

EMBROKER

Commercial Crime



Embroker Insurance Services LLC
24 Shotwell Street San Francisco CA 94103

embroker.com

THE INSURER(S) NAMED HEREIN IS (ARE) NOT LICENSED BY THE STATE OF NEW YORK, NOT SUBJECT TO ITS SUPERVISION, AND IN THE EVENT OF THE INSOLVENCY OF THE INSURER(S), NOT PROTECTED BY THE NEW YORK STATE SECURITY FUNDS. THE POLICY MAY NOT BE SUBJECT TO ALL OF THE REGULATIONS OF THE DEPARTMENT OF FINANCIAL SERVICES PERTAINING TO POLICY FORMS.

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on**

the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.

- 1. California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.**
- 2. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you.**

Notice of Service of Suit

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

In the event you feel that we have failed to pay a claim according to the terms of the Policy, you may start a "suit" against us. We will obey the order of any Court of competent jurisdiction within the United States and will comply with all requirements necessary to give the Court jurisdiction, and all such matters shall be determined according to the law and practice of the Court.

In any "suit" brought against us concerning your Policy, we will abide by the final decision of the Court, including any appellate Court in the event of the appeal.

Service of Suit may be made upon the Commissioner of Insurance or any other officer specified by the statute, or his/her successors in office, as our true and lawful attorney for Service of Suit instituted by you, or on your behalf or on behalf of your beneficiary, in regard to your Policy and designated that such process should be mailed to:

Clear Blue Specialty Insurance Company
ATTN: Legal Department,
200 South College Street
Suite 2250, Charlotte, NC 28202

He or She is authorized to accept Service of Suit on our behalf and/or provide written notice that we will appear in Court, if "suit" is instituted.

All other terms, conditions and agreements remain unchanged.

Policyholder Disclosure Notice of Terrorism Insurance Coverage

For policies with no terrorism exclusion or sublimit.

You are hereby notified that, under the Terrorism Risk Insurance Act (the "Act"), this Policy makes available to you insurance for losses arising out of certain acts of terrorism. Terrorism is defined as any act certified by the Secretary of the Treasury 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 an air carrier or vessel 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.

You should know that the insurance provided by your Policy for losses caused by acts of terrorism is partially reimbursed by the United States under the formula set forth in the Act. Under this formula, the United States pays 85% of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the coverage. Beginning in 2016, the Federal share will be reduced by 1% per year until it reaches 80%, where it will remain.

However, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. 10-02-1281 (Ed. 03/2015)

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The portion of your Policy's annual premium that is attributable to insurance for such acts of terrorism is: \$ -0-.

If you have any questions about this notice, please contact your agent or broker.

EMBROKER

Embroker Commercial Crime **Declarations**



Embroker Insurance Services LLC
24 Shotwell Street San Francisco CA 94103

embroker.com

NAMED INSURED

LeafLink
80 Broad St
New York, NY 10004

INSURER

Clear Blue Specialty Insurance Co.
200 South College Street
Suite 2250
Charlotte, NC 28202

BROKER OF RECORD

Embroker Insurance Services LLC
24 Shotwell St
San Francisco, CA 94103
1 844 436 2765

Policy

POLICY NUMBER

CR01-000###-01

POLICY PERIOD

12:01 AM 12/01/2019
to
12:01 AM 12/01/2020

Coverage

Commercial Crime Coverage

Premiums

POLICY LIMIT OF LIABILITY

\$000,000

SURPLUS LINES TAXES

\$00.00

TOTAL PREMIUM

\$00.00

POLICY PREMIUM

\$00.00

SURPLUS LINES FEES

\$00.00

**PREMIUM ATTRIBUTABLE
TO TRIA**

No Additional Charge

Commercial Crime Coverage



Policy Limit of Liability: \$ X,000,000

INSURING AGREEMENTS

	COVERAGE LIMIT
A. Employee Theft of Insured Property	\$ <limit selected>
B. Employee Theft of Client Property	\$ <limit selected>
C. Computer Fraud and Funds Transfer Fraud	\$ <limit selected>
D. Inside the Premises	\$ <limit selected>
E. In-Transit	\$ <limit selected>
F. Forgery or Alteration	\$ <limit selected>
G. Money Order and Currency Fraud	\$ <limit selected>
H. Investigation Cost (Sublimit)	\$ 50,000

RETENTIONS

For each Claim covered under:

A. Employee Theft of Insured Property	\$ <retention selected>
B. Employee Theft of Client Property	\$ <retention selected>
C. Computer Fraud and Funds Transfer Fraud	\$ <retention selected>
D. Inside the Premises	\$ <retention selected>
E. In-Transit	\$ <retention selected>
F. Forgery or Alteration	\$ <retention selected>
G. Money Order and Currency Fraud	\$ <retention selected>
H. Investigation Cost	\$ 0

Notices to Insurer

SEND NOTICE OF CLAIMS, LOSS, CIRCUMSTANCES TO:

Embroker Insurance Services LLC
24 Shotwell St, San Francisco, CA 94103
claims@embroker.com
(844) 436 2765

SEND ALL OTHER NOTICES AND INQUIRIES TO:

Embroker Insurance Services LLC
24 Shotwell St, San Francisco, CA 94103
success@embroker.com
(844) 436 2765

Policy Provision:

This Policy Declarations with the Policy Jacket, Policy Forms and Endorsements issued to form a part thereof, completes the policy as numbered on this Declaration Pages. Whenever your policy is modified, you will receive a dated revision of the Policy Declarations.

In Witness Whereof:

In consideration of your paid premium, Clear Blue Specialty Insurance Company is proud to extend to you the coverage offered by this insurance contract.

President, Clear Blue Specialty Insurance Company

Forms list

Cover page

Surplus Lines Disclosure

Notice of Service of Suit

SOS DOI 0416

Policyholder Disclosure - Notice of Terrorism
Insurance Coverage

TRIA

Declarations Page

EMB-001-DEC-CRS-20

Commercial Crime Policy

EMB-001-CRS-20

EMBROKER

Commercial Crime **Policy**



Embroker Insurance Services LLC
24 Shotwell Street San Francisco CA 94103

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Throughout this Policy, the words “you” and “your” refer to the **Named Insured** shown in the Declarations. The words “we”, “us” and “our” refer to the Company providing this insurance. Other words and phrases that appear in bold print have special meaning. Refer to the Definitions sections in this Policy.

This Policy, including the Declarations, written endorsements, and the **Application** shall constitute the entire agreement between us and you regarding the insurance provided hereunder.

In consideration of the payment of the premium and in reliance upon the statements made and information furnished to us in the **Application**, and subject to all of the terms and conditions of this Policy (including all endorsements attached hereto), we and you agree as follows:

I. Insuring Agreement

If **Discovered** during the **Policy Period** or applicable extended reporting period to **Discover** loss, and reported pursuant to Sections IX. and X., we will pay for:

A. Employee Theft of Insured Property

An **Insured's** loss of or damage to **Money, Securities, and Other Property** directly caused from **Theft** or **Forgery** by an identified **Employee**, acting alone or in collusion with others.

B. Employee Theft of Client Property

Loss of or damage to **Money, Securities, and Other Property** sustained by a **Client** directly caused from **Theft** or **Forgery** committed by an identified **Employee**, not in collusion with such **Client's** employees.

C. Computer Fraud and Funds Transfer Fraud

1. An **Insured's** loss of **Money, Securities, and Other Property** directly caused by any **Third Party** committing **Computer Fraud**, provided we will not pay for the loss of **Money** or **Securities** caused by a **Social Engineering Event**.
2. An **Insured's** loss of **Money** or **Securities** directly caused by any **Third Party** committing **Funds Transfer Fraud**.

D. Inside the Premises

1. An **Insured's** loss of **Money** or **Securities** while inside the **Premises** or **Banking Premises** directly caused by any **Third Party** committing any **Robbery, Safe Burglary, Theft**, or destruction, or disappearance of such **Money** or **Securities**.
2. An **Insured's** loss of or damage to **Other Property** inside the **Premises** directly caused by any **Third Party** committing or attempting a **Robbery** or **Safe Burglary**, including:

- a. damage to a locked safe, vault, cash register, cash drawer or cash box during any felonious entry or attempted felonious entry; or
 - b. felonious abstraction of a locked safe, vault, cash register, cash drawer or cash box.
3. An **Insured's** loss from damage to the **Premises** during any **Safe Burglary** or attempted **Safe Burglary** or **Robbery** or attempted **Robbery**.

E. **In-Transit**

1. An **Insured's** loss of **Money** or **Securities** while **In-Transit**, directly caused by any **Third Party** committing any **Robbery** or **Theft**.
2. An **Insured's** loss of **Money** or **Securities** while temporarily inside the home of an **Employee** or **Executive**, directly caused by any **Third Party** committing any **Robbery** or **Theft**.
3. An **Insured's** loss of or damage to **Other Property** directly caused by any **Third Party** committing or attempting, **Robbery** while such **Other Property** is **In-Transit**.

F. **Forgery or Alteration**

An **Insured's** loss directly caused by any **Third Party** committing **Forgery** or any alteration of a **Financial Instrument**.

G. **Money Order and Currency Fraud**

An **Insured's** loss directly caused by any **Third Party** committing **Money Order and Currency Fraud**.

H. **Investigation Cost**

Reasonable and necessary costs incurred by the **Insured** in excess of **Insured Organization's** normal operating cost and with the prior written approval from us to establish the existence, amount and preparation of the **Insured's** proof of loss in support of a covered loss under any Insuring Agreement of this Policy; provided that any such loss exceed any retention applicable thereto.

This coverage is subject to the Sublimit of Liability set forth in the Crime Declarations. This Sublimit of Liability is the maximum amount that we will pay for and shall be part of, and not in addition to, the Limits of Liability applicable to such covered loss.

II. Definitions

A. **Application** means all written materials and information, including signed applications and any information attached thereto, incorporated therein, submitted, or made available by or on behalf of you to us in connection with underwriting of this Policy. The **Application** is deemed attached to and incorporated into this Policy.

B. **Banking Premises** means the interior portion of that part of any building occupied by a banking institution or similar safe depository.

C. **Benefit Plan** means solely for the benefits of **Employees**, an employee benefit plan, employee welfare plan or pension plan which is sponsored solely by the **Insured Organization** or jointly with a labor organization. A **Benefit Plan** includes an **ERISA Plan**.

A **Benefit Plan** does not include a multiemployer plan.

D. **Client** means any person or entity for which the **Insured Organization** provides goods or services for:

1. a fee; or
2. other consideration as specified in a written agreement.

E. **Control Group** means the **Insured Organization's** Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Information Security Officer, General Counsel, Chief Operating Officer, or functional equivalent.

F. **Computer Fraud** means the fraudulent entry of **Data** into a **Computer System** or the fraudulent alteration of **Data** within a **Computer System**, directly causing the unlawful transfer, payment, or delivery of **Money, Securities** or **Other Properties** to a **Third Party**.

Computer Fraud shall not include a **Social Engineering Event**.

G. **Computer System(s)** means:

1. Computers, including Personal Digital Assistants (PDAs), smartphones, and other portable or handheld devices, electronic storage devices and related peripheral components;
2. Systems and applications software; and
3. Related telecommunications networks connected to or used in connection with such computer or devices to the extent used by the items in 1. and 2. above.

H. **Data** means:

1. **Digital Assets** and other electronic data;
2. Code or electronic instructions that allows a **Computer System** to receive, process, store, retrieve, send create or otherwise act upon such instructions or code; and
3. Information, knowledge, facts, concepts or instructions which are contained in any records, accounts, microfilms, tapes or other paper or electronic records.

I. **Digital Assets** means digitally stored content or an online account or **Computer System**.

J. **Discover, Discovery, or Discovered** means:

1. the time when a member of the **Control Group** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.
2. **Discover, Discovery, or Discovered** also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a **Third Party** under circumstances which, if true, would constitute a loss under this Policy.

Discover, Discovery, or Discovered shall not include knowledge acquired by a member of the **Control Group** acting alone or in collusion with an **Employee** as a participant in a **Theft** or **Forgery**.

K. **Employee** means any natural person whose labor or service is engaged and directed by the **Insured Organization**, including fulltime, part-time, seasonal, leased and temporary employees. **Employee** also means any:

1. Volunteers or interns of the **Insured Organization** in their capacity as such;
2. Individual who is an **Independent Contractor**, while performing services on your behalf or at your direction;
3. any natural person who is a fiduciary, trustee administrator, or employee of a **Benefit Plan**;
4. any other natural person required to be bonded in connection with an **ERISA Plan** by Title 1 of ERISA;
5. an **Executive**, but only while performing within the scope of the usual duties of an **Employee**; and
6. an attorney retained by the **Insured Organization**, while performing legal services for the **Insured**.

Employee shall not include: any agent, broker, or commission merchant.

- L. **ERISA Plan** means solely for the benefit of **Employees**, an employee benefit plan, employee welfare plan or pension plan subject to ERISA, which is sponsored solely by the **Insured Organization** or jointly with a labor organization.

ERISA Plan does not include a multiemployer plan.

- M. **Executive** means any natural person who is a duly elected, appointed, or hired:

1. Director, officer, or member of the board of the managers or management committee of the **Insured Organization**;
2. In-house general counsel of the **Insured Organization**;
3. Any duly elected or appointed advisory, supervisory, or scientific advisory board member;
4. Natural Person General Partner; and
5. Any foreign or functional equivalent of any of the foregoing.

- N. **Financial Instrument** means checks, drafts, or similar orders to pay a specific amount of money that are made, drawn by, or drawn upon by the **Insured Organization** or by anyone acting as an agent of the **Insured Organization** or that are purported to have been so made or drawn.

- O. **Forgery** means the signing of the name of another natural person with intent to deceive; provided 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. We will treat mechanically, electronically, or photographically produced or reproduced signatures the same as handwritten signatures.

- P. **Funds Transfer Fraud** means any fraudulent written, electronic, telegraphic, cable, teletype or telephonic instructions issued to a financial institution directing such institution to initiate a transfer of **Money** or **Securities** from any account maintained by the **Insured** at such institution which instructions purport to have been authorized by the **Insured** but were, in fact, fraudulently transmitted by another.

- Q. **In-Transit** means a conveyance outside the **Premises** and while in the custody of any authorized:

1. **Employee** or **Executive** of the **Insured Organization**;
2. Armored Truck Vehicle; or
3. **Mail Services Provider**.

For 1. and 2. above, such conveyance begins upon receipt of the conveyance by any person described in 1. or 2. above, from the **Insured Organization**, and ceases upon delivery of the conveyance to the designated recipient or its agent.

For 3. above, such conveyance begins upon receipt of the conveyance by any person described in 3. above from a public or private mail carrier including, but not limited to, the United States Post Office, UPS, FedEx, or DHL, and ceases upon delivery of the conveyance to the designated recipient or its agent.

R. **Independent Contractor** means any natural person working for the **Insured Organization** in the capacity of an independent contractor while performing services on behalf of you or at your direction

S. **Insured** means the **Insured Organization** or **Benefit Plan**. **Insured** shall not include a **Client**, except for the coverage provided in Insuring Agreement B. (Employee Theft of Client Property).

T. **Insured Organization** means, collectively or individually:

1. **Named Insured**; and
2. Any **Subsidiary**

including any such organization as a “debtor in possession” as defined in Chapter 11 of the United States Bankruptcy Code or any similar law.

U. **Mail Services Provider** means a virtual mailbox or other paper mail handling or processing services company and its employees located off **Premises** with whom the **Insured Organization** has a written agreement for receiving, scanning, forwarding, shredding or otherwise processing mail received in paper form.

V. **Money** means currency, coins, and bank notes in current use and having a face value.

W. **Money Order and Currency Fraud** means the good faith acceptance by the **Insured** in the regular course of business and in exchange for merchandise, **Money**, or services of any:

1. counterfeit post office or express money order, issued or purporting to have been issued by any post office or express company that is not paid upon presentation; or
2. counterfeit paper currency of any country that is acquired during the regular course of business.

X. **Named Insured** means the entity designated as such in this Policy's Declarations.

Y. **Owner** means any natural person owning twenty-five percent (25%) or more of any corporation, any ownership interest in a Limited Liability Company, or is a partner of any partnership.

- Z. **Policy Period** means the period specified in the Declarations, subject to any cancellation prior to the scheduled expiration date.
- AA. **Premises** means the interior portion of a building occupied by the **Insured Organization** in conducting business.
- BB. **Other Property** means tangible property other than **Money** or **Securities**. **Other Property** shall not include **Data**.
- CC. **Robbery** means a **Theft** from the care and custody of any **Employee** or another person duly authorized by the **Insured Organization**, other than a porter, by violence or threat of violence committed in the presence and cognizance of such person.
- DD. **Safe Burglary** means:
1. **Theft** from a locked safe located inside the **Premises**; or
 2. Solely for part 1 of Insuring Agreement D. (Inside the Premises), **Theft** from a locked safe located inside any **Banking Premises**;
- as established by marks of forcible or violent entry or the taking of such safe.
- EE. **Securities** means negotiable and non-negotiable instruments representing either **Money** or **Other Property**, but **Securities** do not include **Money**.
- FF. **Social Engineering Event** means a misrepresentation of fact or an intentional, malicious, willful, dishonest, or fraudulent act undertaken by a **Third Party** that misleads an **Employee** or **Executive** and directly results in any or all of the following:
1. **Money** or **Securities** being transferred, disbursed, paid, delivered, altered, corrupted, or lost thereby depriving the **Insured** of such **Money** or **Securities**; or
 2. **Money** or **Securities** of **Clients** being transferred, disbursed, paid, delivered, altered, corrupted, or lost from an account that is in the **Insured's** trust or control.
- GG. **Subsidiary** means any entity that you:
1. Own more than fifty percent (50%) of the issued and outstanding voting equity securities of such entity; or
 2. Control voting rights representing the present right to elect or appoint more than fifty percent (50%) of the directors or trustees of such entity.

HH. **Theft** means:

1. any unlawful taking to the deprivation of the **Insured**;
2. solely for the purposes of Insuring Agreement B. (Employee Theft of Client Property), any unlawful taking to the deprivation of the **Client**; or
3. solely applicable to an **ERISA Plan**, **Theft** includes larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, willful misapplication or other fraudulent acts set forth in in Title 29, Code of Federal Regulations, Section 2580.412-9, as amended. where losses result through any act or arrangement prohibited by 18 U.S.C. § 1954.

II. **Third Party** means any natural person other than:

1. an **Employee, Executive, or Owner** of the **Insured Organization**; or
2. a person acting in collusion with an **Employee** or an **Executive**.

III. Exclusions

We will not pay for loss resulting from a:

- A. **Theft, Forgery**, criminal or dishonest acts by an **Owner** of the **Insured Organization**, whether acting alone or in collusion with others, provided this exclusion shall not apply to a covered loss resulting from **Theft** of an **ERISA Plan**.
- B. **Theft, Forgery**, criminal or dishonest acts by a **Client's Owner**, whether acting alone or in collusion with an **Employee**.
- C. Errors or omissions in accounting or arithmetic; provided this exclusion shall only be applicable to Insuring Agreement D. (Inside the Premises) and Insuring Agreement E. (In-Transit).
- D. Fire, except for:
 1. loss of or damage to **Money** or **Securities**; or
 2. damage to any safe or vault caused by the application of fire during any **Safe Burglary** or attempted **Safe Burglary**.
- E. **Theft, Computer Fraud, Funds Transfer Fraud**, or any other fraudulent, dishonest or criminal act (other than **Robbery** or **Safe Burglary**), by an authorized representative of the **Insured Organization**, other than an **Employee**, provided that this exclusion shall not apply if an authorized representative is acting in collusion with any **Employee**.

- F. Authorized or unauthorized trading of **Money, Securities, or Other Property**, regardless of whether such trading is in the name of the **Insured** or another, or in a genuine or fictitious account; provided that this exclusion shall not apply to covered loss caused by an **Employee** committing **Theft** or **Forgery**, which results in an improper financial gain to such **Employee**; improper financial gain shall not include salary, commissions, fees, promotions, raises or other type of compensation associated with employment.
- G. Misappropriation or loss of use of trade secrets, proprietary information, confidential processing methods, or other confidential information of any kind, including any non-public, personal or personally identifiable information.
- H. Loss, or that part of any loss, the proof of which is dependent upon:
1. a profit and loss computation; or
 2. an inventory computation; provided, however, if the **Insured** can establish wholly apart from an inventory computation that a loss has been sustained and covered by this Policy, the **Insured** may provide us with inventory records and physical count to support such covered loss.
- I. **Insured** knowingly giving or surrendering **Money, Other Property, or Securities** in any exchange or purchase with a **Third Party** not in collusion with an **Employee**, provided that this exclusion shall not apply to **Money Order and Currency Fraud**.
- J. Disappearance of, or damage to, **Money, Other Property, or Securities** while in the **Banking Premises**, an armored vehicle, a **Mail Services Provider**, or with any person duly authorized by the **Insured Organization** to have custody of the property; provided that this exclusion shall not apply to loss in excess of the amount recovered or received by the **Insured Organization** under any contract or insurance carried by, any of the aforementioned.
- K. Declared or undeclared war, civil war, insurrection, rebellion or revolution, military, naval or usurped power, governmental intervention or authority, expropriation or nationalization or any act or condition incident or related to any of the foregoing.
- L. Expenses incurred by an **Insured** in defending or prosecuting any legal proceeding or claim, except for the coverage provided under Section under Section V. (Defense Costs Coverage for Forgery or Alteration).
- M. The actual or purported use of credit, debit, charge, access or other cards, or the information contained on such cards; provided that this exclusion shall not apply to Insuring Agreement F. (Forgery or Alteration).

- N. **Employee** in the event any loss is sustained:
1. after a member of the **Control Group** acquires knowledge of fraud or dishonesty committed by such **Employee** whether such fraud or dishonesty occurred prior to or during employment with an **Insured**; or
 2. more than sixty (60) days after termination of such **Employee**.
- O. Indirect or consequential loss of any nature, including, but not limited to:
1. fines, penalties, multiple or punitive damages;
 2. the inability to realize income that would have been realized had there been no loss of or damage to **Money, Securities, or Other Property**; or
 3. interests or dividends.
- P. Nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- Q. Kidnap, ransom, or other extortion payment provided to any person as a result of threat. However, this exclusion shall not apply to **Robbery**.
- R. The **Insured**, or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any **Money, Securities, or Other Property**; provided this exclusion is only applicable to Insuring Agreement F. (Forgery or Alteration) and Part 1. of Insuring Agreement C. (Computer Fraud and Funds Transfer Fraud).
- S. Any loss or damage unless:
1. **Discovered** during the **Policy Period** or during any applicable extended reporting period described in Clause X. Extended Reporting Period;
 2. **Discovered** during the discovery period described in Section VIII. Loss Discovered. In no event will coverage be available under this Policy for such loss if such loss is covered under any renewal or replacement of this Policy in whole or in part; or
 3. Sustained prior to the termination of this Policy and **Discovered** within one (1) year following such termination, if the termination results from the voluntary liquidation or voluntary dissolution of the **Insured Organization**.

IV. ERISA Flex Coverage

- A. Payment of any loss incurred by an **ERISA Plan** shall be made by us to the **Insured Organization** for the use and benefit of such **ERISA Plan**.
- B. The Limit of Liability applicable to any single loss incurred by one or more **ERISA Plans** shall be the applicable Limit of Liability set forth in the Declarations under Insuring Agreement A. (Employee Theft of Insured Property), provided that such amount exceeds the minimum Limit of Liability for each **ERISA Plan** (the "Minimum Limit of Liability") incurring such single loss.
- C. The Minimum Limit of Liability for each **ERISA Plan** shall be:
1. Where the **ERISA Plan** has employer securities, the lesser of ten percent (10%) of such **ERISA Plan** or \$1,000,000; or
 2. Where the **ERISA Plan** does not have any employer securities, the lesser of ten percent (10%) of such **ERISA Plan** or \$500,000;
- D. If a single loss is incurred by more than one **ERISA Plan**, then the Limit of Liability applicable to such loss shall be the greater of:
1. the applicable Limit of Liability set forth in the Crime Declarations; or
 2. the sum of the Minimum Limit of Liability for each **ERISA Plan** incurring such single loss.
- E. No Retention shall apply to loss by any **ERISA Plan**.

V. Defense Costs Coverage for Forgery or Alteration

Regarding Insuring Agreement F. (Forgery or Alteration), coverage shall include reasonable attorneys' fees and court costs incurred and paid with our prior written consent in defending the **Insured Organization** in any legal proceeding brought against it to enforce payment of a **Financial Instrument**. The coverage provided under this Section shall be part of, and not in addition to, the Limit of Liability set forth the Crime Declarations for Insuring Agreement F. (Forgery or Alteration).

VI. Limit of Liability

- A. The Policy Limit of Liability stated in the Declarations is the most we will pay under this Policy.
- B. Our maximum aggregate liability for each single loss under each elected Insuring Agreement shall not exceed the applicable Coverage Limit set forth in the Crime Declarations, regardless of the number of **Insureds** sustaining such loss.
- C. All loss caused by or involving a single act or any number of acts of one (1) or more **Employee** or **Third Party**, whether such act or acts occurred prior to or during the **Policy Period**, shall be treated as a single loss and the applicable Limit of Liability set forth in the Crime Declarations shall apply, subject to Section VIII. Loss Discovered.
- D. If two (2) or more Insuring Agreements apply to any loss, the maximum amount payable shall not exceed the largest applicable Limit of Liability of any such Insuring Agreement.
- E. If there is more than one (1) **Insured**, the maximum liability for any single loss sustained by more than one (1) **Insured** shall not exceed the amount for which we would have been liable if the single loss had been sustained by one (1) **Insured**.
- F. Regardless of the number of years this Policy remains in force, or the number of premiums paid, the amount that we will pay for any single loss shall not be cumulative from **Policy Period** to **Policy Period**.
- G. Each Sublimit of Liability, if any, stated in the Declarations the most we will pay for all loss or other covered amounts that are subject to such sublimit. Any Sublimit of Liability set forth shall be part of and not in addition to, the Policy Limit of Liability.

VII. Retentions

Our liability with respect to any loss shall apply only to that part of loss which is excess of the applicable Retention set forth in the Declarations.

If a single loss is covered in whole or in part under more than one Insuring Agreement, then only the highest applicable retention will apply.

No retention shall apply for a loss to an **ERISA Plan**.

VIII. Loss Discovered

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

1. If a prior policy, not issued by us to the **Insured Organization** (or predecessor in interest), afforded coverage for a loss sustained during the policy period of such prior policy and such loss was first **Discovered** prior to the expiration of any applicable extended reporting period or time allowed for discovery under the last such prior policy, then we shall have no liability for such loss under this Policy, unless the total amount of covered loss exceeds the Limit of Liability of the last such policy carried by the **Insured Organization** or predecessor in interest of the **Insured Organization**, and then our Limit of Liability for any such covered loss will be in excess of the Limit of Liability of the last such policy subject to all of the terms and conditions of this Policy; or
2. If a prior policy, issued by us to the **Insured Organization** (or predecessor in interest), afforded coverage for a loss sustained during the policy period of such prior policy, then such prior policy shall terminate as of the inception of this Policy and such prior policy shall not cover any loss not **Discovered** and noticed to us prior to the inception of this Policy and then our Limit of Liability for such loss shall be the applicable Coverage Liability set forth in the Crime Declaration of this Policy.

IX. Duties in the Event of Loss

- A. Upon **Discovery** and as a condition precedent to coverage, the **Insured Organization** shall provide us:
 1. written notice as soon as possible, but no later than sixty (60) days after **Discovery**;
 2. a detailed, sworn proof of loss with full particulars within one hundred twenty (120) days of **Discovery**, including:
 - a. submitting to examinations under oath at our request and providing a signed statement;
 - b. producing all pertinent records at such reasonable times and places as requested by us; and
 - c. full and complete cooperation in all matters pertaining to any claimed loss, including the investigation and settlement thereof.
- B. Police Notification, if applicable to Insuring Agreement D. (Inside the Premises), Insuring Agreement E. (Outside the Premises), or if a member of the **Control Group** has reason to believe that any loss involves a violation of law.

- C. Knowledge possessed by any member of the **Control Group** or **Discovery** shall be deemed knowledge possessed or **Discovery** by all **Insureds**.

X. Extended Reporting

Note the following Extended Reporting periods will terminate upon the inception date of any of other insurance obtained by the **Insured Organization** replacing, in whole or in part, the Coverage afforded under this Policy, regardless of whether such other insurance provides coverage for loss occurring prior to its effective date.

If the Policy is cancelled or non-renewed, we will provide the following Extended Reporting period:

1. To the **Insured Organization**, other than **ERISA Plan**, if such loss is **Discovered** no later than ninety (90) days from the date of cancellation or non-renewal; provided, however, this will not apply to Insuring Agreement I. and Insuring Agreement J.
2. To any **ERISA Plan** if such loss is **Discovered** no later than one (1) year from the date of cancellation or non-renewal.

XI. Ownership of Property; Interests Covered

- A. Regarding all Insuring Agreements other than Insuring Agreement B. (Employee Theft of Client Property), coverage shall only apply to **Money, Other Property, or Securities** owned or leased by the **Insured** for which the **Insured** is legally liable, or held by the **Insured**, provided that:
1. We will not be liable for damage to the **Premises** unless the **Insured Organization** is the owner or is legally liable for such damage; and
 2. Regarding Insuring Agreement A. (Employee Theft of Insured Property), no coverage shall apply to **Money, Other Property or Securities** of a **Client**.
- B. Regarding Insuring Agreement B. (Employee Theft of Client Property), coverage shall only apply to **Money, Other Property, or Securities** of a **Client** held by the **Insured Organization** or for which the **Insured Organization** is legally liable.
- C. Notwithstanding A. and B. above, this Policy is for the benefit of the **Insured** only and no other person or organization has any rights or benefits. Any claim for loss of **Money, Securities, or Other Property** sustained by a **Client** or customer of such **Client**, or otherwise, shall be made by the **Insured** in the **Insured's** proof of loss.

XII. Valuation of Loss

- A. For loss of **Securities**, we will pay the lesser of either:
1. the actual market value of lost, damaged, or destroyed **Securities**, but only up to and including their value as stated in The Wall Street Journal at the close of business on the day the loss was **Discovered**;
 2. the cost of replacing **Securities**; or
 3. the cost of any lost Securities Bond in connection with issuing duplicates of the **Securities**.
- B. For loss of books of account or other records, we will pay the cost of blank books, pages or tapes or other blank materials to replace lost or damaged books of account or other records.
- C. For loss of **Other Property**, we will pay the lesser of either:
1. the price paid by an **Insured** for **Other Property**; or
 2. the cost to repair or replace **Other Property** with **Other Property** of comparable material and quality at the time that you furnish a proof of loss pursuant to Section V. Duties in the Event of Loss.
- D. For loss of foreign currency, we will pay the United States of America dollar equivalent of foreign currency determined by the rate of exchange as stated in the Wall Street Journal on the day the loss was discovered.

XIII. Change in Exposure

A. Change in Control

If during the **Policy Period** one of the following occurs:

1. any person or entity or group of persons and/or entities acting in concert acquires securities which result in ownership by such person(s) and/or entity(ies) of more than 50% of the outstanding securities representing the present right to vote for the election of directors or equivalent positions of the **Named Insured**; or
2. the **Named Insured** merges into or consolidates with another organization such that the **Named Insured** is not the surviving organization; or
3. The **Named Insured** completes an initial public offering of securities registered with the Securities and Exchange Commission; and the election of directors or equivalent positions of

the **Named Insured**.

then coverage shall continue until the termination of this Policy, provided that such coverage shall apply only to a loss occurring prior to the effective date of such Change in Control transaction.

No coverage shall be available for any loss occurring after such Change in Control transaction.

Upon such Change in Control transaction, the entire premium for this Policy shall be deemed fully earned.

You must give us written notice of such Change in Control transaction as soon as practicable, but not later than 60 days after the effective date of such transaction.

B. **Acquisition or Creation of a Subsidiary**

If, before or during the **Policy Period**, the **Named Insured**:

1. creates or acquires a **Subsidiary** or a new **Benefit Plan**; or
2. merges with another organization such that the **Named Insured** is the surviving entity,

Then such newly created, acquired, or merged organization or **Benefit Plan** shall be covered under this Policy solely for a covered loss taking place after such acquisition, merger or creation.

This section does not apply to and no coverage shall be available under this Policy for any loss of any new **Insureds** occurring before such transaction.

C. **Loss of Subsidiary Status**

If, before or during the **Policy Period**, any organization ceases to be a **Subsidiary**, then no coverage shall be available to such **Subsidiary** for any loss occurring after such transaction.

XIV. **Additional Conditions**

A. **Application, Fraud & Material Misrepresentation**

You represent and acknowledge that the statements and information contained in the **Application** are true, accurate, and complete, and are the basis of this Policy and are to be considered incorporated into and constituting a part of this Policy. This Policy is issued in reliance upon the truth and accuracy of the **Application**.

This Policy is void and shall not afford coverage in any case of fraud by the **Insured** as it relates to this Policy. The Policy is also void and shall not afford coverage if at any time the **Insured** intentionally conceals or misrepresents a material fact in the **Application** or concerning:

1. This Policy;
2. **Money, Security, or Other Properties** covered by this Policy; or
3. **Insured's Interest in Money, Security, or Other Properties**, covered by this Policy

B. **Assignment**

No change in, modification of, or assignment of interest under this Policy shall be valid unless endorsed in writing by us. This Policy and any and all rights hereunder are not assignable without our prior written consent, which consent shall be in our sole and absolute direction.

C. **Bankruptcy**

The bankruptcy or insolvency of the **Insured Organization** will not relieve us of our obligation under this insurance. In the event of bankruptcy or insolvency of an **Insured Organization**, you shall waive and release any automatic stay or injunction in such proceeding that may apply to this Policy or its proceeds, and agree not to oppose or object to any efforts by us or any **Insured** to obtain relief from any such stay or injunction.

D. **Cancellation**

1. We may cancel this Policy only for non-payment of premium. In such case, we will mail or deliver written or electronic notice stating when, not less than twenty (20) days thereafter, the cancellation shall be effective. Cancellation shall not become effective if you pay such premium in full during such twenty (20) day period. Any notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
2. You may cancel this Policy by sending written notice of cancellation to us. Such notice shall be effective upon receipt by us unless a later cancellation date is specified therein.
3. If this Policy is canceled, we will return to you any unearned premium, calculated pro rata, but the return of premium to you is not a condition precedent to cancellation.

E. **Changes**

This Policy shall not be changed in any manner except by a written endorsement issued by us.

F. **Choice of Law**

Any disputes involving this Policy shall be resolved applying the law of the state or jurisdiction indicated in the Declarations as the principal address of the **Named Insured**.

G. **Legal Action**

The **Insured** shall not institute legal action against us involving any loss:

1. until ninety (90) days after the **Insured** has filed proof of loss with us; or
2. more than two (2) years after **Discovery**.

H. **Named Insured's Authority**

You shall act on behalf of all other **Insureds** regarding all matters under this Policy.

I. **Other Insurance**

Coverage under this Policy shall apply only in excess of any other valid and collectible insurance, unless such other insurance is written specifically excess of this Policy by reference to this Policy's Policy Number.

J. **Premium**

You will pay the premium stated in the Declarations. As may be agreed upon by you and us or as otherwise provided in this Policy, the premium may be adjusted at any time during the **Policy Period** or any extensions of the **Policy Period** based upon changes in the provisions of this Policy.

K. **Recovery and Subrogation**

We shall be subrogated to all of the **Insured's** rights of recovery regarding any payment of loss under this Policy. The **Insured** shall do everything necessary to secure and preserve such rights, including, without limitation, the execution of any documents necessary to enable us to effectively bring suit in the **Insured's** name. The **Insured** will do nothing to prejudice our position or any rights of recovery.

Any amount recovered, whether made before or after any payment under this Policy by the **Insured** or us, will be apportioned in the following order:

1. Expenses incurred by the **Insured Organization** or us to pursue recovery;
2. To us for the amount we paid the **Insured Organization** for loss related to a **Mail Services Provider**, and specifically covered under Insuring Agreement E. (In-Transit);

3. To the **Insured Organization** for loss otherwise covered, but in excess of the Limit of Liability;
4. To us for the amount we paid the **Insured Organization** under this Policy; and
5. To the **Insured Organization** for any remaining settlement.

Recovery or settlement from reinsurance or indemnity, or both, for the our benefit will not be deemed a recovery as used herein.

L. **Territory and Currency**

This Policy shall apply on a worldwide basis.

All premiums, limits, retentions, loss and other amounts under this Policy are expressed and payable in the currency of the United States of America, unless specifically provided otherwise in this Policy.

Any loss that you incur in any jurisdiction other than the United States or any of its territories or possessions shall be deemed, at your written direction, a loss payable to you at the address shown on the Declarations. Any such payment by us to you pursuant to this paragraph shall fully discharge our liability under this Policy for such loss.

However, this Policy does not apply in any country, province or territory where it would be in violation of the laws of the United States including, but not limited to U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State, and Commerce Departments (e.g. the economic and trade sanctions administered by the U.S. Treasury Office of Foreign Assets Control).

M. **Title and Headings**

The titles of the headings of, and endorsements to, this Policy are for reference only. Such titles shall not be part of the terms and conditions of coverage.