EVEREST EXPEDITION® NOT-FOR-PROFIT MANAGEMENT LIABILITY POLICY CRIME COVERAGE PART



SECTION I – INSURING AGREEMENTS

A. EMPLOYEE THEFT COVERAGE

The Insurer shall pay the **Named Insured** for direct loss of **Money**, **Securities** or **Property** sustained by an **Insured** resulting from **Theft** or **Forgery** committed by an **Employee** acting alone or in collusion with others.

B. PREMISES COVERAGE

The Insurer shall pay the Named Insured for direct loss sustained by an Insured resulting from:

- 1. Robbery, Safe Burglary, or unlawful taking of Money or Securities committed by a Third Party; or
- 2. actual destruction or disappearance of Money or Securities,

within or from the Premises or Banking Premises.

Coverage under this Insuring Agreement B shall also include:

- i. loss of or damage to Property which results from Robbery or ...tempted h bbery within the Premises;
- ii. loss of or damage to such **Property** contained within any lowing and the sult or safe which results from **Safe Burglary** or attempted **Safe Burglary** within the **Prem**.
- iii. damage to a locked safe, cash drawer, cash box or cash rogis. r within the **Premises** by felonious entry or attempted felonious entry or loss by felonious abstraction of such container from within the **Premises**; and
- iv. damage to the Premises or to its externeesuit of fro. Safe Burglary or Robbery,

committed by a **Third Party**.

C. IN TRANSIT COVERAGE

The Insurer shall pay the Nam Insured for direct loss sustained by an Insured resulting from:

- 1. Robbery or unlawf ing Mon , or Securities committed by a Third Party; or
- 2. actual destruct in or di appearance of Money or Securities;

while In Transit while porarily within the home of an Employee or a partner of an Organization.

Coverage un er this 'ring greement C shall also include:

- i. damage to Proper' / which results from Robbery while In Transit; and
- ii. loss by the unrawful taking of **Property** temporarily within the home of an **Employee** or a partner of an **Organization**;

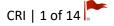
committed by a **Third Party**.

D. FORGERY COVERAGE

The Insurer shall pay the **Named Insured** for direct loss sustained by an **Insured** resulting from **Forgery** or alteration of a **Financial Instrument** committed by a **Third Party**.

E. COMPUTER FRAUD COVERAGE

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The Insurer shall pay the **Named Insured** for direct loss of **Money**, **Securities** or **Property** sustained by an **Insured** resulting from **Computer Fraud** committed by a **Third Party**.

F. FUNDS TRANSFER FRAUD COVERAGE

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

G. MONEY ORDERS AND COUNTERFEIT CURRENCY FRAUD COVERAGE

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

H. CREDIT CARD FRAUD COVERAGE

The Insurer shall pay the **Named Insured** for direct loss sustained by an **Insured** resulting from **Credit Card Fraud** committed by a **Third Party**.

I. CLIENT COVERAGE

The Insurer shall pay the Named Insured for direct loss of Money ecurity s or Property sustained by a Client resulting from Theft or Forgery committed by an Employee not in a flusion with such Client's employees.

J. SOCIAL ENGINEERING FRAUD COVERAGE

The Insurer shall pay the Named Insured for directors stated by an Insured resulting from an Organization having transferred, paid or delivered and Viceov or Securities as the direct result of Social Engineering Fraud committed by a person purperting to be a Vendor, Client or Employee who was authorized by the Organization to instruct the Employee of transfer Money or Securities.

K. EXPENSE COVERAGE

The Insurer shall pay the Named '.sured fc

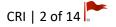
- Investigative Expenses Foulting from any direct loss covered under Insuring Agreement A (Employee Theft Coverage), B (Promise Coverage), C (In Transit Coverage), D (Forgery Coverage), E (Computer Fraud Coverage) or (Full Is These or Fraud Coverage), G (Money Orders and Counterfeit Currency Fraud Coverage) H (Cri dit Card Fraud Coverage), I (Client Coverage) or J (Social Engineering Fraud Coverage; or
- Compt er Violation E. enses resulting from any direct loss covered under Insuring Agreement A (Emplo, an eft Cuverage), E (Computer Fraud Coverage), or I (Client Coverage);

incurred by any **O** marilation up to the Limit of Liability for the Expense Coverage Insuring Agreement set forth in ITEM 1 of the Crime Declarations, and only if the direct loss is in excess of the deductible applicable to the other Insuring Agreement referenced in paragraphs 1 and 2 above. Such Limit of Liability for Expense Coverage shall be part of and not in addition to the Limit of Liability applicable to such other Insuring Agreement.

SECTION II – DEFINITIONS

When used in the Crime Coverage Part, the following terms, whether in the singular or plural, are defined as follows:

A. Banking Premises means the interior portion of a building occupied by, or the night depository chute or safe maintained by, any bank, trust company or similar financial institution.

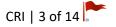


- **B.** Client means a customer of an Organization to whom an Organization provides goods or services under written contract or for a fee.
- C. Computer Fraud means the unlawful taking of Money, Securities or Property resulting from a Computer Violation.
- **D. Computer System** means a computer or network of computers, including its input, output, processing, storage and communication facilities, and shall include off-line media libraries.
- E. Computer Violation means an unauthorized:
 - 1. entry into or deletion of Data from a Computer System;
 - 2. change to **Data** elements or program logic of a **Computer System**, which is kept in machine readable format; or
 - introduction of instructions, programmatic or otherwise, which propagate themselves through a Computer System;

directed against an Organization.

- F. Computer Violation Expenses means reasonable expenses, other than an security internal corporate costs (such as Salary), incurred by an Organization with the Insurer' prior w. 'ten consent to reproduce or duplicate damaged or destroyed electronic Data or computer programs. I'such amputer programs cannot be duplicated from other computer programs, then Computer Violation Expenses shall also include reasonable costs incurred for computer time, computer programs 's, tech ical experts or consultants to restore the computer programs to substantially the same 'e, 'l of 's rational capability immediately preceding the covered direct loss. Computer Violation Expenses incurred by any Client.
- **G.** Confidential Information means confidential or perchasin formation including, but not limited to, patents, trade secrets, processing methods, customernists, financial information, credit card information, health information or any similar type of nonpullic information.
- H. Contractual Independent Contract meals any natival person independent contractor while in the regular service of an Organization in the ordinary construction of such Organization's business, pursuant to a written contract for services between to Organization, and either (i) such natural person independent contractor, or (ii) any other entity activation on construction natural person independent contractor.
- I. Credit Card Fraud means the Forge or alteration of, on or in, any written instrument required in connection with any conditioned, debit card, or charge card issued to an Organization or at the request of an Organization, the part or, officer or Employee of an Organization.
- J. Data means form ... contained in records, manuscripts, accounts, microfilms, tapes or other records, which are processed and tored in a **Computer System**.
- K. Discovery or Discovered means knowledge acquired by an Executive Officer which would cause a reasonable person to believe a covered loss has occurred or an occurrence has arisen that may subsequently result in a covered loss, including loss:
 - 1. sustained prior to the inception date of any coverage under this Coverage Part;
 - 2. which does not exceed the applicable Deductible set forth in ITEM 1 of the Crime Declarations; or
 - 3. the exact amount or details of which are unknown;

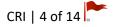
provided that **Discovery** or **Discovered** shall not include knowledge acquired by an **Executive Officer** acting alone or in collusion with an **Employee**, or the knowledge possessed by any **Executive Officer** who is a participant in the **Theft** or **Forgery**.



L. Employee means any:

- natural person while in the regular service of an Organization in the ordinary course of such Organization's business, whom such Organization governs and directs in the performance of such service, including a part-time, seasonal, leased or temporary employee, intern or volunteer;
- 2. Executive while performing acts within the scope of the usual duties of an Employee;
- 3. Contractual Independent Contractor;
- 4. natural person fiduciary, trustee, administrator or Employee, as defined in paragraphs 1 and 2 above, of an ERISA Plan and any other natural person, who handles ERISA Plan assets and is required to be bonded by an Organization in connection with such ERISA Plan by Title 1 of the Employee Retirement Income Security Act of 1974, as amended, or by the Pension Protection Act of 2006;
- 5. former or retired **Employee**, as defined in paragraphs 1 and 2 above, of the **Organization**, retained as a consultant (as evidenced by a written contract for services) to the **Organ**, **tion**; or
- 6. **Employee**, as defined in paragraphs 1 and 2 above, of the **Organ** whith on leave for military services.
- M. ERISA Plan means any Employee Benefit Plan, Pension Benefit ^r an or ¹ 'elfar, Benefit Plan, defined and required to be bonded under Title 1 of the Employee Retirement cor a Security Act of 1974, as amended, or by the Pension Protection Act of 2006, which is opera ¹ sole. by ar **Jrganization** or jointly by an **Organization** and a labor organization for the benefit of **En increase**, which existed on or before the inception of this Policy or which is created or acquire ¹ fter the ince¹ tion of this Policy, provided that **ERISA** Plan shall not include any multi-employer plan.
- N. Executive means any natural person specified belov
 - 1. a duly elected or appointed direct *c*, officer, truche, in-house general counsel or duly constituted committee member of any **Organintion** incompated in the United States of America;
 - a duly elected or appointed (1) mana or or momber of the Board of Managers or equivalent position;
 (ii) duly constituted committee member;
 (iii) in-house general counsel; or
 (iv) trustee, of any Organization formed as a minimal liability company in the United States of America; or
 - 3. a holder of an ecovale post on a those described in paragraphs 1 or 2 above in any Organization incorporated, for medic organized anywhere in the world.
- **O. Financial Instruct** the schecks, drafts or similar written promises, orders or directions to pay a sum certain in money, that are ade, drawn by or drawn upon an **Organization** or by anyone acting as an **Organization** acting a transmission or bus anyone acting as an **Organization** acting a transmission or bus anyone acting as an **Organization** acting a sum or the second se
- P. Forgery means the signing of another natural person's name with the intent to deceive, but does not mean a signature that includes, in whole or in part, one's own name, with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated the same as hand-written signatures.
- Q. Funds Transfer Fraud means fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions (other than Forgery), purportedly issued by an Organization, and issued to a financial institution directing such institution to transfer, pay or deliver Money or Securities from any account maintained by such Organization at such institution, without such Organization's knowledge or consent.
- R. Insurance Representative means an Employee, as defined in Sections II.L.1 and II.L.2 of the definition of Employee, including a risk manager, designated to represent an Insured for the purpose of effecting and maintaining insurance.
- S. Insured means any Organization and any Sponsored Plan.

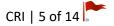
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- T. In Transit means being conveyed outside the Premises, from one person or place to another, by the Organization within the custody of:
 - 1. an Employee or a partner of an Organization; or
 - 2. a person duly authorized by such Organization to have custody of Money, Securities or Property;

provided that such conveyance begins immediately upon receipt of **Money**, **Securities** or **Property** by the person(s) described in paragraphs 1 or 2 above, from such **Organization**, and ceases immediately upon delivery to the designated recipient or its agent.

- U. Investigative Expenses means reasonable expenses, other than an Organization's internal corporate costs (such as Salary), incurred by an Organization with the Insurer's prior written consent to establish the existence and amount of a covered loss. Investigative Expenses shall not include expenses incurred by any Client.
- V. Money means currency, coin, bank notes, bullion, travelers checks, registered checks and money orders held for sale to the general public.
- W. Money Orders and Counterfeit Currency Fraud means the good faith acceptance b, on Organization:
 - 1. in exchange for merchandise, **Money** or services, of any post office on spress money order, issued or purporting to have been issued by any post office or express sumpany, it. tch money order is not paid upon presentation; or
 - 2. in the regular course of business, of counterfeit paper, rrence
- X. Non-ERISA Plan means any employee benefit plan not subject on 'elc the Employee Retirement Income Security Act of 1974, as amended, or by the Pension Control Act C 2006, which is operated solely by an Organization or jointly by an Organization and a bor Control Act C 2006, which is operated solely by an Organization or before the inception of this Policy or bich created or acquired after the inception of this Policy, provided that Non-ERISA Plan shall not melude by multi-employer plan.
- Y. Premises means the interior portion of a building oc upied by an Organization in conducting its business.
- **Z. Property** means tangible property other the Mone, or Securities. Property shall not include any Insured's or another entity or person's **Confiden** al Information.
- AA. Robbery means the unlawful tak of Mor .y, Securities or Property from the custody of an Employee or other person (except a erson actine as watchman, porter or janitor) duly authorized by an Organization to have custody of sum Mon /, Securices or Property, by violence or threat of violence, committed in the presence and cognizance of such Employee or other person.
- **BB.** Safe Burglar means the u. twful taking of Money, Securities or Property by forcible or violent entry evidenced by triffer mar 5, from a locked vault or safe located within the Premises.
- **CC.** Salary means compendation an **Organization** pays an **Employee**, including bonus, commission, incentive payments, and the cost of health, welfare and pension benefits.
- **DD.** Securities means any negotiable and non-negotiable contracts or instruments representing either Money or Property, including revenue and other stamps in current use, casino chips, tokens and tickets, provided that Securities shall not include Money.
- **EE.** Social Engineering Fraud means the intentional misleading of an Employee, through misrepresentation of a material fact which is relied upon by an Employee, believing it be genuine.
- FF. Sponsored Plan means any ERISA Plan and Non-ERISA Plan.
- GG. Theft means the unlawful taking of Money, Securities or Property to the deprivation of:
 - 1. an Insured, solely for the purposes of Insuring Agreement A (Employee Theft Coverage); or



- 2. a **Client**, solely for the purposes of Insuring Agreement I (Client Coverage).
- **HH.** Third Party means a natural person other than:
 - 1. an **Employee**; or
 - 2. a natural person acting in collusion with an **Employee**.
- II. Vendor means any entity or natural person that has provided goods or services to an Organization under a legitimate preexisting arrangement or written agreement. However, Vendor does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity.

SECTION III – EXCLUSIONS

- A. No coverage will be available for:
 - 1. TRADING

loss resulting directly or indirectly from any authorized or unauthorized trading of **Money**, **Securities** or **Property**, whether or not in the name of an **Insured** and whether or not in a genuine or fictitious account, provided that this exclusion shall not apply to direct losses accused by **'beft** or **Forgery** which result in improper financial gain to an **Employee** (direct losses as tradinered and mean only the amount of improper financial gain to such **Employee**, which shall not clude **Salary**, commissions, fees or other compensation, including promotions and races as traded, ith employment, paid by the **Insured** to such **Employee**).

2. CONFIDENTIAL INFORMATION

- a. loss involving the disclosure or use of a viewed' or another entity or person's **Confidential** Information while in the care, cust. 'y or intro, an **Insured**; or
- b. fees, costs, fines, penalties or ______, ther _______ incurred by an **Insured** which result, directly or indirectly, from the acce _s to or disclosu ______ of **Confidential Information**.

3. OWNER/PARTNER

loss due to **Theft** or **For ary** conditted by an owner or partner of an **Organization**, whether acting alone or in collusion with the s, provided that if such **Theft** or **Forgery** would otherwise be covered under Insuring Agreement A, imple e Theft Coverage) or I (Client Coverage), this exclusion shall not apply to the event coverage or are this Coverage Part is excess of the amount of such owner or partner's percentage whership of such **Organization**, on the day immediately preceding the date of **Discover** multiplic by such **Organization's** total assets as reflected in such **Organization's** most recent in nual firmencial tatements.

4. **WAR**

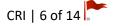
loss or damage due to declared or undeclared war, civil war, insurrection, rebellion, revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization, or any act or condition incident to any of the foregoing.

5. NUCLEAR

loss or damage due to nuclear reaction, nuclear radiation or radioactive contamination, or any act or condition incident to any of the foregoing.

6. POTENTIAL INCOME

loss of income not realized as the result of a covered loss.



7. INDIRECT/CONSEQUENTIAL

indirect or consequential loss of any kind, provided that this exclusion shall not apply to:

- a. otherwise covered Investigative Expenses and Computer Violation Expenses under Insuring Agreement K (Expense Coverage);
- b. the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss, provided that the **Organization's** maximum liability for the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes, or other records resulting directly from a covered loss sustained shall be \$25,000, which amount shall be part of, and not in addition to, the applicable Limit of Liability set forth in ITEM 1 of the Crime Declarations.

8. DATA, FEES, COSTS AND EXPENSES

fees, costs or expenses incurred or paid:

- as a result of the reconstitution of Data if an Organization knowing, used illegal copies of programs;
- b. to render the Data usable by replacement processir , equipment
- c. to design, update or improve software or program or to perfect their operation or performance; or
- d. as a result of an alteration in **Data** held on means ic means due to the effect of magnetic fields, their incorrect use or the obsole we are of the computer or its facilities.

9. **FIRE**

loss due to fire, provided that this e nation shall of apply to:

- a. loss of Money or Securitie or
- b. damage to any safe , vault used by the application of fire thereto for the purposes of Safe Burglary.

10. LEGAL FEES, COSTS AND L. " , NSES

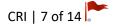
fees, costs or evenses nourre's paid in defending or prosecuting any legal proceeding or claim, provided that the exclusion shall not apply to the coverage provided under Section V (Legal Expenses Extension)

11. VOLUN 'AR' ACK NGE OR PURCHASE

loss due to an **Inc. red** knowingly having given or surrendered **Money**, **Securities** or **Property** in any exchange or purchase with a **Third Party**, not in collusion with an **Employee**, provided that this exclusion shall not apply to otherwise covered loss under Insuring Agreement A (Employee Theft Coverage), G (Money Orders and Counterfeit Currency Fraud Coverage), I (Client Coverage), or J (Social Engineering Fraud), or otherwise covered loss of **Property** under Insuring Agreement E (Computer Fraud Coverage).

12. ADVANTAGE

loss sustained by one **Insured** to the advantage of any other **Insured**.



13. CUSTODIAL

loss of or damage to **Money**, **Securities** or **Property** while in the custody of any bank, trust company, similar recognized place of safe deposit, armored motor vehicle company or any person who is duly authorized by an **Organization** to have custody of such **Money**, **Securities** or **Property**, provided that this exclusion shall not apply to the extent that coverage under this Coverage Part is excess of the amount recovered or received by such **Organization** under:

- a. such Organization's contract, if any, with, or insurance carried by, any of the foregoing; or
- b. any other insurance or indemnity in force which would cover the loss in whole or in part.

14. AUTHORIZED REPRESENTATIVE

loss or damage due to Theft, Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders And Counterfeit Currency Fraud, Credit Card 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 sing I not apply to otherwise covered loss under Insuring Agreement A (Employee Theft Coverage) or I (Crimit Coverage), resulting from Theft or Forgery committed by an Employee acting in the such authorized representative.

- **B**. In addition to the Exclusions in Subsection A above, no coverage vill be available under:
 - 1. Insuring Agreement A (Employee Theft Coverage) or I Cient verage, for:

a. BROKER/INDEPENDENT CONTRACTOR

loss caused by any broker, factor, comn. suc. met hant, consignee, contractor, independent contractor (other than a **Contr. tual tdependent Contractor**), or other agent or representative of the same general character,

b. **PRIOR DISHONESTY**

loss caused by an **Employe** which is stained by an **Insured**:

i. after an **f cecutiv** or **Insurance Representative** becomes aware of a:

1 Th °

2. orgei

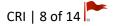
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other fraudulent, dishonest or criminal act;

which is valued at one thousand dollars (\$1,000) or more, committed by such **Employee** while employed with or in the service of an **Insured**;

ii. *e'* er an **Executive** or **Insurance Representative** becomes aware of a **Theft**, **Forgery** or other fraudulent, dishonest or criminal act, involving:

- 1. Money;
- 2. Securities; or
- 3. other property;
- which is valued at twenty-five thousand dollars (\$25,000) or more, committed by such Employee prior to employment or service with an Insured; or
- iii. more than ninety (90) days following the termination of such Employee;
- 2. Insuring Agreement B (Premises Coverage) or C (In Transit Coverage), for:



a. OTHER INSURING AGREEMENTS

loss or damage due to Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Currency Fraud or Credit Card Fraud; or

b. MAIL/CARRIER FOR HIRE

loss of or damage to **Money**, **Securities** or **Property** while in the mail or in the custody of a carrier for hire other than an armored motor vehicle company;

3. Insuring Agreement B (Premises Coverage), C (In Transit Coverage), E (Computer Fraud Coverage), F (Funds Transfer Fraud Coverage), or J (Social Engineering Fraud Coverage) for:

a. KIDNAP, RANSOM OR EXTORTION

loss or damage as a result of a kidnap, ransom or other extortion payment (as distinct from **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 the **Premises** or other property;

b. FORGERY OR ALTERATION

loss due to **Forgery** or alteration of:

- (i) any Financial Instrument committed b any Tird Pary in collusion with any Employee; or
- (ii) any registered or coupon obligations is u. Y or p. rr. rted to have been issued by the **Insured**, or any coupons whether attach d c. detached; or
- 4. Insuring Agreement D (Forgery Coverage' for:

FORGERY OR ALTERATION

loss due to Forgery or alteration of:

- (i) any Financia' Instrument committed by any Third Party in collusion with any Employee:
- (ii) any regiserred or coupon obligations issued or purported to have been issued by the **Insumation** or any court ins whether attached or detached; or
- 5. Insuring Agreement (Credit Card Fraud Coverage) for:

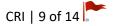
FORC OR A. ERATION (CREDIT CARD)

loss case by any **Forgery** or alteration of, on or in any written instrument, provided that this Exclusion F 5 shall not apply if:

- ... the provisions, conditions and other terms under which the involved credit card was issued were fully complied with; and
- (ii) the **Organization** is legally liable to the issuer of such credit card for such loss.
- 6. Insuring Agreement J (Social Engineering Fraud Coverage) for:

a. CAUSE(S) OF LOSS

loss or damage due to Theft by an Employee, Forgery, Computer Fraud, Funds Transfer Fraud, Money Orders and Counterfeit Currency Fraud or Credit Card Fraud;



b. MAIL/CARRIER FOR HIRE

loss of or damage to **Money** or **Securities** while in the mail or in the custody of any carrier for hire, including but not limited to any armored motor vehicle company;

c. INVESTMENTS

loss due to any investment in **Securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;

d. **PRODUCTS OR SERVICES**

loss due to the failure, malfunction, inadequacy or illegitimacy of any product or service;

e. PERFORMANCE UNDER CONTRACT

loss due to the failure of any part to perform, in whole or in part, under any contract;

f. LOANS AND CREDIT

loss due to the extension of any loan, credit or similar promise to p.

g. GAMBLING

loss due to any gambling, game of chance, lottery or milar gam

h. **PROPERTY**

loss or damage to any Property;

i. CREDIT CARD LOSS

loss due to any party's use of or accentail of any credit card, debit card or similar instrument, whether or not genuine.

C. Loss Discovered

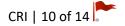
No coverage will be available for:

- 1. loss unless such loss is sust and by a **Insura**, and such loss is **Discovered** prior to the termination of this Coverage Part as a such asured;
- 2. loss unless such loss is submed by any **Insured** and **Discovered** prior to the termination of the applicable Insuring Agreement;
- loss unless suc. loss i sustained by any Insured and Discovered prior to the termination of this Coverage in it. ntirety;
- loss ur ass such loss , sustained prior to the termination of this Coverage Part and such loss is Discove. within one (1) year following such termination if the termination results from the voluntary liquidation or voluntary dissolution of the Named Insured; or
- 5. any loss that an **Insured** is aware of prior to the inception date of this Policy;

provided that in no event will coverage be available under this Coverage Part for such loss if such loss is covered under any renewal or replacement of this Coverage Part or any Insuring Agreement or any particular coverage offered under any Insuring Agreement.

SECTION IV – ERISA PLAN EXTENSION

A. Solely with respect to loss sustained by an ERISA Plan, payment by the Insurer for covered loss shall be to the ERISA Plan sustaining such loss. If such payment is in excess of the amount of coverage required by the Employee Retirement Income Security Act of 1974, as amended, for such ERISA Plan(s), such excess shall be held for the use and benefit of any other ERISA Plan(s) should such ERISA Plan(s) also discover loss recoverable hereunder.



- B. With respect to each ERISA Plan:
 - 1. if covered loss is sustained by any **ERISA Plan** which does not have any employer securities, the Limit of Liability applicable to such covered loss shall be the greater of:
 - a. \$1,000; or
 - b. ten percent (10%) of the ERISA Plan's funds handled as of the beginning of such ERISA Plan's fiscal year,

up to \$500,000; or

- 2. if covered loss is sustained by any **ERISA Plan** which does have any employer securities, the Limit of Liability applicable to such covered loss shall be the greater of;
 - a. \$1,000; or
 - b. ten percent (10%) of the ERISA Plan's funds handled as of the beginning of such ERISA Plan's fiscal year;

up to \$1,000,000,

provided that, in all events, if the applicable Limit of Liability set forth in real 1 of the Crime Declarations:

- a. is less than or equal to the amounts set forth in ragroph IV.B.1 or IV.B.2 above, then the applicable Limit of Liability shall be amended to be recentive chounts set forth in Paragraph IV.B.1 or IV.B.2 above; or
- b. is greater than the amounts set forth in the applicable Limit of Liability for each ERISA P' n she' be a amounts set forth in Paragraph IV.B.1 or IV.B.2 above, with the remaining amount by thich the applicable Limit of Liability set forth in ITEM 1 of the Crime Declarations exceed the amounts in Paragraph IV.B.1 or IV.B.2 above to be allocated equally between all ERISA Plane sustaining the loss.
- C. Solely with respect to loss sustainer by a FRISA Pla :
 - 1. Insuring Agreement A (Er ployee Theft coverage), is replaced with the following:

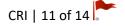
The Insurer shall pay an Exit Plan for direct loss of Money, Securities or Property sustained by such ERISA Plan resulting from a cauralent or dishonest act, including larceny, theft, embezzlement, forgery, misag copriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by an provee acting alone or in collusion with others.

- 2. The words "ninety (c) days" are deleted from the exclusions applicable to this Coverage Part, where rth, app ar, and the words "one (1) year" are substituted in place thereof.
- **D.** No Deductible shall apr y to loss sustained by an **ERISA Plan** covered under this Coverage Part.

SECTION V – LEGAL EXPENSES EXTENSION

In addition to the Limits of Liability set forth in ITEM 1 of the Crime Declarations, the Insurer shall pay the **Named Insured**:

- A. as a result of loss covered under Insuring Agreement D (Forgery Coverage), reasonable court costs and attorneys' fees incurred and paid, with the Insurer's prior written consent, in defending an Organization or an Organization's bank in any legal proceeding brought against it to enforce payment of a Financial Instrument; and
- B. as a result of loss covered under Insuring Agreement H (Credit Card Fraud Coverage), reasonable court costs and attorneys' fees incurred and paid with the Insurer's prior written consent in defending an **Organization**



in any legal proceeding brought against it to enforce payment of a written instrument, required in connection with any credit card, debit card, or charge card.

SECTION VI – NOTICE AND PROOF OF LOSS

- A. It is a condition precedent to coverage under this Coverage Part that, upon **Discovery**, the **Named Insured** will:
 - 1. give written notice to the Insurer at the earliest practicable moment, and in no event later than 180 days after such **Discovery**;
 - 2. furnish affirmative proof of loss with full particulars to the Insurer at the earliest practicable moment, and in no event later than 180 days after such **Discovery**;
 - 3. submit to examination under oath at the Insurer's request;
 - 4. produce all pertinent records at such reasonable times and places as the Insurer shall designate; and
 - 5. provide full cooperation with the Insurer in all matters pertaining to a loss or claim.
- B. Knowledge possessed by any Insured, or Discovery, shall be deemed knowled to possessed by, or Discovery, by all Insureds.
- C. The **Named Insured** may offer a comparison between an **Organizatio** 's involvery records and actual physical count of its inventory to prove the amount of loss, only the can **Organization** establishes wholly apart from such comparison that it has sustained a coveret to ss, called be an **Employee**.

SECTION VII – LIMITS OF LIABILITY

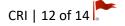
- A. The Insurer's maximum liability for each loss shal. ot exceed to imit of Liability applicable to such loss set forth in ITEM 1 of the Crime Declarations, regardless of the timber of **Insureds** sustaining the loss, provided that with respect to an **ERISA Plan**, the Linut of Liability, thall apply in accordance with the terms of Section IV (ERISA Plan Extension).
- B. If a direct loss is covered under more that one Insuing Agreement, the maximum amount payable under this Coverage Part shall not excored the larges include Limit of Liability of any such Insuring Agreement.
- C. All loss resulting from a single actor in y number of acts of the same **Employee** or **Third Party**, whether such act or acts occurred befrection, whether **olicy Period**, will be treated as a single loss and the applicable Limit of Liability set for in ITF A 1 of the Crime Declarations will apply to such single loss, subject to Section X (Liability for Prior Los 15)

SECTION VIII - DED /CTIBLE

- A. The Insurer's hours your of this Coverage Part shall apply only to that part of each loss which is in excess of the applicable Deductible set forth in ITEM 1 of the Crime Declarations.
- B. If an **Insured** receives payment under another policy or bond, after applying a deductible or retention, for loss also covered hereunder, then the applicable Deductible set forth in ITEM 1 of the Crime Declarations shall be reduced by the deductible or retention previously applied to such loss.

SECTION IX – OWNERSHIP

A. Solely for the purposes of Insuring Agreements A (Employee Theft Coverage), B (Premises Coverage), C (In Transit Coverage), D (Forgery Coverage), E (Computer Fraud Coverage), F (Funds Transfer Fraud Coverage), G (Money Orders and Counterfeit Currency Fraud Coverage), and H (Credit Card Fraud Coverage), the Insurer's liability under this Coverage Part shall only apply to Money, Securities or Property owned by an Organization or for which the Organization is legally liable, or held by the Organization in any capacity whether or not the Organization is liable, provided that:



- 1. the Insurer's liability will not apply to damage to the **Premises** unless the **Organization** is the owner of such **Premises** or is legally liable for such damage; or
- 2. with respect to Insuring Agreement A (Employee Theft Coverage), the Insurer's liability will not apply to **Money, Securities** or **Property** of a **Client**.
- B. Solely for the purposes of Insuring Agreement I (Client Coverage), the Insurer's liability under this Coverage Part will only apply to **Money**, **Securities** or **Property**:
 - 1. owned by a **Client**, which is held by an **Organization** in any capacity or for which the **Organization** is legally liable; or
 - 2. held or owned by a **Client**, for which the **Client** is legally liable.

SECTION X - LIABILITY FOR PRIOR LOSSES

Coverage will be available for loss sustained at any time and **Discovered** during the **Policy Period**, provided that coverage for loss sustained prior to the effective date of this Coverage Part, or the effective date of coverage for any additional **Insureds**, or the effective date of any coverage added by endors ment, is subject to the following:

- 1. if an **Organization** or some predecessor in interest of such **Organizatio**, carried a prior bond or policy which afforded coverage for a loss sustained during the period of such plant bond or policy and such prior bond or policy was not issued by the Insurer or any subsidiary or affiliate of the Insurer and such loss was first **Discovered** by an **Insured** prior to the explantion, the time allowed for discovery under the last such policy, then no coverage shall be available and the lost such bond or policy carried by the limit of limit of limit version of the last such policy carried by the limit of limit of limit version. The limit of policy carried by the **Organization** or predecessor in interest of such the last bond or policy subject to all of the limit of the last bond or policy subject to all of the terms and conditions of this Coverage Part; or
- 2. if an **Organization** or some predect sor in interest Such **Organization** carried a prior bond or policy which afforded coverage for a loss ustained coring the period of such prior bond or policy and such prior bond or policy was isseed by the Insurre or any subsidiary or affiliate of the Insurer then such prior bond or policy shall cermine te as on the inception of this Policy and such prior bond or policy shall not cover any loss in the directed and noticed to the Insurer prior to the inception of this Policy and then the Insure of the In

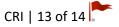
SECTION XI - NON-ACC''MUL ON OF LIABILITY

- A. When there i more the non **Insured**, the maximum liability of the Insurer for loss sustained by one or all **Insureds** shall exceed the amount for which the Insurer would be liable if all losses were sustained by any one **Insured**.
- B. Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, the limit of liability of the Insurer with respect to any loss shall not be cumulative from **Policy Period** to **Policy Period**.

SECTION XII – LEGAL ACTION AGAINST INSURER

No **Insured** shall institute legal proceedings against the Insurer:

- 1. after two (2) years immediately following any Discovery; or
- to recover a judgment or settlement against it or its bank resulting from Forgery, Credit Card Fraud or related legal expenses as set forth in Section V (Legal Expenses Extension) after two (2) years immediately following the date upon which such judgment shall become final or settlement was entered.



SECTION XIII – OTHER INSURANCE

If an **Insured** or any other party in interest in any loss covered by this Coverage Part has any bond, indemnity or insurance which would cover such loss in whole or in part in the absence of this Coverage Part, then this Coverage Part shall be null and void to the extent of the amount recoverable or received under such other bond, indemnity, or insurance; but this Coverage Part shall cover such loss, subject to its exclusions, conditions and other terms, only to the extent of the amount of such loss in excess of the amount recoverable or received under such other bond, indemnity other such loss in excess of the amount recoverable or received under such other bond, indemnity or insurance.

SECTION XIV – TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the Insurer or any subsidiary or affiliate of the Insurer shall terminate, if not already terminated, as of the inception of this Policy.

SECTION XV – VALUATION AND FOREIGN CURRENCY

The Insurer shall pay:

- A. the actual market value of lost, damaged or destroyed **Securities** at the coding processuch **Securities** on the business day immediately preceding the day on which a loss **Discove** d; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bor ,
- B. the cost of blank books, pages or tapes or other blank n erials o replate lost or damaged books of account or other records;
- C. the least of:
 - 1. the actual cash value of the Property; or
 - 2. the cost to repair or replace **Propert**, wher then previous metals, with that of similar quality and value,

at the time the **Named Insured** complies with Section VI (Notice and Proof of Loss) regarding the furnishing of proof of loss;

- D. the United States of America Ular viue of foreign currency based on the rate of exchange published in *The Wall Street Journal* or inda, oss inviving foreign currency is **Discovered**; or
- E. the United States of *Polerica collar value* of any precious metals based on the amount published in *The Wall* Street Journal Cash Prices of ecious Metals, on the day loss involving such precious metals is **Discovered**.

