation or modification of computer software or programs). A Federal Reserve Bank or clearinghouse shall not be construed to be an "electronic data processor".

**K. "Employee" means**

1. a natural person:
  - a. while in the "Insured's" service or for 90 days after termination of such service; and
  - b. whom the "Insured" compensates directly by salary, wages, commissions; and
  - c. whom the "Insured" has the right to direct and control while performing services for the "Insured"
2. a natural person who is:
  - a. a trustee, officer, employee, administrator or manager of any "Employee Benefit Plan(s)" insured under this Policy; or
  - b. the "Insured's" director or trustee while that person is handling "money" or "securities" or "other property" of "Employee Benefit Plan(s)" insured under this Policy;
3. a natural person who is a director or trustee of the "Insured" while performing acts coming within the scope of the usual duties of an "employee" or while acting as a member of any of the "Insured's" elected or appointed committees to perform on the "Insured's" behalf, specific, as distinguished from general, directorial acts; or
4. a natural person who is furnished temporarily to the "Insured" by a temporary employment service firm to substitute for a permanent "employee" as defined in sub-paragraph (1) above, who is on leave, or to meet seasonal or short-term work load conditions and for whom the "Insured" has the right to direct and control while performing services for the "Insured"; provided, however, such persons are excluded while having care and custody of "other property" outside the "premises".
5. a natural person who is leased to the "Insured" under a written agreement between the "Insured" and a labor leasing firm, to perform duties related to the conduct of the "Insured's" business;
6. a natural person who is a non-compensated officer of the "Insured";
7. a natural person who is a volunteer of the "Insured's" who is not compensated, other than one who is a fund solicitor, while performing services for the "Insured" that are usual to the duties of an "Employee"; or
8. a natural person who is a former "employee", director, partner, member or trustee of the "Insured" retained as a consultant while performing services for the "Insured"; or
9. a natural person who is a guest student or intern of the "Insured" while pursuing studies or duties with the guidance or direction of the "Insured"; or
10. a natural person who is the "Insured's" partner, "LLC Manager" or "LLC Member", but the Insurer will not pay for loss caused by any partner, "LLC Manager" or "LLC Member", unless the amount of the loss exceeds the sum of:
  - a. any amounts the "Insured" owes that partner, "LLC Manager" or "LLC Member"; and
  - b. the value of that partner's partnership interest, or that "LLC Manager's" or "LLC Member's" ownership interest determined by the closing of the "Insured" organization's books on the date of discovery of the loss by the "Insured" organization by anyone not in collusion with the person causing the loss, and
  - c. any applicable Deductible Amount;

then the Insurer will pay the amount of loss excess of that sum, up to the Limit of Insurance applicable to INSURING AGREEMENT 1. – EMPLOYEE THEFT.

The foregoing notwithstanding, "employee" does NOT mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.

- L. "Employee Benefit Plan(s)" means any welfare or pension Plan that is subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended, and which is sponsored by one or more of the "Insureds".**

- M.** *“Financial institution”* means a bank, savings bank, savings and loan association or similar thrift institution, a stockbroker, mutual fund, liquid assets fund, or similar investment institution in which the “Insured” maintains a “transfer account”.
- N.** *“Forgery”* means the signing of the name of another person or organization with intent to deceive; provided, however, that 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 reason.
- O.** *“Fraudulent transfer instructions”* means
1. fraudulent electronic, telegraphic, facsimile, cable, teletype or telephone instructions to a “financial institution” to debit a “transfer account” and to pay, transfer or deliver “money” or “securities” from such account and which instructions purport to have been authorized by the “Insured” but which have been fraudulently transmitted by another; or
  2. fraudulent written instructions to a “financial institution” to debit a “transfer account” and to pay, transfer or deliver “money” or “securities” from such account through an electronic funds transfer system at specified times or under specified conditions and which instructions purport to have been duly authorized by the “Insured” but which have been fraudulently issued, forged or altered by another.
- P.** *“Funds transfer fraud”* means “theft” of “money” or “securities” from any of the “Insured’s” “transfer accounts” at a “financial institution” and occurring through “fraudulent transfer instructions” communicated to such “financial institution”.
- Q.** *“Identity Recovery Expenses”* means the following when they are reasonable and necessary expenses that are incurred in the United States or Canada as a direct result of an “identity theft”:
1. Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an “identity theft.”
  2. Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the “Insured’s” efforts to report an “identity theft” or amend or rectify records as to the “Insured’s” true name or identity as a result of an “identity theft.”
  3. Costs for up to twelve (12) credit reports from established credit bureaus dated within 12 months after the “Insured’s” knowledge or discovery of an “identity theft”.
  4. Legal Costs for reasonable attorney fees incurred, with the Insurer’s prior written consent, for:
    - a. defending any civil suit brought against an “identity recovery insured” by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an “identity theft”; and
    - b. removing any civil judgment wrongfully entered against an “identity recovery insured” as a result of the “identity theft.”
    - c. costs for challenging the accuracy or completeness of any information in a consumer credit report.
  5. Lost Wages
 

Actual lost wages of the “identity recovery insured” for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.

6. Child and Elder Care Expenses

Actual costs for supervision of children or elderly or infirm relatives or dependents of the "identity recovery insured" during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

7. Mental Health Counseling

Actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not a relative of the "identity recovery insured".

- R.** *"Identity Recovery Insured"* means a member of the board of directors, member of the board of trustees, officer, risk manager, in-house general Counsel, "LLC Manager", or "LLC Member". An "identity recovery insured" must always be an individual person. The entity insured under this policy is not an "identity recovery insured."
- S.** *"Identity Theft"* means the fraudulent use of the social security number or other method of identifying an "identity recovery insured." This includes fraudulently using the personal identity of an "identity recovery insured" to establish credit accounts, secure loans, enter into contracts or commit crimes.  
"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
- T.** *"Insured"* means the "Named Insured", any "Employee Benefit Plan(s), any "non-ERISA" plan(s) and any "subsidiary" in existence as of the inception date of this Policy or formed by the "Insured" during the Policy Period.
- U.** *"Investigative Expenses"* means reasonable expenses incurred and paid by the "Insured", with the Insurer's prior written consent, in establishing the existence and amount of any direct loss covered under Insuring Agreements 1. through 8. within this Policy. The reasonableness of such expenses shall be determined by the Insurer and shall not include any of the "Insured's" internal corporate obligations such as "employee" wages or any other internal costs. "Investigative expenses" shall not include expenses incurred by any "client".
- V.** *"LLC Manager"* means any natural person who was is or becomes a manager, member of the board of managers, or a functionally equivalent executive of a limited liability company.
- W.** *"LLC Member"* means any natural person who has an ownership interest in a limited liability company.
- X.** *"Messenger"* means the "Insured", any "LLC Member" or "LLC Manager" or any "employee" while having care and custody of "money", "securities" and "other property" outside the "premises".
- Y.** *"Money"* means currency, coins and bank notes in current use and having a face value; and traveler's checks, register checks and money orders held for sale to the general public.
- Z.** *"Named Insured"* means any entity named in ITEM 1 of the Declarations of this Policy.
- AA.** *"Non-ERISA Plan(s)"* means any plan solely sponsored by any "Insured" that is not subject to the terms of ERISA.
- BB.** *"Occurrence"* means
1. as respects INSURING AGREEMENT 1. – EMPLOYEE THEFT and INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES, all loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts.
  2. as respects INSURING AGREEMENT 6. – DEPOSITORS FORGERY OR ALTERATION, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  3. as respects INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, all acts incidental to an "identity theft", any series of "identity thefts" and all "identity thefts" arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise

out of one act and shall be treated as one "identity theft". If an act causes a covered expense under INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, to more than one "identity recovery insured", the limit of insurance and deductible for INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT set forth on the Declaration page shall be the most the Insurer shall pay for all covered loss in the aggregate..

4. as respects all other Insuring Agreements, an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person.

**CC.** "Other Property" means any tangible property other than "money" or "securities" that has intrinsic value but does not include any property excluded under this Policy.

**DD.** "Policy Period" means the period from the Inception Date to the Expiration Date set forth in ITEM 3. of the Declarations at the local time of the address set forth in ITEM 2. of the Declarations, or any earlier termination date.

**EE.** "Premises" means the interior of that portion of any building which the "Insured" occupies in conducting the "Insured's" business.

**FF.** "Robbery" means the unlawful taking of "other property" from the care and custody of a person by one who has caused or threatened to cause that person bodily harm, or, committed an obviously unlawful act witnessed by that person, to the deprivation of the "Insured".

**GG.** "Safe burglary" means the unlawful taking of "other property" from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior, or, the taking of a safe or vault from inside the "premises".

**HH.** "Securities" means negotiable or non-negotiable instruments or contracts representing either "money" or "other property" and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use and evidences of debt issued in connection with credit or charge cards, which cards are not issued by the "Insured"; but "securities" do not include "money".

**II.** "Subsidiary" means any:

1. corporation in which and so long as any "Named Insured" owns or controls, directly or indirectly, more than 50% of the outstanding securities representing the right to vote for the election of the board of directors of such corporation;
2. limited liability company in which and so long as the "Named Insured" owns or controls, directly or indirectly, the right to elect, appoint or designate more than 50% of such entity's managers;
3. corporation operated as a joint venture in which and so long as the "Named Insured" owns or controls, directly or indirectly, exactly 50% of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the "Named Insured" solely controls the management and operation of such corporation; or
4. a "Controlled Partnership"

With respect to any "subsidiary" which is a joint venture, limited liability company or "Controlled Partnership", loss occurring as a result of "theft" by "employee(s)" shall apply only if such loss results directly from "theft" by "employee(s)" of the "Insured". Loss occurring as a result of "theft" by "employee(s)" of other joint venture, limited liability company or limited partnership participants is not covered under INSURING AGREEMENT 1. – EMPLOYEE THEFT of this Policy.

**JJ.** "Theft" means;

1. the unlawful taking of "money", "securities" or "other property" to the deprivation of the "Insured";
2. solely for the purposes of INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES, the unlawful taking of "money", "securities" or "other property" to the deprivation of the "client".



**KK.** *“Transfer account”* means an account maintained by the “Insured” at a “financial institution” from which the “Insured” or the “Insured’s” authorized representative may cause the payment, transfer or delivery of “money” or “securities” by any means described in the “fraudulent transfer instructions” definition.

**LL.** *“Watchperson”* means any person whom the “Insured” retains specifically to have the care and custody of “other property” inside the “premises” and who has no other duties.

## **VI. EXCLUSIONS (Applying To All Insuring Agreements Unless Otherwise Specified)**

### **This Policy Does Not Apply To And The Insurer Will Not Pay For:**

#### **A. Accounting or Arithmetical Errors or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

#### **B. Acts Committed By A Named Insured Sole Practitioner**

Loss resulting from “theft”, or any other dishonest or criminal act committed by the “Named Insured” if such “Named Insured” is a sole practitioner, whether acting alone or in collusion with others.

#### **C. Acts of Employees, Managers, Directors, Trustees or Representatives**

Loss resulting from “theft” or any other dishonest or criminal act committed by any of the “Insured’s” “employees”, managers, directors, trustees or representatives whether acting alone or in collusion with other persons or while performing services for the “Insured” or otherwise except when covered under INSURING AGREEMENT 1. – EMPLOYEE THEFT or INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES.

#### **D. Employee Cancelled Under Prior Insurance**

Loss caused by any “employee” of the “Insured” or by any “employee” of a predecessor in interest of the “Insured”, for whom similar prior insurance has been cancelled and not reinstated since the last cancellation.

#### **E. Exchanges or Purchases**

Loss resulting from the giving or surrendering of “money”, “securities” or “other property” in any exchange or purchase.

#### **F. Fire**

Loss from damage to the “premises” resulting from fire, however caused, except for loss of or damage to “money” or “securities” and loss from damage to a safe or vault under INSURING AGREEMENT 4. – INSIDE THE PREMISES – MONEY, SECURITIES AND OTHER PROPERTY.

#### **G. Identity Recovery Insured – Fraud, Dishonest or Criminal Acts**

Loss resulting from any fraudulent, dishonest or criminal act by an “identity recovery insured” or any person aiding or abetting an “identity recovery insured”, or by any authorized representative of an “identity recovery insured”, whether acting alone or in collusion with others. However, this exclusion shall not apply to the interests of an “Insured” who has no knowledge of or involvement in such fraud, dishonesty or criminal act.

#### **H. Governmental Action**

Loss resulting from seizure or destruction of “money”, “securities” or “other property” by order of governmental authority.

## **I. Indirect Loss**

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

1. the "Insured's" inability to realize income that the "Insured" would have realized had there been no loss of or damage to "money", "securities" or "other property".
2. payment or damages of any type for which the "Insured" is legally liable. But the Insurer will pay compensatory damages arising directly from a loss covered under this Policy.
3. payment of costs, fees or other expenses the "Insured" incurs in establishing either the existence of or the amount of loss under this Policy, unless covered under INSURING AGREEMENT 9. – INVESTIGATIVE EXPENSES.

## **J. Intellectual Property, Confidential Information And Electronic Data**

Loss resulting directly or indirectly from any "theft", disappearance, damage, destruction or disclosure of any intangible property including:

1. trade secrets, proprietary information, confidential information or any copyrights, patents, trademarks, proprietary manufacturing or processing procedures; or
2. secret or confidential information, including but not limited to credit card numbers, bank account numbers or any similar information, unless covered under INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage; or
3. "Data" unless covered under INSURING AGREEMENT 10. – COMPUTER SYSTEMS RESTORATION EXPENSES.

## **K. Inventory Shortages**

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

1. any computation or comparison which involves in any manner a profit and loss computation; or
2. an inventory computation. However, where the "Insured" establishes wholly apart from such inventory computations that the "Insured" has sustained a loss covered under this Policy, then the "Insured" may offer the "Insured's" inventory records and actual physical count of inventory in support of the amount of loss claimed.

## **L. Legal Expenses**

Expenses related to any legal action; provided however that this shall not apply to expenses covered under INSURING AGREEMENT 6. – DEPOSITORS FORGERY OR ALTERATION or INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT that meet the conditions set forth in General Condition Q., LEGAL EXPENSES.

## **M. Money Operated Devices**

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

## **N. Motor Vehicles or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers, or semi-trailers or equipment or accessories attached to them. This exclusion shall apply only to INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property*.

**O. Noncompliance With Credit, Debit Or Charge Card Issuer's Requirements**

Loss resulting from any credit, debit or charge card if the "Insured" has not complied fully with the provisions, conditions or other terms under which the card was issued.

**P. Nuclear**

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

**Q. Professional or Business Identity Theft.**

Loss resulting from "theft" of any professional or business identity.

**R. Risks Inherent in Insurance Operations**

Loss resulting directly or indirectly from contractual or extra contractual liability sustained by the "Insured" in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

**S. Subcontractor and Other Representatives**

Loss resulting directly or indirectly by any agent, broker, factor, commission merchant, consignee, contractor, independent contractor, subcontractor or other similar representative. This exclusion shall only apply to INSURING AGREEMENT 1. – EMPLOYEE THEFT AND INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES.

**T. Trading Losses**

Loss resulting directly or indirectly from any authorized or unauthorized trading of "money", "securities" or "other property", whether in the "Insured's" name or in a genuine or fictitious account.

**U. Transfer or Surrender of Money, Securities or Other Property**

Loss of or damage to "money", "securities" or "other property" after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises"

1. on the basis of unauthorized instructions; or
2. as a result of a threat to do bodily harm to any person; or
3. as a result of a threat to do damage to any "money", "securities" or "other property".

But this Exclusion does not apply under INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property* to loss of "money", "securities" and "other property" while outside the "premises" or "banking premises" in the care and custody of a "messenger" if the "Insured":

1. had no knowledge of any threat at the time that the conveyance began; or
2. had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**V. Vandalism**

Loss from damages to the "premises" or to the exterior of any safe, vault, cash box, cash drawer or, cash register by vandalism or mischief.

## **W. Voluntary Parting of Title To or Possession of Money, Securities or Other Property**

Loss resulting from the "Insured", or anyone acting on the "Insured's" express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any "money", "securities" or "other property". This exclusion shall only apply to INSURING AGREEMENT 4. – INSIDE THE PREMISES – *Money, Securities and Other Property* and INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property*.

## **X. War and Similar Actions**

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

## **VII. GENERAL CONDITIONS**

### **A. ARMORED MOTOR VEHICLE COMPANIES**

Under INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property*, the Insurer will pay only for the amount of loss the "Insured" cannot recover

1. under the "Insured's" 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, or from the armored motor vehicle company.

### **B. CANCELLATION OF POLICY**

1. The first "Named Insured" shown in the Declarations may cancel this Policy by mailing or delivering to the Insurer advance written notice of cancellation.
2. The Insurer may cancel this Policy by mailing or delivering to the first "Named Insured" written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if the Insurer cancels for non-payment of premium; or
  - b. 60 days before the effective date of cancellation if the Insurer cancels for any other reason.
3. The Insurer will mail or deliver its notice to the first "Named Insured's" last mailing address known to the Insurer.
4. Notice of cancellation will state the effective date of cancellation. The "Policy Period" will end on that date.
5. If this Policy is cancelled, the Insurer will send the first "Named Insured" any premium refund due. If the Insurer cancels, 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 the Insurer has not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### **C. CANCELLATION AS TO ANY EMPLOYEE**

INSURING AGREEMENT 1. – EMPLOYEE THEFT and INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES are cancelled as to any "employee"

1. immediately upon discovery by a member of the Risk Management Department or any officer, manager, or supervisor of the "Insured" not in collusion with the "employee" of "theft" or any other fraudulent or dishonest act in excess of \$25,000 committed by the "employee" whether before or after becoming employed by the "Insured"; or

2. on the date specified in a notice mailed to the "Insured". The date will be at least 30 days after the date of the mailing. The mailing of notice to the "Insured" at the last mailing address known to the Insurer will be sufficient proof of notice. Delivery of notice is the same as mailing.

#### **D. CHANGES**

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

#### **E. CONCEALMENT, MISREPRESENTATION OR FRAUD**

This Policy is void in any case of fraud by the "Insured" as it relates to this Policy at any time. It is also void if the "Insured", at any time intentionally conceals or misrepresents a material fact, whether in the application or otherwise, concerning

1. this Policy;
2. the "money", "securities" or "other property" covered under this Policy;
3. the "Insured's" interest in the "money", "securities" or "other property" covered under this Policy; or
4. a claim under this Policy.

#### **F. CHANGE IN CONTROL**

##### **1. Mergers and Acquisitions**

If, during the "Policy Period", any "Insured":

- a merges with another entity such that the "Insured" is the surviving entity; or
- b acquires a "Subsidiary",

then coverage shall be provided for such newly merged or acquired entity and its "Subsidiary(ies)" after the effective date of such merger or acquisition.

If the revenues of any newly merged or acquired entity or new "Subsidiary" exceed 15% of the total revenues of the "Named Insured" as reflected in its most recent consolidated audited financial statements prior to such merger or acquisition, the "Insureds" shall give the Insurer full details of the transaction in writing as soon as practicable, but in no event later than ninety (90) days after the date of such merger or acquisition and the Insurer shall be entitled to impose such additional terms, conditions, and premium as the Insurer, in its absolute discretion, chooses. There shall be no coverage for any newly merged or acquired entity or any of its subsidiaries unless the "Insureds" comply with the terms of this provision.

##### **2. Takeover Of Named Insured**

If the "Named Insured" merges into or consolidates with another entity such that the "Named Insured" is not the surviving entity; or

- a. all, or substantially all of the assets of the "Named Insured" are acquired by another person or entity, group of persons or entities, or persons and entities acting in concert such that the "Named Insured" is not the surviving entity; or
- b. more than 50% of the securities representing the right to vote for the "Named Insured's" board of directors or managers is acquired by another person or entity, group of persons or entities, or persons and entities acting in concert,

then coverage shall immediately terminate as of the date of such transaction and any loss occurring upon or after such date shall not be covered hereunder.

#### **G. DISCOVERY**

1. The Insurer will pay for loss which the "Insured" sustains through acts or events committed or occurring at any time and which are discovered by the "Insured" during the "Policy Period" or during the period provided in General Condition L., EXTENDED PERIOD TO DISCOVER LOSS.
2. Discovery of loss occurs when a member of the Risk Management Department or any officer, manager, or supervisor of the "Insured" first becomes aware of facts which would cause a reasonable person to assume that a loss covered by this Policy has been, or may be incurred even though the exact amount or the details of the loss may not then be known.
3. Discovery also occurs when the "Insured" receives notice of an actual or potential claim against the "Insured" alleging facts, which if true, would constitute a covered loss under this Policy.
4. No coverage will be available under this Policy for any loss which the "Insured" is aware of prior to the inception date of this Policy.
5. Regardless of the number of claims, the applicable limit of insurance set forth on the Declarations for INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT is the most the Insurer will pay per "occurrence" for the total of all loss or expense arising out of all "identity thefts" which are first discovered by the "identity recovery insured" during a 12-month period starting with the beginning of the present annual policy period. If an "identity theft" is first discovered in one policy period and continues into other policy periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the policy period when the "identity theft" was first discovered.

#### **H. DISCOVERY SUPERSEDING LOSS SUSTAINED COVERAGE – LIABILITY FOR PRIOR LOSSES**

1. If this Policy has replaced similar prior insurance written by a company other than the Insurer, and such other 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 prior insurance to discover losses, the Insurer will not pay for such loss unless the amount exceeds the Limit of Insurance under said prior Policy. The Insurer will then only pay the Insured for any excess loss subject to the Insuring Agreements, Exclusions and General Conditions of this Policy.
2. Any payment that the Insurer makes to the "Insured" under this insurance shall not exceed the difference between the amount of insurance under the "Insured's" prior Policy and the Limit of Insurance shown in the Declarations and the Insurer will not apply its Deductible Amount to any excess loss payment.

#### **I. DUTIES IN THE EVENT OF LOSS**

After a member of the Risk Management Department or an officer, manager or supervisor of the "Insured" discovers a loss or a situation which may result in a loss of or damage to "money", "securities" or "other property", the "Insured" must:

1. notify the Insurer as soon as possible but no later than 90 days after discovery of loss.
2. submit to examination under oath at the Insurer's request and give the Insurer a signed statement.
3. give the Insurer a detailed, sworn proof of loss within 120 days.
4. cooperate with the Insurer in the investigation and settlement of any claim.
5. with respect to INSURING AGREEMENT 4. – INSIDE THE PREMISES – *Money, Securities and Other Property* and INSURING AGREEMENT 5. – OUTSIDE THE PREMISES – *Money, Securities and Other Property* notify the police if the "Insured" has reason to believe that the "Insured's" loss involves a violation of law.

6. with respect to INSURING AGREEMENT 11. – IDENTITY RECOVERY EXPENSES REIMBURSEMENT coverage, the "identity recovery insured" must send to the Insurer, within 60 days after its request, receipts, bills or other records that support the "Insured's" claim for "identity recovery expenses."

#### **J. EMPLOYEE BENEFIT PLANS**

In compliance with certain provisions of the Employee Retirement Income Security Act (ERISA):

1. The Insurer will pay for loss of or damage to "money", "securities" or "other property" of any "Employee Benefit Plan(s)" sponsored exclusively by the "Insured" resulting directly from "theft" by an "employee".

In no event shall coverage for any "Employee Benefit Plan(s)" be more than the Limit of Insurance shown on the Declarations under ITEM 4., INSURING AGREEMENT 1. – EMPLOYEE THEFT. Such limit shall be a part of and not in addition to the Limit of Insurance for INSURING AGREEMENT 1. – EMPLOYEE THEFT stated on the Declarations.

2. If any one or more "Employee Benefit Plans" are insured jointly with any other entity under this Policy, the "Insured" or the plan administrator must select a Limit of Insurance for INSURING AGREEMENT 1. – EMPLOYEE THEFT that is sufficient to provide a Limit of Insurance for each "Employee Benefit Plans" which is at least equal to that required if each Plan were separately insured.
3. Any payments the Insurer makes to the "Named Insured" for loss sustained by any "Employee Benefit Plan" will be held by that "Named Insured" for the use and benefit of the "Employee Benefit Plan" sustaining the loss.
4. If two or more "Employee Benefit Plans" are insured under this Policy, any payment which the Insurer makes for loss sustained by two or more "Employee Benefit Plans", or of commingled funds or "other property" of two or more "Employee Benefit Plans", which arises out of one "occurrence", is to be shared by each "Employee Benefit Plan" sustaining loss in the proportion that the Limit of Insurance required for each "Employee Benefit" Plan bears to the total of those limits.
5. The Deductible provision which applies to INSURING AGREEMENT 1. – EMPLOYEE THEFT shall not apply to loss which is sustained by any "Employee Benefit Plan(s)" subject to ERISA and which plan is covered under this insurance.

#### **K. EXAMINATION OF THE INSURED'S BOOKS AND RECORDS**

1. The Insurer may examine and audit the "Insured's" books and records as they relate to this Policy at any time during the "Policy Period" and up to three years afterward.
2. The Insurer may also examine and audit the books and records of any organization which the "Insured" newly acquired and that is deemed to be an "Insured" under this Policy.

#### **L. EXTENDED PERIOD TO DISCOVER LOSS**

The Insurer will pay for loss which the "Insured" sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by the "Insured":

1. no later than 60 days from the date of the termination, cancellation or non-renewal; and
2. as respects any "Employee Benefit Plan(s)", no later than 1 year from the date of that termination, cancellation or non-renewal.

However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the "Insured" to replace, in whole or in part, the insurance afforded by this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

#### **M. FACSIMILE SIGNATURES**

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

## **N. INSPECTION AND SURVEYS**

1. The Insurer has the right but is not obligated to:
  - a. make inspections and surveys at any time;
  - b. give the "Insured" reports on the conditions the Insurer finds; and
  - c. recommend changes.
2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health or the safety of workers or the public. And, the Insurer does not warrant that conditions:
  - a. are safe or healthful; or
  - b. comply with laws, regulations, codes or standards.
3. This condition applies not only to the Insurer, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

## **O. JOINT INSURED**

1. If more than one "Named 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. If the first "Named Insured" ceases to be covered, then the next "Insured" will become the first "Named Insured".
2. If any "Insured", "LLC Manager" or "LLC Member" or officer of an "Insured" has knowledge of any information relevant to this Policy, that knowledge is considered to be knowledge of every "Insured".
3. An "employee" of any "Insured" is considered to be an "employee" of every "Insured".
4. If this Policy or any of its Insuring Agreements is cancelled, terminated or non-renewed as to any "Insured", loss sustained by that "Insured" is covered only if discovered by the "Insured" during the period of time provided in General Condition L., EXTENDED PERIOD TO DISCOVER LOSS. This extended period to discover loss also terminates in accordance with paragraph 2 of that condition.
5. The Insurer will not pay a greater amount for loss sustained by more than one "Insured" than the Insurer would pay if all of the loss had been sustained by one "Insured".

## **P. LEGAL ACTION AGAINST US**

The "Insured" may not bring any legal action against the Insurer involving loss:

1. unless the "Insured" has complied with all the terms of this Policy; and
2. until 90 days after the "Insured" has filed proof of loss with the Insurer; and
3. unless such action is brought within 2 years from the date that the "Insured" discovers such loss.

## **Q. LEGAL EXPENSES**

The "Insured" shall immediately notify the Insurer of any claim or suit generating such expenses and shall not settle such claim or suit, or incur any related costs or expenses, without the Insurer's prior written authorization, nor shall the "Insured" admit liability in any such claim or suit. The Insurer shall have no duty to defend any such claim or suit, but shall have the right to investigate, negotiate or settle any such claim or suit or to take over the conduct of the defense thereof. Moreover, if, in the Insurer's discretion, the Insurer advances payments for



such suit, the Insurer may require a written undertaking, on its terms and conditions, guaranteeing the repayment of any expenses it pays that are determined to be not covered hereunder.

#### **R. LOSS COVERED UNDER MORE THAN ONE INSURING AGREEMENT OF THIS POLICY**

If two or more Insuring Agreements of this Policy apply to the same loss, the Insurer will pay the lesser of

1. the actual amount of loss; or
2. the sum of the Limits of Insurance applicable to those Insuring Agreements.

#### **S. NON ACCUMULATION OF LIMIT OF INSURANCE**

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

#### **T. OTHER INSURANCE**

1. This Policy does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this Policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.
2. However, this Policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

#### **U. OWNERSHIP OF PROPERTY; INTERESTS COVERED**

1. Solely for purposes of INSURING AGREEMENT 1. – EMPLOYEE THEFT and INSURING AGREEMENTS 3. through 8., the property covered under this Policy is limited to "money", "securities" or "other property":
  - a. that the "Insured" owns or leases; or
  - b. that is owned by the "Insured's" "client" and which the "Insured" holds on its "premises"; or
  - c. which is in the custody of one acting as the "Insured's" "messenger" and while such "money", "securities" or "other property" is in transit; or
  - d. for which the "Insured" is legally liable, except for loss covered under INSURING AGREEMENT 2. EMPLOYEE THEFT – CLIENT PREMISES

Provided that the Insurer's liability will not apply to damage to the "premises" unless the "Named Insured" is the owner of such "premises" or is legally liable for such damage.

Notwithstanding the above, this Policy is for the "Insured's" benefit alone and no other person or organization has any rights or benefits. Any claim for a loss of "client" "money", "securities" or "other property" occurring on the "Insured's" "premises" or while in transit in the custody of a "messenger" may only be made by the "Insured" in the "Insured's" proof of loss.

2. Solely for purposes of INSURING AGREEMENT 2. – EMPLOYEE THEFT – CLIENT PREMISES, the property covered under this Policy is limited to "money", "securities" and "other property":
  - a. that the "Insured's" "client" owns or leases; or
  - b. that is owned or leased by a customer of the "Insured's" "client" or
  - c. for which the "Insured's" "client" is legally liable;

but only for "theft" that occurs and causes loss during the time the "Insured's" identified "employee" is engaged pursuant to a written agreement to perform services on the "client's premises".

Notwithstanding the above, this Policy is for the "Insured's" benefit alone and no other person or organization has any rights or benefits, including the "client". Any claim for loss of "money", "securities" or "other property" sustained by the "client" or customer of such "client" and caused by "theft" by an "employee" shall be made by the "Insured" in the "Insured's" proof of loss.

#### **V. PREMIUMS**

The first "Named Insured" is responsible for the payment of all premiums and will be the payee for all return premiums the Insurer pays.

#### **W. RECORDS**

The "Insured" must keep records of all "money", "securities" and "other property" covered under this Policy so the Insurer can verify the existence, cause and amount of any loss.

#### **X. RECOVERIES**

1. Any recoveries made before the resolution of all or any part of a claim under this Policy shall be distributed/applied in the following order of priority:
  - a. to the party (either the "Insured" or the Insurer) to reimburse it for the reasonable and necessary costs of obtaining the recovery; and then
  - b. to the "Insured" to reduce the amount of covered loss.
2. Any recoveries made after the resolution of all or any part of a claim under this Policy shall be distributed/applied in the following order of priority:
  - a. to reimburse the party (either the "Insured" or the Insurer) for the reasonable and necessary costs of obtaining the recovery; and then
  - b. to the "Insured", until reimbursed for any excess covered loss sustained that exceeds the Limit of Insurance and the Deductible Amount, if any; and then
  - c. to the Insurer, until reimbursed for the amount paid; and then
  - d. to the "Insured", until reimbursed for that part of the loss equal to the Deductible Amount, if any; and then
  - e. to the "Insured" for any loss not covered.
3. Recoveries do not include any recovery:
  - a. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
  - b. of original securities after duplicates of them have been issued.

#### **Y. SPECIAL LIMIT OF INSURANCE FOR SPECIFIED PROPERTY (Insuring Agreement 4.)**

The Insurer will pay no more than \$25,000. for any one "occurrence" of loss of or damage to

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

## **Z. TERRITORY**

This Policy covers acts committed or events occurring anywhere in the world pursuant to General Condition F. CHANGE IN CONTROL.

## **AA. TRANSFER OF THE INSURED'S RIGHTS AND DUTIES UNDER THIS POLICY**

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

## **BB. TRANSFER OF THE INSURED'S RIGHTS OF RECOVERY AGAINST OTHERS TO US**

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

## **CC. VALUATION**

1. Subject to the applicable Limit of Insurance, The Insurer will pay for:
  - a. loss of "money" but only up to and including its face value. The Insurer may, at its option, pay for a loss of "money" issued by any country other than the United States of America in either the face value in the "money" issued in that country, or, in the United States of America dollar equivalent determined by the rate of exchange as stated in The Wall Street Journal on the day that the loss occurred.
  - b. loss of "securities" but only up to and including their value as stated in The Wall Street Journal at the close of business on the day that the loss was discovered. But, the Insurer may, at its option, 1) pay the value of such "securities", 2) replace them in kind in which event the "Insured" must assign to the Insurer all the "Insured's" rights, title and interest in and to those "securities" or 3) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of
    - i. the value of the "securities" as stated in The Wall Street Journal at the close of the business on the day the loss was discovered; or
    - ii. the Limit of Insurance.
  - c. loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the "other property" without deduction for depreciation, subject to 2. below. However, the Insurer will not pay for more than the lesser of
    - i. the Limit of Insurance applicable to the lost or damaged "other property"; or
    - ii. the cost to replace the lost or damaged "other property" with "other property" of comparable material and quality and used for the same purpose; or
    - iii. the amount that the "Insured" actually spends that is necessary to repair or replace the lost or damaged "other property".

2. The Insurer will not pay on a replacement cost basis for any loss or damage:
  - a. until the lost or damaged "other property" is actually repaired or replaced; and
  - b. unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

If the lost or damaged "other property" is not repaired or replaced, the Insurer will pay based on actual cash value.

3. The Insurer may, at its option, pay for loss of or damage to "other property" other than "money" in the "money" of the country in which the loss occurred; or in the United States of America dollar equivalent of the "money" of the country where the loss occurred determined by the rate of exchange on the day the loss was discovered. Any "other property" that the Insurer pays for or replaces becomes "other property" of the Insurer.