



PO Box 2950
Hartford, CT 06104-2950

September 19, 2025

BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC
C/O JARMIK PROPERTY MANAGEMENT
P.O. BOX 3071
TELLURIDE, CO 81435-3071

Re: Important Information about Claims Information Line

Dear BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC

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

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

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

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

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

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



Risk Management Helpline for Community Associations

MANAGEMENT LIABILITY

Too often in today's increasingly litigious environment, you may find your association caught in the middle of a potential conflict with an employee, homeowner, vendor or other third party. To address these growing exposures, now more than ever, Travelers understands that you need high-quality risk management services provided by your management liability carrier. Travelers is pleased to now offer a risk management helpline that provides up to one hour of free consultative risk management services through Cole, Scott & Kissane, P.A., a premier liability defense law firm with extensive experience representing community associations.* The helpline is confidential, and neither your association's identity nor any identifying details of your association's issue or question are disclosed to Travelers.

Risk management topics

The helpline has been structured to provide you with access to a confidential, knowledgeable and expert resource on a wide range of risk management topics, including:

- Employee liability avoidance
- Customer contracts and conflicts
- Board elections, policies and procedures
- Property management, policies and procedures

About Cole, Scott & Kissane, P.A.

Cole, Scott & Kissane, P.A. is a defense-oriented law firm based in Florida, with 10 offices and over 220 lawyers. Their lawyers are highly experienced in association liability defense matters.

Note: This service is available for consultation purposes only and is not to discuss actual claim situations. Any actual or potential claims must be reported to the Travelers Bond & Financial Products Claim department.

Helpline instructions

The helpline can be accessed by any current Travelers insured with Community Association Management Liability coverage.

Call: 1.855.548.8656

Hours of operation: Monday - Friday, 8 a.m. - 5 p.m. EST (excluding holidays)

After taking relevant details and analyzing the problem, a legal professional from Cole, Scott & Kissane, P.A. will return your call and discuss the matter for up to one hour, at no cost to you or your firm.

* Assistance from Cole, Scott & Kissane, P.A. attorneys is not intended to replace your firm's need to hire counsel to assist in making risk management decisions.



Please keep this card for easy access to Travelers risk management helpline:



Travelers helpline: 1.855.548.8656

Policy number: 106001125

Effective date: 09/22/2025

Website: rmplusonline.com

travelersbond.com

The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.



P.O. Box 2950

Hartford, CT 06104-2950

Community Association Management Liability Hotline

As part of the services provided through Risk Management PLUS+ Online®, Travelers Bond & Specialty Insurance is pleased to provide its Community Association Management Liability policyholders with limited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day employment and homeowner and condominium association issues.

To utilize the hotline, call **1-855-548-8656**.

Through this hotline, policyholders are eligible to receive free general guidance from the law firm of Cole, Scott & Kissane. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Cole, Scott & Kissane, a law firm exclusively dedicated to representing management on workplace and homeowner and condominium association issues in Florida. With more than 220 attorneys, in ten offices throughout the State of Florida, the firm has a recognized expertise in workplace and homeowner and condominium association related issues. Cole, Scott & Kissane is comprised of attorneys licensed to practice law in the State of Florida.

The firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing homeowner and condominium association management related claims. As part of this program, policyholders are also eligible to receive regular fees for matters beyond the scope of the hotline, such as risk management training or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Cole, Scott & Kissane.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

Travelers Casualty and Surety Company of America, P.O. Box 2950, Hartford, CT 06104-2950



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Hartford, CT 06104-2950

09/19/2025
BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC

C/O JARMIK PROPERTY MANAGEMENT
P.O. BOX 3071
TELLURIDE, CO 81435-3071

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

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

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, community association management, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

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

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

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

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

Registration for Site Administrators:

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

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP140000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

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

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

Privacy Policy Notice

Thank you for selecting Travelers Casualty and Surety Company of America as your Identity Fraud Expense Reimbursement insurer. At Travelers Casualty and Surety Company of America, a subsidiary of Travelers, we recognize that privacy is important to you. That is why we are committed to protecting your privacy through adoption of the following privacy principles:

Collection Of Information.

We collect, retain, and use information about you, or about participants, beneficiaries or claimants under your Identify Fraud Expense Reimbursement coverage, only where we believe that it will help or is necessary to provide you products and services or otherwise conduct our business. We collect nonpublic personal financial information about you, or about participants, beneficiaries or claimants under your Identify Fraud Expense Reimbursement coverage, from the following sources:

1. information we receive from you or through your agent or broker on applications or other forms;
2. information we receive from or about you in the process of adjusting claims;
3. information about your other transactions, including risk control and other consulting services, with us, our affiliates, or other third parties;
4. information about your coverages and loss activity with other carriers; and
5. information we receive from a consumer reporting agency.

Such information includes identifying information such as policyholder, participant, beneficiary, or claimant name, address, and social security number; financial information such as income, payment history, or credit history; and, under certain circumstances, health information such as information about an illness, disability, or injury. It could also include information on claims with other insurance companies and us and the condition and maintenance of your property.

Disclosure Of Information.

We usually do not disclose nonpublic personal information about you, or about participants, beneficiaries or claimants under your Identify Fraud Expense Reimbursement coverage, without your consent. However, in some circumstances we may disclose information to others without your prior authorization. The most common disclosures are to the following persons:

1. our affiliated property and casualty insurance companies;
2. state insurance departments, for their regulation of our business;
3. other government authorities;
4. our agents and brokers as necessary to conduct our business;
5. organizations that perform underwriting and claims investigations;
6. another insurance company to which you have applied for a policy or submitted a claim;
7. insurance support agencies, law enforcement agencies, and our reinsurers; and
8. any other third party, as permitted or required by law.

Confidentiality And Security.

We restrict access to nonpublic personal information about you, or about participants, beneficiaries or claimants under your Identify Fraud Expense Reimbursement coverage, to those who need it to serve your insurance needs and to maintain and improve customer service. We maintain physical, electronic, and procedural safeguards that comply with federal and state laws and regulations to guard your nonpublic personal information.

Disclosure And Protection Of Former Customers' Information.

We may disclose all the personal information we have collected, as described above. However, even if you no longer have a customer relationship with us, we will continue to follow our privacy policies and practices to protect your information.

Most importantly, Travelers Casualty and Surety Company of America does not and will not disclose or sell nonpublic personal information about you, or about participants, beneficiaries or claimants under your Identify Fraud Expense Reimbursement coverage, to anyone for marketing purposes.

Changes In Privacy Policy.

We may choose to modify our policy regarding the treatment of personal information at any time. Before we do so, we will notify you and provide an updated privacy notice.

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

Independent Agent And Broker Compensation Notice

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html.

Or write:

**Travelers, Agency Compensation
One Tower Square
Hartford, CT 06183**

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

Colorado Claims-Made Disclosure Notice

THIS POLICY

This policy is a claims-made policy. It provides coverage only for claims made during the policy period for covered acts occurring after the policy retroactive date (if any) shown in the policy and before the end of the policy period. Upon termination of the claims-made policy, an extended reporting period option is available.

There is no difference in the type of acts covered by occurrence or claims-made policies. Claims for covered acts may be assigned to different policy periods, depending on the type of policy.

If claims are reported under a claims-made policy, the claim must fall within the definition of Claim set forth in the policy and must be made (or deemed made) during the policy period in order to be covered. Under most circumstances, a claim is considered made when it is received and recorded by the insured or insurer. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same covered act has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides for liability coverage up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in this claims-made policy. Please read it carefully and consult an insurance producer about any questions.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

This claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult an insurance producer about any questions.

RENEWALS AND EXTENDED REPORTING PERIODS

This claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure.

If there is a retroactive date in this policy, no act prior to that date will be covered under the policy even if reported during the policy period. It is therefore important to be certain that there are no gaps in insurance coverage. These gaps can occur in several ways. Among the most common are:

1. Switching from an occurrence policy to a claims-made policy, the retroactive date in the claims-made policy should be no later than the expiration date of the occurrence policy.
2. When replacing a claims-made policy with a claims-made policy, consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any acts with long periods of liability exposure, or
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, consider purchasing extended reporting period coverage under the old claims-made policy.
3. If this claims-made policy is replaced with an occurrence policy, insurance coverage may not exist for a claim arising during the period of claims-made coverage unless an extended reporting period is purchased under the claims-made policy. Extended reporting period coverage must be offered to the insured by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW THIS POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE MUST BE PURCHASED OR ACCEPTED.



Identity Fraud Expense Reimbursement Coverage and Identity Fraud Resolution Services

This document is a summary only and is intended to provide important information about the protection available to an Insured Person under the Identity Fraud Expense Reimbursement Policy (the "Policy"). Keep this coverage description for your records. This summary is not an insurance policy and does not amend, extend or alter the coverage afforded by the Policy described herein.

BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC

has purchased the Identity Fraud Expense Reimbursement policy from Travelers Casualty and Surety Company of America in order to provide you, your spouse, qualified domestic partner, children under 18 and parents* with this valuable coverage.

Your Policy Number is: 106001125

Your Coverage Limit is: \$25,000

Your Deductible is: \$0

If you are a victim of Identity Fraud, please call Travelers to report your claim: 800.842.8496 or email BSIclaims@travelers.com

The coverage reimburses identity fraud victims for the following:

- Lost wages as a result of time taken off from work to meet with, or talk to, law enforcement agencies, credit agencies and/or legal counsel, to complete fraud affidavits, or due to wrongful incarceration arising solely from someone having committed a crime in the insured person's name, up to \$1,000 per week for five weeks up to the policy limit.
- Notary and certified mail charges for completing and delivering fraud affidavits.
- Fees to re-apply for loans that were denied because of erroneous credit information due to the identity fraud.
- Long distance telephone charges for calling merchants, law enforcement agencies or credit grantors to discuss an actual identity fraud.
- Attorney fees incurred, with Travelers' prior consent, for:
 - Defending suits brought incorrectly by merchants or their collection agencies
 - Removing criminal or civil judgments wrongly entered against the victim
 - Challenging information in a credit report
 - Release of medical records in cases of medical identity fraud
 - Contesting wrongfully incurred tax liability
 - Contesting the wrongful transfer of ownership of an insured person's tangible property
- Costs for daycare and eldercare coverage, if that coverage is necessary for an insured person to attend meetings or otherwise have the ability to restore financial health and credit history as a result of identity fraud.
- Travel and accommodations expense up to \$1,000 per week up to five weeks which are incurred in the process of resolving fraud.
- Expenses and fees for new government issued identification such as passports, drivers license and social security cards.
- Expense and fees for copies of health records for purpose of investigating medical identity fraud.

*Unless modified by endorsement. Children and Parents must reside in your household in order to qualify for coverage.

Identity Fraud Resolution Services

Becoming a victim of identity fraud is a frightening, frustrating experience. It can happen to anyone at any time. Our identity fraud specialists can help victims during this difficult time. Not only will we pay for expenses associated with clearing up your credit, but we will also provide you with detailed information on how to fix your credit and resolve other identity fraud issues. Travelers partners with CyberScout (<https://travelers.myideducation.com/>), whose experienced fraud team works closely with victims to learn about the incident, document the case, advise on case resolution, and support victims by providing written correspondence that will help expedite resolution of their situation. CyberScout performs the following activities for Travelers Identity Fraud Insureds:

- **Proactive Assistance.** Call any time you have a question or concern, whether or not you are or ever have been a victim of identity fraud. Help is available for identity-related risks throughout life, when you are filing your taxes, sending your child off to college, traveling or moving, from the birth of your first child to your retirement.
- **Document Replacement Help** when personal documents such as Social Security cards, birth certificates, passports and driver's licenses are lost, stolen or destroyed.
- **Personal Access** to an expert fraud specialist at CyberScout to help stop fraudulent bills and charges, work with government agencies and creditors and set up fraud alerts to help detect a recurrence.
- **Step-by-Step Guidance** through the identity resolution process if you are ever a victim of identity fraud. A fraud specialist will provide a victim of identity fraud with the following services:
 - Unlimited assistance to restore victims' identity, handling the entire notification and documentation process
 - 3-in-1 credit report to review with the victim
 - Enrollment in one year of free credit, cyber and fraud monitoring, plus follow-up
- **Exclusive Online Educational Resources** providing tips, information and steps to take to avoid becoming a victim of identity theft. To access content exclusive for Travelers insureds, visit **travelers.com/idfraud** to access daily news alerts, topical articles, monthly newsletters and a wealth of proactive tips.

For your first visit to the site, you will enter your email address and create a password. You will then be able to access exclusive content at any time and at your convenience.



travelersbond.com

Travelers Casualty and Surety Company of America and its property casualty affiliates. One Tower Square, Hartford, CT 06183

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Travelers is pleased to supply this member benefit card template which you may reproduce and distribute.



BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC
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Casualty and Surety Company of America in order to provide you and certain
members of your family with this valuable coverage.

Your Policy Number is: 106001125

Your Coverage Limit is: \$25,000

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If you are a victim of Identity Fraud, please call Travelers to report your claim and
begin the Identity Fraud Resolution Process: 1.800.842.8496 or email
BSIclaims@travelers.com

To learn more about identity fraud, visit travelers.com/identityfraud



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Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

LIABILITY COVERAGES, SEPARATE LIABILITY COVERAGES, AND THIRD PARTY LIABILITY INSURING AGREEMENTS ARE WRITTEN ON A CLAIMS-MADE BASIS AND COVER ONLY CLAIMS MADE AGAINST INSURED DURING THE POLICY PERIOD.

THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST INSURED DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY IN ACCORDANCE WITH THE TERMS OF THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY.

THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

ITEM 1 NAMED INSURED/INSURANCE REPRESENTATIVE:

BEAR CREEK LOFTS HOMEOWNERS' ASSOCIATION, INC

D/B/A:

Principal Address:
C/O JARMIK PROPERTY MANAGEMENT
P.O. BOX 3071
TELLURIDE, CO 81435-3071

ITEM 2 POLICY PERIOD:

Inception Date: September 22, 2025 Expiration Date: September 22, 2026
12:01 A.M. local time both dates at the Principal Address stated in ITEM 1.

ITEM 3 ADDRESS INFORMATION FOR NOTICES TO COMPANY:

Email: BSIclaims@travelers.com
Fax: 1-888-460-6622
Mail: Travelers Bond & Specialty Insurance Claim
P.O. Box 2989
Hartford, CT 06104-2989

Overnight Mail: Travelers Bond & Specialty Insurance Claim
One Tower Square, MN06
Hartford, CT 06183

For questions related to claim reporting or handling, please call 1-800-842-8496.

ITEM 4 COVERAGES INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:

Association Management Liability Coverage

Community Association Management Liability Coverage

Crime Coverages

Crime

Other Coverage

Identity Fraud Expense Reimbursement

ITEM 5

COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE
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Limit of Liability:	\$1,000,000	for all Claims
Additional Defense Coverage:	<input checked="" type="checkbox"/> Applicable	<input type="checkbox"/> Not Applicable
Additional Defense Limit of Liability:	\$1,000,000	for all Claims
Retention:	\$0	for each Directors and Officers Claim under Insuring Agreement A
	\$2,500	for each Directors and Officers Claim under Insuring Agreement B
	\$2,500	for each Directors and Officers Claim under Insuring Agreement C
	\$2,500	for each Employment Claim under Insuring Agreement D
Prior and Pending Proceeding Date:	September 22, 2006	
Continuity Date:	September 22, 2006	

CRIME COVERAGES

CRIME

INSURING AGREEMENT	SINGLE LOSS LIMIT OF INSURANCE	SINGLE LOSS RETENTION
A. Fidelity 1. Employee Theft	\$50,000	\$500

2. ERISA Fidelity	Not Covered	
3. Employee Theft of Client Property	Not Covered	
B. Forgery or Alteration	\$50,000	\$500
C. On Premises	Not Covered	
D. In Transit	Not Covered	
E. Money Orders and Counterfeit Money	Not Covered	
F. Computer Crime		
1. Computer Fraud	\$50,000	\$500
2. Computer Program and Electronic Data Restoration Expense	Not Covered	
G. Funds Transfer Fraud	\$50,000	\$500
H. Personal Accounts Protection		
1. Personal Accounts Forgery or Alteration	Not Covered	
2. Identity Fraud Expense Reimbursement	Not Covered	
I. Claim Expense	\$5,000	\$0

Policy Aggregate Limit of Insurance: ☐ Applicable ☒ Not Applicable

If a Policy Aggregate Limit of Insurance is applicable, then the Policy Aggregate Limit of Insurance for each **Policy Period** for Insuring Agreements A through H, inclusive, is: Not Applicable

If a Policy Aggregate Limit of Insurance is not included, then this **Crime Policy** is not subject to a Policy Aggregate Limit of Insurance as set forth in section V. CONDITIONS, B.1.a.

Cancellation of Prior Insurance:

By acceptance of this **Crime Policy**, the **Insured** gives the Company notice canceling prior policies or bonds issued by the Company that are designated by policy or bond numbers Not Applicable, such cancellation to be effective at the time this **Crime Policy** becomes effective.

INSURED'S PREMISES COVERED:

All Premises of the **Insured** in the United States of America, its territories and possessions, Canada, or any other country throughout the world, except:

Not Applicable

OTHER COVERAGES

IDENTITY FRAUD EXPENSE REIMBURSEMENT

Limit of Insurance: \$25,000 per **Insured Person** for each **Identity Fraud**

Retention: \$0 per **Insured Person** for each **Identity Fraud**

ITEM 6

PREMIUM FOR THE POLICY PERIOD FOR ALL COVERAGES:

\$2,580.00 Policy Premium for all purchased Coverages

ITEM 7	TYPE OF CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE: <div style="margin-left: 40px;"> <input checked="" type="checkbox"/> Duty-to-Defend </div> <p style="margin-left: 40px;">Only the type of CLAIM DEFENSE marked "<input checked="" type="checkbox"/>" is included in this policy.</p>
ITEM 8	EXTENDED REPORTING PERIOD FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES (subject to LIA-3001): <div style="margin-left: 40px;"> Additional Premium Percentage: 75% Additional Months: 12 </div> <p style="margin-left: 40px;">(If exercised in accordance with the applicable EXTENDED REPORTING PERIOD condition)</p>
ITEM 9	RUN-OFF EXTENDED REPORTING PERIOD FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES (subject to LIA-3001): <div style="margin-left: 40px;"> Additional Premium Percentage: 120% Additional Months: 12 </div> <p style="margin-left: 40px;">(If exercised in accordance with the applicable CHANGE OF CONTROL condition)</p>
ITEM 10	ANNUAL REINSTATEMENT OF THE LIABILITY COVERAGE LIMIT OF LIABILITY FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE SUBJECT TO LIA-3001: <div style="margin-left: 40px;"> <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable </div> <p style="margin-left: 40px;">Only those coverage features marked " <input checked="" type="checkbox"/> Applicable" are included in this policy.</p>
ITEM 11	FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE FOR ALL COVERAGES: ACF-7007-0811; ACF-7006-0511; AFE-19029-0719; AFE-19030-0920; CAM-16001-0113; CAM-19039-0113; CAM-19061-0315; CAM-19066-0320; CAM-19004-0113; CAM-17006-0113; CRI-3001-0109; CRI-19060-0713; CRI-19072-0315; CRI-19101-1117; CRI-19115-0519; CRI-19085-0919; CRI-19122-1120; CRI-7132-1120; CRI-5006-0613; IDF-3001-0109; IDF-7019-0110; IDF-7005-0513; IDF-19002-0315; IDF-19007-0222; IDF-7003-0705
ITEM 12	LIABILITY COVERAGE SHARED LIMIT OF LIABILITY FOR LIABILITY COVERAGES (subject to LIA-3001): <div style="margin-left: 40px;"> <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable </div> <p style="margin-left: 40px;">N/A for all Claims under the following Liability Coverages that are subject to the Terms & Conditions in LIA-3001:</p> <p style="margin-left: 40px;">If the Liability Coverages selected in ITEM 12 are also Scheduled Coverages selected in ITEM 13, then the amount of the Liability Coverage Shared Limit of Liability set forth in ITEM 12 is part of, and not in addition to, the Shared Limit of Liability/Limit of Insurance for Scheduled Coverages set forth in ITEM 13.</p>
ITEM 13	SHARED LIMIT OF LIABILITY/LIMIT OF INSURANCE FOR SCHEDULED COVERAGES: <div style="margin-left: 40px;"> <input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable </div> <p style="margin-left: 40px;">N/A for all Claims and limits of insurance under the following Scheduled Coverages:</p>

The Company's maximum liability for the **Policy Period** for all **Claims** and limits of insurance under the **Scheduled Coverages** listed in ITEM 13 will not exceed the amount of the **Shared Limit of Liability/Limit of Insurance for Scheduled Coverages**. Any Additional Defense Limit of Liability, Supplemental Personal Indemnification Limit of Liability, or Identity Fraud Expense Reimbursement Limit of Insurance is in addition to, and not part of, the **Shared Limit of Liability/Limit of Insurance for Scheduled Coverages**.

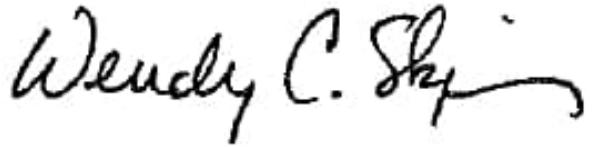
PRODUCER INFORMATION:

MTN WEST INS & FINANCIAL
100 E VICTORY WAY
CRAIG, CO 81625

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



President



Corporate Secretary

CROSS-COVERAGE NOTICE ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability, Crime, Identity Fraud Expense Reimbursement

It is agreed that:

Notice provided to the Company of any:

1. **Claim, Potential Claim, Settlement Program Notice**, or circumstances which may give rise to a **Claim** under any Management Coverage or **Liability Coverage**; or
2. loss or situation that may result in loss, **Insured Event**, or **Identity Fraud** under any Crime Coverage or Other Coverage;

shall be deemed to have been provided under the Policy in its entirety.

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

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

Policy Number: **106001125**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL OF SHORT-RATE CANCELLATION ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability, Crime, Identity Fraud Expense Reimbursement

It is agreed that:

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

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

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

Policy Number: **106001125**

ACF-7006 Ed. 05-11

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Page 1 of 1

This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

Cap On Losses From Certified Acts Of Terrorism Endorsement

The following is added to this Policy. This provision can limit coverage for any loss arising out of a *Certified Act Of Terrorism* if such loss is otherwise covered by this Policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of *Certified Acts Of Terrorism* in another endorsement to this policy.

If aggregate insured losses attributable to *Certified Acts Of Terrorism* exceed \$100 billion in a calendar year and the Insurer has met its insurer deductible under *TRIA*, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of *TRIA*, to be an act of terrorism pursuant to *TRIA*. The criteria contained in *TRIA* for a *Certified Act Of Terrorism* include the following:

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

TRIA means the federal Terrorism Risk Insurance Act of 2002 as amended.

This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

Federal Terrorism Risk Insurance Act Disclosure Endorsement

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for coverage for Insured Losses covered by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

THIS IS A CLAIMS-MADE AND REPORTED POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.

PLEASE READ THE POLICY CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application**, subject to the Declarations, and pursuant to all the terms, conditions, exclusions and limitations of this **Community Association Management Liability Coverage Policy**, the Company and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

The Company will pay on behalf of:

- A.** the **Insured Persons**, **Loss** for **Directors and Officers Wrongful Acts**, except for **Loss** that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification;
- B.** the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**, that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification; and
- C.** the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**,

that results from any **Directors and Officers Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

- D.** The Company will pay on behalf of the **Insured**, **Loss** for any **Employment Practices Wrongful Act**, resulting from any **Employment Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

II. DEFINITIONS

Wherever appearing in this **Community Association Management Liability Coverage Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

- A.** **Additional Defense Limit of Liability** means the amount set forth in ITEM 5 of the Declarations. If "Not Applicable" is selected for the **Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from this **Community Association Management Liability Coverage Policy**.
- B.** **Annual Reinstatement of the Limit of Liability** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each **Policy Year** during the **Policy Period**.
- C.** **Application** means the application deemed to be attached to and forming a part of this **Community Association Management Liability Coverage Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Community Association Management Liability Coverage Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Community Association Management Liability Coverage Policy** will waive or change any of the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**.

- D. **Builder or Developer Board Member** means any natural person appointed or elected to serve on the board of directors of the **Named Insured** by the builder, developer, sponsor, or declarant of the **Named Insured**, and who was both a director or officer of the **Named Insured** and a director, officer, employee or agent of such builder, developer, sponsor, or declarant of the **Named Insured**.
- E. **Change of Control** means:
1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
 2. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than 50% of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.
- F. **Claim** means a **Directors and Officers Claim** or **Employment Claim**.
- G. **Claimant** means:
1. a past, present or future **Employee** or applicant for employment with the **Insured Entity**; or
 2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local agency, when acting on behalf of or for the benefit of a past, present or future **Employee** or applicant for employment with the **Insured Entity**.
- Solely as respects any **Employment Claim**, **Claimant** does not include any independent contractor.
- H. **Community Association Management** means any natural person sole proprietor, director, officer or employee of a **Community Association Management Organization**, but only in his or her capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.
- I. **Community Association Management Liability Coverage Policy** means, collectively, the Declarations, the **Application**, this Community Association Management Liability Coverage, and any endorsements attached hereto.
- J. **Community Association Management Organization** means any sole proprietor or entity providing real estate property management services to an **Insured Entity** pursuant to a written contract, but only in its capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.
- K. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
1. faulty or incorrect design or architectural plans;
 2. improper soil testing;
 3. inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
 4. the construction, manufacture or assembly of any tangible property;
 5. the failure to provide construction related goods or services as represented or to pay for such goods or services; or
 6. the supervision of any of the activities described in 1. through 5. above.

L. **Defense Expenses** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured**.

M. **Directors and Officers Claim** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** for any **Directors and Officers Wrongful Act**.

Provided that **Directors and Officers Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

Directors and Officers Claim does not mean any motion for, demand for, or award of, amounts from or against an **Insured** solely consisting of legal costs, whether or not including attorneys' fees, arising out of a legal proceeding or alternative dispute resolution proceeding or brought by an **Insured**.

A **Directors and Officers Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Directors and Officers Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of a **Directors and Officers Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Directors and Officers Claim** until after the **Policy Period** has expired, then such **Directors and Officers Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Directors and Officers Claim**.

N. **Directors and Officers Wrongful Act** means:

1. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, or any matter asserted against, an **Insured Person** in his or her capacity as such;
2. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, the **Insured Organization**; or
3. any matter asserted against an **Insured Person** solely by reason of his or her status as such.

Provided that **Directors and Officers Wrongful Act** does not mean any **Employment Practices Wrongful Act**.

O. **Employee** means a natural person whose labor or service is engaged by and directed by the **Insured Entity** and:

1. who is on the payroll of the **Insured Entity**, including any full-time, part-time, temporary and seasonal worker; or
2. whose services have been leased by the **Insured Entity**.

Independent contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

P. *Employment Agreement* means any express or implied employment agreement regardless of the basis in which such agreement is alleged to exist, other than a collective bargaining agreement.

Q. *Employment Claim* means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document, including a proceeding before the Equal Employment Opportunity Commission or any similar governmental agency; provided that in the context of an audit conducted by the Office of Federal Contract Compliance Programs, **Employment Claim** will be limited to a Notice of Violation or Order to Show Cause or written demand for monetary damages or non-monetary relief;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** by or on behalf of or for the benefit of a **Claimant** for any **Employment Practices Wrongful Act**.

Provided that **Employment Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

An **Employment Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Employment Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of an **Employment Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Employment Claim** until after the **Policy Period** has expired, then such **Employment Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Employment Claim**.

R. *Employment Practices Wrongful Act* means any actual or alleged:

1. violation of any employment discrimination law;
2. **Retaliation**;
3. **Sexual Harassment**;
4. **Workplace Harassment**;
5. **Wrongful Termination**;
6. breach of **Employment Agreement**;
7. violation of the Family Medical Leave Act;
8. employment-related misrepresentation;
9. employment-related defamation, including libel or slander, or invasion of privacy;
10. failure or refusal to create or enforce adequate workplace or employment policies and procedures, employ or promote, including wrongful failure to grant bonuses or perquisites, or grant tenure;
11. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
12. employment-related wrongful infliction of emotional distress;

13. negligent hiring, supervision of others, training, or retention committed or allegedly committed by any **Insured**, but only if such act is alleged in connection with an **Employment Practices Wrongful Act** set forth in 1. through 12. above; provided that the **Claim** alleging the negligent hiring, supervision of others, training, or retention is brought by or on behalf of any **Claimant**; or
 14. the violation of responsibilities, duties, or obligations imposed on an **Insured** under any **Wage and Hour Law**.
- S. **Executive Officer** means any member of the board of directors, officer, director, trustee, chairperson, or general counsel of the **Insured Organization** or a functional equivalent thereof, or member of the staff of the human resources department of the **Insured Organization** or functional equivalent thereof, or any on-site or off-site manager of the **Community Association Management Organization**, any **Employee** performing property management services for the **Insured Entity**, or any duly appointed member of a legal committee of the **Insured Entity**.
- T. **Financial Insolvency** means, with respect to the **Insured Entity**, the appointment of a receiver, conservator, liquidator, trustee, or similar official; or the inability of the **Insured Entity** financially to indemnify the **Insured Persons**.
- U. **Insured** means the **Insured Person** and **Insured Organization**.
- V. **Insured Entity** means the **Named Insured**, any **Subsidiary**, and any such entity as a debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.
- W. **Insured Organization** means **Insured Entity** and **Community Association Management Organization**.
- X. **Insured Person** means any natural person who was, is or becomes an **Employee**, duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, member of the board of regents, member of the board of governors, or a functional equivalent thereof, member of a duly constituted committee, or volunteers of the **Insured Entity** or any **Executive Officer**. **Insured Person** also means any **Community Association Management**.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

- Y. **Loss** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including compensatory damages, punitive or exemplary damages where insurable under applicable law, prejudgment and postjudgment interest, judgments, and settlements. **Loss** does not include:
1. the multiple portion of any multiplied damage award;
 2. any amount not indemnified by the **Insured Organization** for which the **Insured** is absolved from payment by reason of any covenant, agreement or court order;
 3. civil or criminal fines, sanctions, liquidated damages other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act; payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;
 4. future compensation, including salary or benefits, for a **Claimant** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **Claim**; or that part of any judgment or settlement which constitutes front pay, future monetary losses including pension and other benefits, or other future economic relief or the value or equivalent thereof, if the **Insured** has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a **Claim**, to promote, accommodate, reinstate, or hire the **Claimant** to whom such sums are to be paid, but fails to do so;
 5. medical, pension, disability, life insurance, stock options or other similar employee benefits except and to the extent that a judgment or settlement of a **Claim** includes a monetary component

measured by the value of medical, pension, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a **Wrongful Act**; or

6. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION.

Z. *Named Insured* means any entity named in ITEM 1 of the Declarations.

AA. *Personal Injury* means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel or slander, invasion of privacy or wrongful entry or eviction.

BB. *Policy Period* means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy**.

CC. *Policy Year* means:

1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; and
2. the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy** if such time period is less than one year.

DD. *Pollutant* means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

EE. *Potential Claim* means any **Wrongful Act** that may subsequently give rise to a **Claim**.

FF. *Publishers Liability* means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.

GG. *Related Wrongful Act* means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.

HH. *Retaliation* means any actual or alleged **Wrongful Termination** or other adverse employment action against a **Claimant** on account of such **Claimant's** exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law, or on account of the **Claimant** having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.

II. *Sexual Harassment* means any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature that:

1. is made a term or condition of a **Claimant's** employment or advancement;
2. the submission to or rejection of is used as a basis for decisions affecting the **Claimant**; or
3. has the purpose or effect of creating an intimidating, hostile or offensive work environment.

JJ. *Subsidiary* means:

1. any non-profit entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** has the ability to exercise managerial control;
2. any for-profit entity; provided that it has been added specifically by endorsement to this **Community Association Management Liability Coverage Policy**; or

3. subject to the provisions set forth in section V. CONDITIONS, O. ACQUISITIONS, any non-profit entity that the **Insured Entity** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which the **Named Insured** has the ability to exercise managerial control.
- KK. Wage and Hour Law** means any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time, minimum wages, meal breaks, rest breaks or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws.
- LL. Wage and Hour Law Employment Claim** means an **Employment Claim** for an alleged violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that **Wage and Hour Law Employment Claim** does not include any **Employment Claim** for **Retaliation** or any actual or alleged violation of the Equal Pay Act.
- MM. Workplace Harassment** means any actual or alleged harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.
- NN. Wrongful Act** means **Directors and Officers Wrongful Act** or **Employment Practices Wrongful Act**.
- All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Community Association Management Liability Coverage Policy**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.
- OO. Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between a **Claimant** and the **Insured Entity**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, or loss of use of any tangible property, including any **Construction Defect**, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation; provided that this exclusion will not apply to allegations of emotional distress or mental anguish if, and only to the extent, that such allegations are made as part of any **Employment Claim**.
3. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious waste or medical waste.
4. The Company will not be liable for **Loss** for any **Claim**:
 - a. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of;

- b. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of,

any **Pollutant**, any oil or oil products, any electric, magnetic, or electromagnetic field, any odor, or any actual or alleged presence or actual, alleged, or threatened dispersal of any asbestos, asbestos fibers, or products containing asbestos; provided that this exclusion will not apply to **Employment Claims for Retaliation**.

- 5. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.
- 6. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a claim about which any **Executive Officer** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.
- 7. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event, or **Wrongful Act** which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of **Claim** or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Community Association Management Liability Coverage Policy** is a direct renewal or replacement or which it succeeds in time.
- 8. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation; or for an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an employee or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided that this exclusion will not apply to **Employment Claims for Retaliation**.
- 9. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** by an entity that is or was a **Subsidiary**, or any **Insured Person** of such entity, occurring at any time during which such entity was not a **Subsidiary**.
- 10. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state or local law or regulation, or for any violation of the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation or for any violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that this exclusion will not apply to:
 - a. **Employment Claims for Retaliation**;
 - b. **Employment Claims** for any actual or alleged violation of the Equal Pay Act; or

- c. **Defense Expenses**, not to exceed \$100,000, for any **Wage and Hour Law Employment Claim**.
- 11. The Company will not be liable for **Loss** for any **Claim** by or on behalf of the **Insured Entity** against any **Community Association Management** or **Community Association Management Organization**.
- 12. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** by an **Insured Person** as a director, officer or employee of any entity other than the **Insured Entity**, even if such service is directed or requested by the **Insured Entity**.
- 13. The Company will not be liable for **Loss** for any **Claim** made against any **Builder or Developer Board Member** after the end of the **Policy Year** in which such **Builder or Developer Board Member** ceases to serve on the board of directors of the **Named Insured**.
- 14. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the ownership, control, management or operation of any for-profit entity of the **Insured Entity** until and unless it has been added specifically by endorsement as a **Subsidiary** to this **Community Association Management Liability Coverage Policy**.
- 15. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any deliberately fraudulent or dishonest act or omission or any purposeful violation of any statute or regulation by such **Insured**; provided that this exclusion will not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or purposeful violation.
- 16. The Company will not be liable for **Loss** for any **Claim** for an **Insured** gaining in fact any profit, remuneration or advantage to which any **Insured** was not legally entitled.
- 17. The Company will not be liable for **Loss** for any **Claim** by or on behalf of an employee of the **Community Association Management Organization** for employment-related **Wrongful Acts**.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES

- 1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured's** obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.
- 2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** for liability under or breach of any oral, written, or implied contract or agreement, including any liability of others assumed by an **Insured** under any such contract or agreement; provided that this exclusion will not apply to:
 - a. any **Employment Claim**; or
 - b. the extent that the **Insured** would have been liable in the absence of such contract or agreement.
- 3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking severance pay, damages or penalties under an express written **Employment Agreement**, or under any policy or procedure for payment in the event of separation from employment; or sums sought solely on the basis of a claim for unpaid services.

IV. SEVERABILITY OF EXCLUSIONS

No fact pertaining to or knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above. Only facts pertaining to or knowledge or information possessed by an officer, director, or trustee of the **Insured Organization** will be imputed to the **Insured Organization** for purposes of applying any exclusion in section III. EXCLUSIONS above.

V. CONDITIONS

A. TERRITORY

This **Community Association Management Liability Coverage Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world, where legally permissible.

B. RETENTION

The **Insured** will bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss**.

If any **Claim** gives rise to coverage under this **Community Association Management Liability Coverage Policy**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under this **Community Association Management Liability Coverage Policy**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under this **Community Association Management Liability Coverage Policy**.

No Retention will apply to an **Insured Person** if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of its **Financial Insolvency**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Insured Organization**, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

Regardless of whether **Loss** resulting from any **Claim** against **Insured Persons** is actually indemnified, Insuring Agreement B and the Retention amount set forth in ITEM 5 of the Declarations will apply to any **Loss** as to which indemnification by the **Insured Organization** is legally permissible, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

The certificate of incorporation, charter, articles of association or other organizational documents of the **Insured Organization**, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

C. LIMITS OF LIABILITY

1. Limits of Liability

This section applies as described herein regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established.

Subject to any applicable **Annual Reinstatement of the Limit of Liability**, the Limit of Liability set forth in ITEM 5 of the Declarations is the maximum amount the Company will pay for all **Loss**, including **Defense Expenses**, for all **Claims** under this **Community Association Management Liability Coverage Policy**.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** is further limited by the following:

The Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** will not exceed \$100,000, which amount is included within, and is not in addition to, any applicable limit of liability.

2. Annual Reinstatement of the Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an **Annual Reinstatement of the Limit of Liability**:

- a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining Limit of Liability stated in ITEM 5 of the Declarations; and
- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining Limit of Liability for the last **Policy Year** in effect at the time of the termination or cancellation of the **Community Association Management Liability Coverage Policy** or the **Change of Control**.

3. Other Provisions

If any **Claim** made against a **Community Association Management Organization** or **Community Association Management** gives rise to coverage both under this **Community Association Management Liability Coverage Policy** and any other liability policy of similar insurance issued by the Company or any of its affiliates, the Company's maximum aggregate limit of liability under all such policies for all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed \$1,000,000 subject to the remaining Limits of Liability of such policies or if the Limit of Liability for this **Community Association Management Liability Coverage Policy** is less than \$1,000,000, then all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed the Limit of Liability for this **Community Association Management Liability Coverage Policy** as set forth in ITEM 5 of the Declarations subject to the remaining Limit of Liability for such policies.

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss**, including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If the Limit of Liability set forth in ITEM 5 of the Declarations is exhausted by the payment of amounts covered under this **Community Association Management Liability Coverage Policy**, the premium for this **Community Association Management Liability Coverage Policy** will be fully earned, all obligations of the Company under this **Community Association Management Liability Coverage Policy** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligation of any kind or nature whatsoever under this **Community Association Management Liability Coverage Policy**.

D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this **Community Association Management Liability Coverage Policy** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under this **Community Association Management Liability Coverage Policy** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of the **Community Association Management Liability Coverage Policy's** applicable limit of liability. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the **Annual Reinstatement of the Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defense Limit of Liability**:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured**, with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** that are paid pursuant to the **Additional Defense Limit of Liability** will not exceed \$100,000 for all **Wage and Hour Law Employment Claims**. Such **Defense Expenses** will be part of, and not in addition to, the \$100,000 limit of liability for all **Wage and Hour Law Employment Claims** and such \$100,000 limit of liability for all **Wage and Hour Law Employment Claims** will be reduced and may be exhausted by payment of such **Defense Expenses** under the **Additional Defense Limit of Liability**.

E. CLAIM DEFENSE

1. The Company will have the right and duty to defend any **Claim** even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided, that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under such **Community Association Management Liability Coverage Policy**, and will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by an **Executive Officer**. If an **Executive Officer** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Community Association Management Liability Coverage Policy**, must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable, but in no event later than 60 days after the expiration date of the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the

Insured's own cost, voluntarily make any payment, pay or incur any **Defense Expenses**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** becomes aware of a **Potential Claim** and gives the Company written notice of the particulars of such **Potential Claim**, including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, the dates of the alleged events, and the reasons for anticipating a **Claim**, as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Community Association Management Liability Coverage Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** were made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SETTLEMENT

The Company may, with the written consent of the **Insured**, make any settlement of a **Claim** it deems expedient. If the **Insured** withholds consent to such settlement, the Company's liability for all **Loss** on account of such **Claim** will not exceed the amount for which the Company could have settled such **Claim** plus **Defense Expenses** accrued as of the date such settlement was proposed in writing by the Company.

J. OTHER INSURANCE AND INDEMNIFICATION

If any **Loss** otherwise covered under this **Community Association Management Liability Coverage Policy** is insured under any other valid and collectible policy or policies, then this **Community Association Management Liability Coverage Policy** will apply only in excess of the amount of any deductibles, retentions and limits of liability under such other insurance, whether such other insurance is stated to be primary, contributory excess, contingent or otherwise, unless such other insurance is written specifically excess of this **Community Association Management Liability Coverage Policy** by reference in such other policy to the policy number of this **Community Association Management Liability Coverage Policy**.

Additionally, this **Community Association Management Liability Coverage Policy** will apply only as excess insurance over, and will not contribute with indemnification to which any **Insured Person** is entitled from any outside entity other than the **Insured Organization**. This **Community Association Management Liability Coverage Policy** will not be subject to the terms of any other insurance.

K. ORDER OF PAYMENTS

If **Loss**, other than **Defense Expenses**, from any **Directors and Officers Claim** exceeds the remaining applicable limit of liability as set forth in ITEM 5 of the Declarations:

1. the Company will first pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreement A. applies; then
2. to the extent that any amount of the applicable limit of liability remains available, the Company will pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreements B. and C. apply.

Upon written request of the **Insured Entity** by and through any **Executive Officer** of the **Insured Entity**, the Company will either pay or withhold payment of **Loss** from such **Directors and Officers Claim** under Insuring Agreements B. and C., as applicable. In the event of a written request to withhold payment, the Company will make any future payment only for **Loss** from any such **Directors and Officers Claim** to which Insuring Agreement A. applies, unless otherwise so instructed upon written request by and through an **Executive Officer** of the **Insured Entity**.

L. SUBROGATION

In the event of payment under this **Community Association Management Liability Coverage Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

M. RECOVERIES

All recoveries from third parties for payments made under this **Community Association Management Liability Coverage Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided that recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

N. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, this **Community Association Management Liability Coverage Policy** may not be canceled by the **Named Insured** and the entire premium for the **Community Association Management Liability Coverage Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Named Insured** will have the right to give the Company notice that it desires to purchase a Run-Off Extended Reporting Period for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability; and
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this **Community Association Management Liability**

Coverage Policy, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 30 days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD of this **Community Association Management Liability Coverage Policy** will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Named Insured** will have the right to purchase the Extended Reporting Period under the terms of section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD.

If, at any time during the **Policy Period**, the **Insured Entity** eliminates or reduces its ownership interest in or control over a **Subsidiary**, such that it no longer meets the definition of a **Subsidiary**, coverage will continue for such entity and its directors, officers, and employees, but only with regard to **Claims** for **Wrongful Acts** which occurred wholly during the time that the entity was a **Subsidiary**.

O. ACQUISITIONS

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

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

P. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Community Association Management Liability Coverage Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Community Association Management Liability Coverage Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

Q. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this **Community Association Management Liability Coverage Policy** for any reason other than nonpayment of premium, the **Named Insured** may give the Company written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability; and
2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this **Community Association Management Liability Coverage Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation. If the **Named Insured** obtains a subsequent policy at the expiration of a **Policy Period** from the Company, no termination or cancellation shall have occurred.

R. ALLOCATION

1. If there is a **Claim** under this **Community Association Management Liability Coverage Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Community Association Management Liability Coverage Policy** and also loss that is not covered by this **Community Association Management Liability Coverage Policy** because such **Claim** includes both covered and uncovered matters, then such covered **Loss** and uncovered loss will be allocated as follows:
 - a. one hundred percent of **Defense Expenses** incurred by and on behalf of the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and
 - b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of, the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under this **Community Association Management Liability Coverage Policy**. In making such a determination, the **Insured Organization**, the **Insured Persons** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of Loss which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Community Association Management Liability Coverage Policy** and applicable law.

S. CANCELLATION AND NONRENEWAL

The Company may cancel this **Community Association Management Liability Coverage Policy** in which case 20 days written notice will be given to the **Named Insured**. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

T. ACTION AGAINST THE COMPANY

No action will lie against the Company unless there has been full compliance with all of the terms of this **Community Association Management Liability Coverage Policy**.

No person or organization has any right under this **Community Association Management Liability Coverage Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

U. CHANGES

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

V. ASSIGNMENT

This **Community Association Management Liability Coverage Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

W. REPRESENTATIONS

By acceptance of the terms set forth in this **Community Association Management Liability Coverage Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Community Association Management Liability Coverage Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Community Association Management Liability Coverage Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;

2. any **Insured Organization**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and
3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Community Association Management Liability Coverage Policy**, contained any such untrue statement or representation.

X. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Community Association Management Liability Coverage Policy** was issued, to make any changes in the form of this **Community Association Management Liability Coverage Policy**, by which the insurance afforded by this **Community Association Management Liability Coverage Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

Y. AUTHORIZATION

By acceptance of the terms herein, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Community Association Management Liability Coverage Policy**.

Z. ENTIRE AGREEMENT

This **Community Association Management Liability Coverage Policy**, including the Declarations, the **Application**, and any endorsements attached thereto, constitute the entire agreement between the Company and the **Insured**.

AA. HEADINGS

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL DEFENSE LIMIT OF LIABILITY PRIOR AND PENDING PROCEEDING DATE AND
CONTINUITY DATE ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

Solely with respect to the **Additional Defense Limit of Liability**, the Prior and Pending Proceeding Date and the Continuity Date found in ITEM 5 of the Declarations are deleted and replaced with the following:

Prior and Pending

Proceeding Date: 09/22/2022

Continuity Date: 09/22/2022

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

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

Policy Number: **106001125**

GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability

It is agreed that:

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

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

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

2. The following is added to section **V. CONDITIONS**:

SANCTIONS

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

3. The following replaces section **V. CONDITIONS, A. TERRITORY**:

A. TERRITORY AND VALUATION

1. This **Community Association Management Liability Coverage Policy** applies anywhere in the world; provided, this **Community Association Management Liability Coverage Policy** does not apply to **Loss** incurred by an **Insured**, residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.
2. In the event an **Insured Organization** incurs **Loss** referenced in 1. above to which this insurance would have applied, the Company will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to any rights under this **Liability Policy**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Community Association Management Liability Coverage Policy**.
3. All premiums, Limits of Liability, Retention, **Loss**, and other amounts under this **Community Association Management Liability Coverage Policy** are expressed and payable in the currency of

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

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the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Community Association Management Liability Coverage Policy** is stated in a currency other than United States dollars, payment under this **Community Association Management Liability Coverage Policy** will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

4. The following is added to section **V. CONDITIONS, E. CLAIM DEFENSE**:

In the event of a **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, the Company will have the right and duty to defend such **Claim** as set forth in this section **V. CONDITIONS, E. CLAIM DEFENSE**, to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such **Claim**:

- a. the Company will have no duty to defend any **Claim** covered by this **Community Association Management Liability Coverage Policy**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage** and the selection of appropriate defense counsel; and
- b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under such **Community Association Management Liability Coverage Policy**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Community Association Management Liability Coverage Policy**.

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

**AMENDED PROPERTY DAMAGE EXCLUSION – ADD EXCEPTION FOR DECISIONS TO IMPOSE
ASSESSMENT OR APPROVE OR REJECT REQUEST FOR PHYSICAL CHANGES TO TANGIBLE
PROPERTY ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability

It is agreed that:

The following replaces section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS, 1.:**

The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, loss of use of, or failure to repair or maintain any tangible property, including any **Construction Defect**, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot; provided that this exclusion will not apply to **Defense Expenses** for any **Claim** for any decision by the board of directors, or other duly constituted governing board, of the **Named Insured** or any committee thereof:

- a. to impose any assessment on any resident, unit owner or member of the **Named Insured**; or
- b. to approve or reject any request to make any physical change to tangible property, but only if such decision does not relate to the execution or quality of such physical changes.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIED CLAIM, EVENT, CIRCUMSTANCE, LITIGATION, PERSON OR ENTITY EXCLUSION
ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any:

- a. funds directly or indirectly sought, applied for, or received by the **Insured**, or from which the **Insured** otherwise benefited; or
- b. loan, grant, funding, tax credit, tax benefit or other benefit, relief, or assistance,
under the U.S. Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), including the U.S. Small Business Administration's Paycheck Protection Program, or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

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

COLORADO CHANGES ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following replaces section **V. CONDITIONS, S. CANCELLATION AND NONRENEWAL**:

S. CANCELLATION AND NONRENEWAL

The Company may cancel this **Community Association Management Liability Coverage Policy** by providing written notice of such cancellation to the **Named Insured**:

1. At least 20 days before the effective date of cancellation, if cancellation is for failure to pay a premium or any installment when due; or
2. At least 45 days before the effective date of cancellation, if cancellation is for any other reason.

The Company may cancel only for the following reasons:

1. Any reason if the policy has been in effect for less than 60 days and is not a renewal of a policy issued by the Company;
2. Nonpayment of premium;
3. False statement or material misrepresentation committed by the **Named Insured** or any representative of the **Named Insured** in obtaining this policy; or
4. A substantial change in the exposure or risk from what was indicated on the application that increases the hazard insured against.

A notice of cancellation resulting from the failure to pay a premium when due will be rescinded if payment in full is received by the Company within 20 days of the **Named Insured's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 45 days before the Expiration Date set forth in ITEM 2 of the Declarations.

All cancellation and nonrenewal notices will be sent by first class mail.

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

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

Policy Number: **106001125**

CRIME TERMS AND CONDITIONS**PLEASE READ ALL TERMS AND CONDITIONS CAREFULLY****CONSIDERATION CLAUSE**

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

I. INSURING AGREEMENTS

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

A. FIDELITY

1. Employee Theft

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

2. ERISA Fidelity

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

3. Employee Theft of Client Property

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

B. FORGERY OR ALTERATION

The Company will:

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

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

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

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

C. ON PREMISES

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

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

D. IN TRANSIT

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

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

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

E. MONEY ORDERS AND COUNTERFEIT MONEY

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

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

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

F. COMPUTER CRIME

1. Computer Fraud

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

2. Computer Program and Electronic Data Restoration Expense

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

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

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

Payment of reasonable **Restoration Expense** applies:

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

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

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

G. FUNDS TRANSFER FRAUD

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

H. PERSONAL ACCOUNTS PROTECTION

1. Personal Accounts Forgery or Alteration

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

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

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

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

2. Identity Fraud Expense Reimbursement

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

I. CLAIM EXPENSE

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

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

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

II. GENERAL AGREEMENTS

A. JOINT INSURED

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

B. ADDITIONAL OFFICES

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

C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS

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

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

D. ACQUISITIONS

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

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

E. CHANGE OF CONTROL – NOTICE REQUIREMENTS

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

III. DEFINITIONS

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

A. **Change of Control** means:

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

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

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

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

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

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

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

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

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

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

DD. **Insured** means:

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

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

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

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

Restoration Expense does not include:

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

2. a safe or vault from inside the **Premises**.

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

1. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. evidences of debt issued in connection with any **Credit, Debit or Charge Card**, which cards are not issued by the **Insured**;

but does not include **Money**.

RR. **Single Loss** means:

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

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

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

3. for purposes of all other Insuring Agreements:

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

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

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

TT. **Subsidiary** means:

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

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

UU. **Theft** means:

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

IV. **EXCLUSIONS**

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

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

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

V. **CONDITIONS**

A. **GENERAL CONDITIONS**

1. Territory Covered
Except as indicated in Item 5. of the Declarations,
 - a. the Company will cover loss the **Insured** sustains anywhere in the world, and
 - b. the Company will cover all of the **Insured's** offices and **Premises**, including any additional offices or **Premises** pursuant to Sections II. GENERAL AGREEMENTS B. ADDITIONAL OFFICES, C. CONSOLIDATION, MERGER OR PURCHASE OF ASSETS, and D. ACQUISITIONS in this **Crime Policy**.
2. Cooperation
The **Insured** must cooperate with the Company in all matters pertaining to this **Crime Policy** as stated in its terms, conditions and limitations.
3. Extended Period to Discover Loss
The Company will pay the **Insured** for loss that the **Insured** sustained prior to the effective date of cancellation or termination of this **Crime Policy**, which is **Discovered** by the **Insured**:
 - a. no later than 90 days from the date of cancellation or termination; and
 - b. as respects any **Employee Benefit Plan**, no later than one (1) year from the date of cancellation or termination.

Notwithstanding the above, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** replacing in whole or in part the insurance afforded by this **Crime Policy**, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

4. Other Insurance

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

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

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

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

5. Ownership of Property; Interests Covered

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

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

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

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

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

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

6. Representation, Concealment, Misrepresentation or Fraud

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

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

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

7. Premiums

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

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

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

B. PROVISIONS AFFECTING LOSS ADJUSTMENT AND SETTLEMENT

1. Limit of Insurance

a. Policy Aggregate Limit of Insurance

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

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

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

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

b. Single Loss Limit of Insurance

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

c. Special Limit of Insurance for Specified Other Property

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

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

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

d. Identity Fraud Expense Reimbursement Single Loss Limit of Insurance

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

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

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

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

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

2. Single Loss Retention

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

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

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

3. The Insured's Duties in the Event of a Loss

After the **Insured Discovers** a loss or a situation that may result in loss of or loss from damage to **Money**, **Securities** or **Other Property** that exceeds 25% of the Single Loss Retention, the **Insured** must:

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

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

4. Valuation / Settlement

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

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

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

provided, the Company will, at its option, pay the **Insured** for loss of, or loss from damage to, **Other Property** or **Premises** including its exterior, in the **Money** of the country in which the loss occurred, or in the United States of America dollar equivalent of the **Money** of the country in which the loss occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was **Discovered**.

The Company will not pay the **Insured** on a replacement cost basis for any loss or damage until such property is actually repaired or replaced, and unless the repairs or replacement are made as soon as reasonably possible after the loss or damage. If the lost or damaged property is not repaired or replaced, the Company will pay the **Insured** actual cash value on the day the loss was **Discovered**.

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

5. Records

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

6. Recoveries

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

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

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

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

8. Legal Action Against the Company

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

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

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

9. Liberalization

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

C. EMPLOYEE BENEFIT PLAN PROVISIONS – INFLATION GUARD

In compliance with certain provisions of ERISA:

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

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

that arises out of a **Single Loss** is to be shared by each **Employee Benefit Plan** sustaining loss, in the proportion that the limit of insurance required under ERISA for each such **Employee Benefit Plan**, bears to the total of those limits of insurance.

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

D. CANCELLATION OR TERMINATION

- 1. The **Insured** may cancel:

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

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

- 2. The Company may cancel:

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

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

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

- 3. This **Crime Policy** terminates:

- a. in its entirety immediately upon the expiration of the **Policy Period**;

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

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

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

E. CHANGES

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

F. ENTIRE AGREEMENT

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

G. HEADINGS

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement changes the following:

Crime

It is agreed that:

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

E. CHANGE OF CONTROL – NOTICE REQUIREMENTS

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

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

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

Policy Number: **106001125**

CRI-19060 Ed. 07-13

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

This endorsement changes the following:

Crime

It is agreed that:

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

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

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

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

1. Territory Covered

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

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

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

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

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

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

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

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

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

SANCTIONS

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

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

AMENDATORY ENDORSEMENT FOR CERTAIN ERISA CONSIDERATIONS

This endorsement changes the following:

Crime

It is agreed that:

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

2. ERISA Fidelity

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

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

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

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

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

V. **Fiduciary** means:

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

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

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

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

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

2. **Computer Programs**,

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

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

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

3. Extended Period to Discover Loss

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

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

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

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

TELECOMMUNICATION FRAUD INSURING AGREEMENT ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

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

	Single Loss Limit of Insurance	Single Loss Retention
Telecommunication Fraud	\$50,000	\$500

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

TELECOMMUNICATION FRAUD

The Company will pay the **Insured** for its **Telecommunication Charges** directly caused by **Telecommunication Fraud**.

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

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

Telecommunication Charges mean amounts charged to the **Insured** by its telephone service provider.

Telecommunication Fraud means the unauthorized access to, or use of, the **Insured's** telephone system by a person or entity other than an **Employee**.

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

SOCIAL ENGINEERING FRAUD INSURING AGREEMENT ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

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

Insuring Agreement	Single Loss Limit of Insurance	Single Loss Retention
Social Engineering Fraud	\$50,000	\$500

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

SOCIAL ENGINEERING FRAUD

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

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

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

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

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

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

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

through the use of a **Communication**.

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

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

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

G. Computer System means:

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

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

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

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

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

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

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

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

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

AA. **Funds Transfer Fraud** means:

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

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

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

DD. **Insured** means:

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DELETE EXCLUSION FOR PRIOR LOSSES INVOLVING SUBSIDIARIES ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

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

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

INCLUDE DESIGNATED PROPERTY MANAGERS AS EMPLOYEES ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE

<u>Designated Property Manager</u>	<u>Single Loss Limit of Insurance</u>	<u>Single Loss Retention</u>
JARMIK PROPERTY MANAGEMENT	\$50,000	\$500

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

COLORADO CANCELLATION OR TERMINATION ENDORSEMENT

This endorsement changes the following:

Crime

It is agreed that:

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

2. The Company may cancel:

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

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

- a. nonpayment of premium
- b. false statement knowingly made on the application for insurance, or
- c. substantial change in the exposure or risk from what was indicated on the application.

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

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

- 5. The Company will not be required to renew this **Crime Policy** upon its expiration. If the Company elects not to renew, the Company will provide to the **First Named Insured** written notice to that effect at least 30 days (number of days must equal or exceed 30 days) before the Expiration Date set forth in ITEM 2 of the Declarations if the Company is nonrenewing for nonpayment of premium, or 45 days (number of days must equal or exceed 45 days) in advance if the Company is nonrenewing for any other reason. All cancellation and nonrenewal notices will be sent by first class mail.

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

Issuing Company: **Travelers Casualty and Surety Company of America**
Policy Number: **106001125**

IDENTITY FRAUD EXPENSE REIMBURSEMENT

IDENTITY FRAUD EXPENSE REIMBURSEMENT TERMS AND CONDITIONS PLEASE READ ALL TERMS CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, subject to the Declarations, and pursuant to all the terms, conditions, exclusions, and limitations of this **Identity Fraud Expense Reimbursement Policy**, the Company and the **Insurance Representative** agree as follows:

I. INSURING AGREEMENT

The Company will reimburse any **Insured Person** for **Expenses** incurred by the **Insured Person** as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

Only **Insured Persons** will be entitled to coverage under this Insuring Agreement.

II. DEFINITIONS

Wherever appearing in this **Identity Fraud Expense Reimbursement Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

- A. **Discovers, Discovered, or Discovery** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Policy** has been or will be incurred, even though the exact details of loss may not then be known.
- B. **Expenses** means:
1. costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;
 2. costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;
 3. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
 4. lost wages, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, as a result of absence from employment:
 - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
 - b. to complete fraud affidavits or similar documents; or
 - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
 5. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
 6. reasonable attorney fees incurred, with the Company's prior written consent, for:
 - a. defense of lawsuits brought against the **Insured Person** by financial institutions, merchants, other credit grantors or their collection agencies;
 - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**; or

- c. challenging the accuracy or completeness of any information in a consumer credit report; and
- 7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

Expenses does not include any expense or loss not listed in paragraphs 1. through 7. of this Definition B.

- C. **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of any **Insured Person** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable jurisdiction.
- D. **Identity Fraud Expense Reimbursement Policy** means, collectively, the Declarations, the Application, the Identity Fraud Expense Reimbursement Terms and Conditions, and any endorsements attached thereto.
- E. **Insurance Representative** means the entity named in ITEM 1 of the Declarations.
- F. **Insured Person** means any natural person:
 - 1. whose labor and service is engaged by and directed by the **Insurance Representative** or any **Subsidiary** and who is on the payroll of the **Insurance Representative** or any **Subsidiary**;
 - 2. who is a duly elected or appointed member of the board of directors, officer, member of the board of trustees, or member of the board of managers, or a functional equivalent thereof, of the **Insurance Representative** or any **Subsidiary**;
 - 3. who is specifically scheduled as an **Insured Person** by endorsement to this **Identity Fraud Expense Reimbursement Policy**;
 - 4. who is the lawful spouse, or person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, of any person that meets the criteria set forth in paragraphs 1., 2., or 3. of this Definition F;
 - 5. who is a child of any person that meets the criteria set forth in paragraphs 1., 2., 3., or 4. of this Definition F. and is:
 - a. under the age of 18 years of age; and
 - b. a resident of the same household of such **Insured Person**; or
 - 6. who is a parent of any person that meets the criteria set forth in paragraphs 1., 2., 3., or 4. of this Definition F. and is a resident of the same household of such **Insured Person**.
- G. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Identity Fraud Expense Reimbursement Policy**.
- H. **Subsidiary** means:
 - 1. any corporation, partnership, limited liability company or other entity organized under the laws of any jurisdiction in which, on or before to the Inception Date set forth in ITEM 2 of the Declarations, the **Insurance Representative** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent; or
 - 2. subject to the provisions set forth in section IV. CONDITIONS H. ACQUISITIONS, any organization that the **Insurance Representative** acquires or forms during the **Policy Period** in which the **Insurance Representative** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, natural person general partners, or functional equivalent.

III. EXCLUSIONS

- A. This Identity Fraud Expense Reimbursement Policy will not apply to loss other than Expenses.
- B. This Identity Fraud Expense Reimbursement Policy will not apply to, and the Company will have no obligation to reimburse Expenses for:
1. loss due to any fraudulent, dishonest or criminal act by the **Insured Person** who is seeking reimbursement of **Expenses** under this **Identity Fraud Expense Reimbursement Policy** or any person acting in collusion with such **Insured Person**;
 2. an **Identity Fraud Discovered** during such time that an individual was not an **Insured Person**;
 3. loss resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalization; or any act or condition related to any of the foregoing.

IV. CONDITIONS

A. **TERRITORY**

This **Identity Fraud Expense Reimbursement Policy** applies to Identity Fraud occurring anywhere in the world.

B. **PERIOD TO REPORT DISCOVERED LOSS**

This **Identity Fraud Expense Reimbursement Policy** applies only to **Identity Fraud** that is **Discovered** during the **Policy Period** and reported to the Company during the **Policy Period** or within 30 days thereafter.

C. **INSURED PERSON'S DUTIES IN THE EVENT OF LOSS**

Upon knowledge or **Discovery** of a loss or an occurrence that may give rise to a claim under the terms of this **Identity Fraud Expense Reimbursement Policy** the **Insured Person** will:

1. give the Company notice thereof as soon as practicable, but in no event later than 30 days after the end of the **Policy Period**;
2. keep books, receipts, bills and other records in such manner that the Company can accurately determine the amount of any loss;
3. file a detailed proof of loss, duly sworn to, with the Company within four months after the **Discovery** of such loss;
4. notify law enforcement authorities;
5. at the request of the Company, submit to examination under oath and give the Company a signed statement of the answers;
6. at the request of the Company, produce for the Company's examination all pertinent books, receipts, bills, and other records, at such reasonable times and places as the Company will designate; and
7. cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

Compliance with all terms and conditions of this **Identity Fraud Expense Reimbursement Policy** is a condition precedent to recovery under this **Identity Fraud Expense Reimbursement Policy**.

D. **RETENTION**

The Company will be liable only for the amount by which any loss exceeds the applicable Retention amount set forth in ITEM 5 of the Declarations. This Retention amount applies to each and every loss and will have no aggregate limitation.

E. LIMIT OF INSURANCE

The maximum limit of insurance per **Insured Person** for each **Identity Fraud** covered under this **Identity Fraud Expense Reimbursement Policy** will not exceed the applicable Limit of Insurance stated in ITEM 5 of the Declarations. All acts incidental to an **Identity Fraud**, any series of related **Identity Frauds**, and all **Identity Frauds** arising from the same method of operation or a common scheme or plan, whether committed by one or more persons, will be deemed to arise out of one act and will be treated as one **Identity Fraud**. If an act causes a covered loss to more than one **Insured Person**, the applicable Limit of Insurance under this **Identity Fraud Expense Reimbursement Policy** and the applicable Retention amount will apply to each **Insured Person** separately.

F. ACTION AGAINST THE COMPANY

No action will lie against the Company, unless:

1. there will have been full compliance with all the terms of this **Identity Fraud Expense Reimbursement Policy**;
2. it is brought 90 days after the **Insured Person** has filed proof of loss with us; and
3. it is brought within two years from the date when the **Insured Person** first **Discovers** the loss.

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

G. RECOVERIES

All recoveries for payments made under this **Identity Fraud Expense Reimbursement Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the **Insured Person** to reimburse such **Insured Person** for **Expenses** he or she has paid which would have been paid under this **Identity Fraud Expense Reimbursement Policy** but for the fact that it is in excess of the applicable Limit of Insurance;
2. second, to the Company in satisfaction of amounts paid or to be paid to the **Insured Person** in settlement of any covered claim; and
3. third, to the **Insured Person** in satisfaction of any applicable Retention;

provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

H. ACQUISITIONS

If, during the **Policy Period**, the **Insurance Representative** acquires or forms a **Subsidiary**, this **Identity Fraud Expense Reimbursement Policy** will provide coverage for the **Insured Persons** of such **Subsidiary**, subject to all other terms and conditions of this **Identity Fraud Expense Reimbursement Policy**, provided written notice of such acquisition or formation has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such acquisition or formation. Coverage for the **Insured Persons** of such acquired or formed **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Insurance Representative** has paid the Company any additional premium as may be required by the Company.

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

I. SUBROGATION

In the event of payment under this **Identity Fraud Expense Reimbursement Policy**, the Company will be subrogated to all of the **Insured Person's** rights of recovery against any person or organization to the extent of such payment and the **Insured Person** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured Person** will do nothing to prejudice such rights.

J. CANCELLATION

The Company may cancel this **Identity Fraud Expense Reimbursement Policy** for failure to pay a premium when due, in which case 20 days written notice will be given to the **Insurance Representative**, unless, payment in full is received within 20 days of the **Insurance Representative's** receipt of such notice of cancellation. The Company will have the right to the premium amount for the portion of the **Policy Period** during which this **Identity Fraud Expense Reimbursement Policy** was in effect.

The **Insurance Representative** may cancel this **Identity Fraud Expense Reimbursement Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. In the event the **Insurance Representative** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Identity Fraud Expense Reimbursement Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Insurance Representative** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

K. OTHER INSURANCE

This **Identity Fraud Expense Reimbursement Policy** will apply only as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured Person**. As excess insurance, this **Identity Fraud Expense Reimbursement Policy** will not apply or contribute to the payment of any loss or **Expenses** until the amount of such other insurance or indemnity has been exhausted by payment of loss or **Expenses** covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of loss or **Expenses**, this **Identity Fraud Expense Reimbursement Policy** will apply to that part of **Expenses** not recoverable or recovered under the other insurance or indemnity. This **Identity Fraud Expense Reimbursement Policy** will not be subject to the terms of any other insurance.

L. ASSIGNMENT

This **Identity Fraud Expense Reimbursement Policy** will not be assigned or transferred, and any such attempted assignment or transfer will be void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

M. INTERESTS COVERED

This **Identity Fraud Expense Reimbursement Policy** will be for the sole use and benefit of the **Insured Persons** and the **Insurance Representative**. It provides no rights or benefits to any other person, entity, or organization.

N. CONCEALMENT OR MISREPRESENTATION

This **Identity Fraud Expense Reimbursement Policy** is void as to any **Insured Person** if, at any time, such **Insured Person** intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this **Identity Fraud Expense Reimbursement Policy**.

O. CHANGES

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

P. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Identity Fraud Expense Reimbursement Policy** was issued, to make any changes in the form of this **Identity Fraud Expense Reimbursement Policy**, by which the insurance afforded by this **Identity Fraud Expense Reimbursement Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured Person** as of the date the revision or change is approved for general use by the applicable department of insurance.

Q. ENTIRE AGREEMENT

The Declarations, the Application, the Identity Fraud Expense Reimbursement Terms and Conditions, and any endorsements attached thereto, constitute the entire agreement between the Company, the **Insurance Representative**, and the **Insured Person**.

R. HEADINGS

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

IDENTITY FRAUD PLUS+ ENHANCEMENT

This endorsement modifies the following:

Identity Fraud Expense Reimbursement

It is agreed that:

Section **II. DEFINITIONS B . Expenses** is replaced by the following:

Expenses means:

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

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- d. pursuing the release of medical records solely for the purpose of investigating medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
 - e. contesting wrongfully incurred tax liability; or
 - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
- 7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**;
- 8. reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:
 - a. participate in the defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
 - b. challenge the accuracy or completeness of any information in a consumer credit report;
 - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
 - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
- 9. fees for the re-application and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and social security cards, compromised as a result of **Identity Fraud**; and
- 10. fees charged for copies of medical records, including x-rays, obtained solely for the purpose of investigating medical-related **Identity Fraud**.

Expenses does not include any expense or loss not listed in paragraphs 1. through 10. of this Definition B.

Section **IV. CONDITIONS B. PERIOD TO REPORT DISCOVERED LOSS** is replaced by the following:

PERIOD TO REPORT DISCOVERED LOSS

This **Identity Fraud Expense Reimbursement Policy** applies only to **Identity Fraud** that is **Discovered** during the **Policy Period** and reported to the Company during the **Policy Period** or within 90 days thereafter.

Section **IV. CONDITIONS C. INSURED PERSON'S DUTIES IN THE EVENT OF LOSS** is replaced by the following:

INSURED PERSON'S DUTIES IN THE EVENT OF LOSS

Upon knowledge or **Discovery** of a loss or an occurrence that may give rise to a claim under the terms of this **Identity Fraud Expense Reimbursement Policy** the **Insured Person** will:

- 1. give the Company notice thereof as soon as practicable, but in no event later than 90 days after the end of the **Policy Period**;
- 2. keep books, receipts, bills and other records in such manner that the Company can accurately determine the amount of any loss;

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3. file a detailed proof of loss, duly sworn to, with the Company within six months after the **Discovery** of such loss and provide any subsequently obtained supplemental information within twelve months after the **Discovery** of such loss;
4. notify law enforcement authorities;
5. at the request of the Company, submit to examination under oath and give the Company a signed statement of the answers;
6. at the request of the Company, produce for the Company's examination all pertinent books, receipts, bills, and other records, at such reasonable times and places as the Company will designate; and
7. cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

Compliance with all terms and conditions of this **Identity Fraud Expense Reimbursement Policy** is a condition precedent to recovery under this **Identity Fraud Expense Reimbursement Policy**.

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

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IDENTITY FRAUD RESOLUTION SERVICES ENDORSEMENT

This endorsement modifies the following:

Identity Fraud Expense Reimbursement

It is agreed that:

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

Additionally, an **Insured Person** will have access to:

1. **Identity Management Services** at any time during the **Policy Period**; and
2. **Identity Resolution Services** in response to a **Identity Resolution Event** involving such **Insured Person** that is **Discovered** during the **Policy Period**.

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

Identity Management Services means:

1. the following services from an identity fraud specialist:
 - a. consultation on best practices for preventing **Identity Fraud**;
 - b. assistance in recovery or replacement of lost or stolen personal identification; and
 - c. placement of a fraud alert in the event an **Insured Person's** personal information has been compromised; and
2. an identity fraud risk management website that includes educational information, risk management guides, an identity fraud newsletter, and other tools to assess exposure to **Identity Fraud**.

Identity Resolution Services means assistance from an identity fraud specialist in the process of restoring an **Insured Person's** identity. This includes managing the notification and documentation process, alerting credit reporting agencies, review of a credit report and one year of credit and fraud monitoring.

Identity Resolution Event means the act of using, without authorization, a means of identification of any **Insured Person** to fraudulently obtain any benefit, cash, credit, property, goods or services or commit any other crime in the **Insured Person's** name.

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

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GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Identity Fraud Expense Reimbursement

It is agreed that:

1. The following is added to section **IV. CONDITIONS, A. TERRITORY**:

Provided this **Identity Fraud Expense Reimbursement Policy** does not apply to **Expenses** incurred by an **Insured Person** who resides in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.

2. The following is added to section **IV. CONDITIONS**:

SANCTIONS

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

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

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**INSURED PERSON DOES NOT INCLUDE COMMUNITY ASSOCIATION MANAGEMENT ORGANIZATION
INDIVIDUALS ENDORSEMENT**

This endorsement changes the following:

Identity Fraud Expense Reimbursement

It is agreed that:

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

Community Association Management Organization means any sole proprietor or entity providing real estate property management services to the **Insurance Representative** pursuant to a written contract.

2. The following is added to section **II. DEFINITIONS, F. Insured Person**:

Insured Person does not include any natural person:

- a. whose labor and service is engaged by and directed by and who is on the payroll of any **Community Association Management Organization**; or
- b. who is the spouse, domestic partner, child, or parent of any person that meets the criteria set forth in paragraph a. above.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMEND INSURED PERSON(S) ENDORSEMENT

This endorsement modifies the following:

Identity Fraud Expense Reimbursement

It is agreed that:

Section **II. DEFINITIONS F. Insured Person** is amended to include:

Volunteers and Board members

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

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