

OLD REPUBLIC INSURANCE COMPANY
Mt. Pleasant, Pennsylvania

Commercial Crime Declarations

Policy Number: _____

Prior Policy Number: _____

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

Item 2. **Policy Period:** _____ to _____ 12:01 a.m. local time at the address shown in Item 1

Item 3. Notice To The Insurer

(a) Notice of Loss or Potential Loss:

Old Republic Professional Liability, Inc.
191 North Wacker Drive, Suite 1000
Chicago, Illinois 60606
Attention: Claims Department
Email: ClaimNotice@oldrepublicpro.com
Fax: 312-750-8965

(b) All Other Notices:

Old Republic Professional Liability, Inc.
191 North Wacker Drive, Suite 1000
Chicago, Illinois 60606
Attention: Underwriting Department

Item 4. Limits of Liability and Deductibles:
(Purchased coverage is represented by a monetary figure larger than \$0)

INSURING CLAUSE	LIMITS OF LIABILITY	DEDUCTIBLE
Employee Theft Coverage	\$	\$
Client Coverage	\$	\$
Qualified Plan Coverage	\$	n/a
Forgery or Alteration Negotiable Instrument Coverage	\$	\$
Forgery or Alteration Corporate Credit Card Coverage	\$	\$
Premises Coverage	\$	\$
In Transit Coverage	\$	\$
Social Engineering Fraud Coverage	\$	\$
Funds Transfer Fraud Coverage	\$	\$
Computer Transfer Fraud Coverage	\$	\$
Restoration Expense Coverage	\$	\$
Money Orders and Counterfeit Currency Fraud Coverage	\$	\$

Item 5. Coverage Extensions:

COVERAGE EXTENSION	SUBLIMIT OF LIABILITY
Sublimited Proof of Loss Expenses	\$
Sublimited Computer Investigation	\$

Expenses	
Sublimited Negotiable Instrument Legal Expenses Coverage	\$

Item 6. Policy Premium:

\$ [Surcharges/Assessment \$ _____]

[Total: \$ _____]

Item 7. Forms/Endorsements Effective at Inception:

OLD REPUBLIC INSURANCE COMPANY

COMMERCIAL CRIME POLICY

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OLD REPUBLIC INSURANCE COMPANY

COMMERCIAL CRIME POLICY

Except for section and paragraph headings, all words in bold have a special meaning as set forth in the Definitions Section. Section and paragraph headings are provided for informational purposes only and do not have special meaning.

In consideration of payment of the premium, and subject to the Declarations, the limitations, conditions, provisions, endorsements and other terms of this Policy, the Insurer designated in the Declarations and the **Insureds** agree to the following:

The Insurer will provide the coverage below for which a Limit of Liability, or Sublimit of Liability, is stated in the Declarations for covered loss or covered damage that is **Discovered** during the **Policy Period** or any applicable extended period to discover loss or damage, as described in the Discovery and Discovery Period Section below and reported to the Insurer subject to all terms and conditions of this Policy.

I. INSURING CLAUSES

A. Employee Theft and Qualified Plan Coverage

(i) Employee Theft Coverage

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

(ii) Client Coverage

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

(iii) Qualified Plan Coverage

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

B. Forgery or Alteration Coverage

(i) Negotiable Instrument Coverage

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

(ii) Corporate Credit Card Coverage

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

C. Premises Coverage

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

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

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

D. In Transit Coverage

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

- (i) **Theft of Money or Securities** while **In Transit** committed by a **Third Party**;
- (ii) the actual destruction or disappearance of **Money** or **Securities** while **In Transit** committed by a **Third Party**;
- (iii) loss of or damage to **Property** that is located outside the **Premises**, in the care and custody of an armored motor vehicle company or **Messenger**, and being conveyed by the **Messenger** or armored motor vehicle company or temporarily within the living quarters of a **Messenger**, resulting directly from an actual or attempted **Robbery**.

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

E. Social Engineering Fraud Coverage

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

F. Funds Transfer Fraud Coverage

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

G. Computer Crime Coverage

(i) Computer Transfer Fraud Coverage

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

- (a) transfer, payment, or delivery of **Money** or **Securities**; or
 - (b) transfer or delivery of **Property**,
- provided (a) – (b) above are committed by a **Third Party** following a **Network Intrusion**.

(ii) Restoration Expense Coverage

The Insurer shall reimburse the **Named Insured** for **Restoration Expense** incurred by the **Insured** and incurred with the Insurer's prior written consent, on account of the malicious destruction of or damage to **Information** as a result of a **Network Intrusion** committed by a **Third Party**.

H. Money Orders and Counterfeit Currency Fraud Coverage

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

II. COVERAGE EXTENSIONS

A. Sublimited Proof of Loss Expenses

The Insurer shall pay **Proof of Loss Expenses** resulting directly from loss or damage covered under any Insuring Clause if such covered loss or damage is in excess of the applicable Deductible for such Insuring Clause. The Insurer's maximum liability for all **Proof of Loss Expenses** shall be indicated in Item 5 of the Declarations.

B. Sublimited Computer Investigation Expenses

The Insurer shall pay **Computer Investigation Expenses** in excess of the applicable Deductible in Item 4 of the Declarations. The Insurer's maximum liability for all **Computer Investigation Expenses** shall be indicated in Item 5 of the Declarations.

C. Sublimited Negotiable Instrument Legal Expenses Coverage

The Insurer shall reimburse the **Named Insured** for **Legal Expenses** in defending an **Insured** in any legal proceeding brought against it to enforce payment of a **Negotiable Instrument** as the result of loss otherwise covered under Insuring Clause B(i) above. Any **Legal Expenses** reimbursement shall be part of and not in addition to the applicable Limit of Liability set forth in Item 4 of the Declarations. The Insurer's maximum liability for all **Legal Expenses** shall be indicated in Item 5 of the Declarations.

III. DEFINITIONS

When used in this Policy, either in the singular or the plural:

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

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

Client means an entity or natural person to whom an **Insured** has agreed to provide goods or services pursuant to a written contract or for a fee.

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

Computer Program means a set of related electronic instructions that direct and enable a **Computer System** to receive, process, store, retrieve, send, create, or otherwise act upon **Electronic Data**.

Computer System means computer hardware, software and all components thereof linked together through a network of devices accessible through the internet or the **Insured's** intranet or connected with data storage or other peripheral devices that are operated by and either owned by or leased to the **Insured** for the purpose of collecting, transmitting, processing, maintaining, storing and used to collect, transmit, process, maintain, store, and retrieve **Electronic Data**.

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

Control Group Officer means any natural person while serving as:

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

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

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

Discovery or Discovered means the moment when a **Control Group Officer** acquires knowledge that would cause a reasonable person to believe a loss of a type covered by this Policy has occurred or will occur, regardless of whether the amount or details of such loss are known or unknown. This includes loss:

- (i) sustained prior to the inception date of any coverage under this Policy; or
- (ii) which does not exceed the Deductible.

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

Electronic Data means information, facts, or programs stored as or on, created or used on, or transmitted to or from computer software, **Computer Systems** and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

Employee means any natural person:

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

- (iv) **Executive Officer** while performing acts within the scope of the usual duties of an **Employee**;
- (v) **Plan Fiduciary**.

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

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

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

Executive Officer means any natural person:

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

Final Payment means the amount paid by the Insurer after the tax adjustment described in Section I, Valuation, Foreign Currency, and Tax Adjustment.

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

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

Funds Transfer Fraud means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephone, or written instructions (other than **Forgery**), purportedly issued by an **Insured** to a **Financial Institution** by a **Third Party** which directs such **Financial Institution**, which in reliance upon said instruction transfers, pays, or delivers **Money** or **Securities** from any account maintained by such **Insured** at such financial institution to a person, place, or account beyond the **Insured's** control, without such **Insured's** knowledge or consent.

Information means **Electronic Data** and **Computer Programs**.

Insured means the **Named Insured**, any **Subsidiary**, **Qualified Plan**, or **Plan**. **Insured** also includes any joint venture entity in which the **Named Insured** has an equity interest of fifty percent (50%) or less ("Insured Joint Venture"); provided with respect to any coverage available to the Insured Joint Venture, the Insurer will pay covered loss or damage for only that pro rata based proportion of the **Named Insured's** equity interest in such Insured Joint Venture.

In Transit means being carried or transported outside the **Premises**, from one person or place to another, by an **Insured** within the custody of: (i) any **Employee**; (ii) a **Messenger**; or (iii) an armored vehicle company duly authorized by such **Insured** to have physical custody of **Money** or **Securities**. Such conveyance begins immediately upon receipt of such **Money** or **Securities** by such **Employee**, **Messenger**, or armored vehicle company from such **Insured** and ceases immediately upon delivery to

the designated recipient or its agent, whichever is earlier. Further, such conveyance shall not cease while temporarily in the home of an **Employee** while **In Transit**.

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

Loss Amount means the amount paid by the Insurer prior to the tax adjustment described in Section I, Valuation, Foreign Currency, and Tax Adjustment.

Management Control means the **Named Insured** directly or indirectly owns more than fifty percent (50%) of the issued outstanding voting equity securities of any entity, or controls voting rights representing the present right to elect or appoint more than fifty percent (50%) of the directors or trustees or equivalent executives of an entity.

Marginal Federal Tax Rate and **Marginal State Tax Rate** mean respectively: the marginal rates of United States Federal and State income taxation of the **Named Insured** for the tax year in which loss is paid and shall include, if any, foreign tax credits accruing as a result of such loss.

Marginal Foreign Tax Rate means the marginal rate of income taxation applicable to the **Insured** sustaining the loss for the tax year in which such loss is written off.

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

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

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

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

Named Insured means the organization named in Item 1 of the Declarations.

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

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

Network Intrusion means:

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

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

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

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

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

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

Policy Period means the period designated as such in the Declarations, subject to earlier termination, as set forth in this Policy.

Premises mean the interior portion of a building, facility, or property occupied by an **Insured** in conducting its business or occupied by the **Financial Institution** (including the night depository chute or safe maintained by such **Financial Institution**) of the **Insured**.

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

Property means tangible property that has intrinsic value other than **Money** or **Securities**. **Property** shall not include **Information**.

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

Restoration Expense means reasonable costs, charges, fees, or expenses incurred by an **Insured** (such costs, charges, fees, or expenses in excess of the **Insured's** normal operating costs) to recover or restore **Information** from the **Insured's** files, specifications, or backups of **Electronic Data** that are located in the **Premises**. **Restoration Expense** shall not include costs to:

- (i) recover, reconstruct, or restore **Information** if the **Insured** knowingly uses illegal copies of programs;
- (ii) design, create, research, or develop **Information**, including without limitation software and trade secrets;
- (iii) update, upgrade, or enhance **Information**; or
- (iv) replace any computer system, or to identify or remove software program errors, malware, computer viruses or vulnerabilities.

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

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

Securities mean any tangible:

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

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

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

Subsidiary means any entity, other than a **Plan**, that is under **Management Control**, as of the effective date of this Policy, or after the date of this Policy.

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

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

Transfer Account means an account maintained by an **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment, or delivery of **Money** or **Securities**.

Transfer Instruction means:

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

Vendor means any **Third Party** that has provided goods or services to an **Insured** pursuant to a written contract. **Vendor** shall not include any asset manager, broker-dealer, counter party, custodian, or any similar entity or natural person.

IV. EXCLUSIONS

A. This Policy does not cover:

Acts of Owners

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

Advantage

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

Authorized Representative

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

Confidential Information

(i) loss involving the disclosure or use of an **Insured's** or another entity or person's **Confidential Information** while in the care, custody, or control of an **Insured**; or
(ii) fees, costs, fines, penalties, or any other expenses incurred by an **Insured** which result, directly or indirectly, from the access to or disclosure of **Confidential Information**,
provided, this Exclusion shall not apply to loss that is otherwise covered under this Policy through the use of **Confidential Information** to facilitate such loss;

Cryptocurrency

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

Fire

resulting from fire, except:

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

Fraudulent Instructions

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

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

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

Gambling and Lottery

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

Governmental Action

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

Indirect Loss

indirect or consequential loss or damage of any kind; including but not limited to, loss of income, expenses, profits, or revenue, fines, or penalties; provided this Exclusion shall not apply to covered expenses under Section II, Coverage Extensions or to **Restoration Expenses**;

Inventory Computation

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

Kidnap, Ransom, and Extortion

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

Legal Fees

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

Loans and Extensions of Credit

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

Nuclear Reaction and Radiation

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

Premises

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

Records

loss of or damage to manuscripts, records, accounts, microfilms, tapes, or any other records, whether written or electronic, or costs to reproduce any information contained in any such record; provided this Exclusion will not apply to **Restoration Expenses** otherwise afforded coverage under this Policy;

Trading

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

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

War and Insurrection

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

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

Former Employees

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

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

Exchange and Purchase

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

Forgery, Fraud, or Motor Vehicle Loss or Damage

Forgery, fraud, or the use of any **Network**, or to loss of, or loss from, damage to any motor vehicle, trailer, or semitrailer or any equipment or accessories attached thereto;

Mail and In Transit

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

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

Contract

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

Credit and Debit Cards

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

Failure/Malfunction of a Product

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

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

F. This Policy does not cover loss resulting from any actual or alleged fraudulent, dishonest, or criminal act by any **Employee**; provided this Exclusion does not apply to loss covered under the Employee Theft and Qualified Plan Coverages.

G. The In Transit Coverage does not apply to loss if, at the time the property was conveyed to the **Messenger** or armored motor vehicle company, the **Insured** knew of any verifiable threat related to such loss.

V. CONDITIONS

A. Reporting, Proof of Loss, Legal Proceedings, and Notice

1. As a condition precedent to coverage under this Policy, the **Named Insured** shall, upon **Discovery**:

- (a) provide written notice to the Insurer at the earliest practicable moment, but in no event later than ninety (90) days after such **Discovery**;

- (b) furnish detailed proof of loss with full particulars duly sworn to the Insurer within one hundred and eighty (180) days after such **Discovery**;
 - (c) submit to examination under oath at the Insurer's request;
 - (d) produce all pertinent records at such reasonable times and places as the Insurer may designate; and
 - (e) provide full cooperation with the Insurer in all matters pertaining to a loss under this Policy.
2. No **Insured** shall institute legal proceedings against the Insurer earlier than ninety (90) days after the detailed proof of loss has been furnished to the Insurer and no later than two (2) years immediately following any **Discovery**.
3. The **Insured** must retain records of all **Covered Property** so the Insurer may verify the amount of any loss or damage.
4. Any notice to the Insurer under any provision of this Policy shall be in writing and given by email, mail, or facsimile properly addressed to the appropriate party as set forth in Item 3 of the Declarations. The Insurer shall send any correspondence, including notice, to the **Insureds** at the address set forth in Item 1 of the Declarations. Written notice shall be deemed to be received and effective upon the earlier of the actual receipt by the addressee or one (1) day following the date such notice is sent.

B. Deductible and Limit of Liability

1. Insureds Other than Qualified Plan:

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

- (a) The Insurer's liability under this Policy shall apply only to that part of each covered loss that is in excess of the applicable Deductible set forth in Item 4 of the Declarations.
- (b) The Insurer's maximum liability for each single loss sustained by an **Insured** (other than a **Qualified Plan**) shall not exceed the Limit of Liability applicable to such loss set forth in Item 4 of the Declarations, regardless of the number of **Insureds** sustaining the loss.
- (c) If a loss is covered under more than one Insuring Clause, the maximum amount payable under this Policy shall not exceed the largest applicable Limit of Liability for such Insuring Clauses.
- (d) All loss resulting from a single act or any number of acts of the same **Employee, Third Party**, or any other parties or actors, regardless of whether or not such loss was sustained by one or more **Insureds**, and regardless of whether such act or acts occurred before or during the **Policy Period**, will be treated as a single loss.
- (e) For purposes of the Forgery Coverages, all loss resulting from a single act or acts committed by one (1) or more persons, whether involving one (1) or more covered instruments, will be treated as a single loss.
- (f) With respect to loss sustained by more than one **Insured**, the maximum liability of the Insurer for all loss sustained by any or all **Insureds** combined shall not exceed the amount for which the Insurer would be liable if all loss was sustained by any one **Insured**.
- (g) Regardless of the number of years this coverage remains in effect and the total premium amounts due or paid, whether under this Policy, any prior bond or policy, or any renewal or replacement of this Policy, the liability of the Insurer with respect to any loss shall not be cumulative from year to year or from policy period to policy period.
- (h) The Insurer shall only be responsible for that part of loss that exceeds the applicable Deductible set forth in Item 4 of the Declarations. Any Deductible shall be borne by the **Insureds** and at their own risk. The Insurer shall recognize payment of any applicable Deductible amount by an **Insured**, or any other source.
- (i) In the event that the **Insured** receives payment, after applying a deductible under any other policy or bond for loss also afforded coverage under this Policy, then the applicable

Deductible set forth in Item 4 of the Declarations shall be reduced by the amount of such other satisfied deductible or Deductible.

2. Qualified Plan

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

- (a) The Insurer's maximum liability for all loss sustained by each **Qualified Plan** shall not exceed the Limit of Liability, as set forth in Item 4 of the Declarations, unless such Limit of Liability is less than the minimum limit of insurance required by **ERISA**. In such event, the Limit of Liability shall be amended in accordance with **ERISA** as follows:
 - (i) If the **Qualified Plan** does not hold employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the funds handled by such **Qualified Plan** in the preceding reporting year, up to a maximum Limit of Liability of \$500,000.
 - (ii) If the **Qualified Plan** does hold employer securities within the meaning of **ERISA**, the Limit of Liability applicable to such covered loss shall be ten percent (10%) of the funds handled by such **Qualified Plan** in the preceding reporting year, up to a maximum Limit of Liability of \$1,000,000.
 - (iii) In no event shall the Limit of Liability be less than \$1,000.
- (b) The payment of any such loss under this Policy shall not reduce the liability of the Insurer for other losses whenever sustained; provided that the total liability of the Insurer for all loss resulting from any act or any series of acts committed by the same **Plan Fiduciary**, or in which the same **Plan Fiduciary** is concerned or implicated, regardless of whether such act or series of acts was committed before or during the **Policy Period**, will be treated as a single loss and the Limit of Liability as set forth in Item 4 of the Declarations will apply.
- (c) In compliance with Title 1 of **ERISA** and solely with respect to loss covered under Insuring Clause A (iii), payment by the Insurer shall be held by the **Insured** for the benefit of any **Qualified Plan** sustaining a loss. If such payment is in excess of the amount of coverage required by **ERISA** for such **Qualified Plan**, such excess shall be held by the **Insured** for the use and benefit of any other named **Qualified Plan** should such **Qualified Plan** also **Discover** loss recoverable under this Coverage. If **Covered Property** of two or more **Qualified Plans** is commingled, recovery hereunder for loss of such **Covered Property** shall be shared by such **Qualified Plan(s)** on a pro rata basis in accordance with the amount of coverage each such **Qualified Plan** is required to carry pursuant to **ERISA**.
- (d) There shall be no Deductible applicable to such loss afforded coverage under this Insuring Clause A (iii).

C. Other Insurance and Indemnity

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

- (b) any other valid and collectible insurance or indemnity in force that would cover the loss in whole or in part.

D. Subrogation and Recoveries

1. In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery, and such **Insured** shall execute all papers required and shall do everything necessary to preserve and secure, and will do nothing to prejudice such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit or otherwise pursue subrogation rights in the name of the **Insured**.
2. Recoveries for any loss covered under this Policy, whether affected by the Insurer or by an **Insured**, less the cost of obtaining them, shall be distributed as follows:
 - (a) to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limit of Liability;
 - (b) to the Insurer for the amount of such loss paid to an **Insured** as covered loss;
 - (c) to an **Insured** for the Deductible applicable to such loss; and
 - (d) then the remainder, if any, to the **Insured** for the amount of other unreimbursed or uncovered loss.
3. Any recoveries shall not include amounts from:
 - (a) insurance, reinsurance, security, indemnity, or suretyship taken for the Insurer's benefit; or
 - (b) original **Securities** after duplicates of the **Securities** have been issued.

E. Termination of Coverage

1. Coverage under this Policy will terminate immediately with respect to any **Employee**:
 - (a) after any **Insured** learns of a **Theft, Forgery**, or other act involving fraud or dishonesty committed by such **Employee** while employed with or in the service of an **Insured**, and regardless of whether the **Insured** sustained a loss as a result thereof;
 - (b) after any **Insured** learns of an act involving fraud or dishonesty, and which act involves **Covered Property** of a value greater than or equal to twenty-five thousand dollars (\$25,000), committed by such **Employee** prior to employment or service with an **Insured**.

In addition, there will be no coverage available for loss caused by any **Employee** for whom similar prior insurance has been terminated or cancelled and not reinstated in writing since that termination or cancellation.

2. Coverage under this Policy will terminate immediately with respect to any **Subsidiary, Qualified Plan, or Plan** on the date that such entity ceases to be a **Subsidiary**, or such **Qualified Plan, or Plan** no longer qualifies as such as defined by this Policy.
3. Coverage under this Policy will terminate immediately upon the **Named Insured's** liquidation or dissolution.
4. Any prior fidelity bonds or crime policies issued to the **Named Insured** by the Insurer or any of its affiliates shall terminate as of the inception of this Policy.

F. Newly Acquired Subsidiaries, Qualified Plans, or Plans

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

G. Liability for Prior Losses

1. If this Policy has replaced similar prior insurance written by a company other than the Insurer, and such other insurance ("Prior Insurance") provided a period of time to discover loss occurring prior to the termination or cancellation of that coverage, and a loss is discovered within the period provided by the Prior Insurance to discover losses, the Insurer will not pay for such loss unless the covered amount of loss exceeds the limit of liability under said Prior Insurance. The Insurer will then only pay the **Insured** for any excess covered loss subject to the terms and conditions of this Policy.
2. Any payment that the Insurer makes to an **Insured** under this Policy shall not exceed the difference between the amount of insurance under the **Insured's** Prior Insurance and the Limit of Liability as set forth in the Declarations. The Insurer will not apply any Deductible to any excess loss payment.

H. Discovery and Discovery Period

1. Subject to paragraph 3, below, coverage shall apply under this Policy provided loss or damage is sustained by an **Insured** and such loss or damage is **Discovered**:
 - (a) prior to the termination of the Policy; or
 - (b) prior to the termination of applicable coverage offered under any Insuring Clause, or termination of such Insuring Clause.
2. There will be no coverage available for any loss or damage that any **Control Group Officer** is aware of prior to the inception date of this Policy.
3. Discovery Period
If this Policy is cancelled or terminated for any reason (including dissolution or liquidation of the **Named Insured**) other than for non-payment, the Insurer shall pay:
 - (a) covered loss or damage to an **Insured** if such loss or damage is **Discovered** within ninety (90) days after the effective date of cancellation or termination; or
 - (b) covered loss to a **Qualified Plan** if such loss is **Discovered** within one (1) year after the effective date of cancellation or termination.
4. Any discovery period referenced in this section will terminate immediately on the inception date of any insurance policy or bond that replaces in whole or in part the coverage afforded under this Policy, regardless of whether the replacement provides coverage for such loss or damage.

I. Valuation, Foreign Currency, and Tax Adjustment

1. All premiums, limits, deductibles, loss, and other amounts referenced in this Policy are expressed and payable in the currency of the United States of America. Except as otherwise provided in this Policy, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States of America dollars at the rate of exchange published in The Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.
2. In the event of a loss of **Securities**, the Insurer shall value such **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**, provided that at its sole option, the Insurer may:
 - (a) pay the value of such **Securities** or purchase replacement **Securities**, in which event the **Insured** must assign the Insurer all rights, title and interest in and to those **Securities**; or
 - (b) pay the cost of a lost instrument bond or similar suretyship, to effect replacement of such **Securities**.
3. **Money** valuation will be based upon the actual face value of the **Money** on the day such loss was **Discovered**. In the event of a loss involving foreign currency, the United States of America dollar value of foreign currency will be based on the rate of exchange published in The Wall Street Journal on the day loss involving foreign currency is **Discovered**.
4. In the event of a loss of precious metals, the United States of America dollar value of any precious metals will be based on the price published for precious metals in The Wall Street Journal on the day loss involving precious metals is **Discovered**.
5. In the event of a loss of **Property**, other than any loss of precious metals, the Insurer shall pay the lesser of the:
 - (a) price paid by an **Insured** for the **Property**;
 - (b) cost to repair or replace **Property** with that of similar quality and value as of the date on which the **Insured** furnished proof of loss; or
 - (c) actual cash value of the **Property** on the date the loss was **Discovered**.
6. If a **Subsidiary** or Insured Joint Venture located outside the United States and not subject to United States Federal or State tax provisions incurs loss, and payment of such loss to the **Named Insured** will be reportable income of the **Named Insured** under Federal or State tax provisions, then the Insurer shall adjust the amount of any loss paid in the United States to compensate for additional Federal or State tax liability incurred by the **Insured** as a result of the payment of such loss in the United States rather than in the country in which such loss was sustained, provided that:
 - (a) the loss was sustained by an **Insured** not subject to United States Federal or State tax provisions;
 - (b) the payment for such loss is reportable income under the Internal Revenue Code and regulations or the tax laws of any state or commonwealth of the United States; and
 - (c) the loss payment shall be adjusted using the following formula:

$$\text{Final Payment} = \text{Loss Amount} \times \frac{1.00 - \text{Marginal Foreign Tax Rate}}{1.00 - (\text{Marginal Federal Tax Rate} + \text{Marginal State Tax Rate})}$$

J. Ownership Interests

1. Covered loss or damage under this Policy is limited to:

- (a) **Covered Property** an **Insured** owns, leases, or for which an **Insured** is legally liable prior to the loss, or held by an **Insured** in any capacity whether or not the **Insured** is liable;
 - (b) solely for the purposes of coverage under Insuring Clause A(ii), Client Coverage, **Covered Property** owned or held by a **Client**.
2. Coverage under this Policy is for the benefit of the **Insured** only and provides no rights or benefits to any other person or organization.

K. Joint Loss Payee

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

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

L. Concealment, Misrepresentation, and Fraud

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

1. this Policy, or any application submitted for coverage under this Policy;
2. **Covered Property** covered under this Policy;
3. an **Insured's** interest in **Covered Property** under this Policy; or
4. a claim under this Policy.

M. Cancellation and Nonrenewal

Cancellation

1. The **Named Insured** may cancel this Policy by mailing or delivering written notice of cancellation to the Insurer at its address stated in the Declarations. Such notice will state the effective date of cancellation or, if no effective date is stated, the effective date of cancellation will be ten (10) days after the Insurer's receipt of notice. The **Policy Period** will end on that date.
2. The Insurer may cancel this Policy for non-payment of premium by mailing or delivering written notice of cancellation for non-payment of premium to the **Named Insured** at its address stated in the Declarations, at least fifteen (15) days before the effective date of cancellation.
3. The Insurer may cancel this Policy for any reason other than non-payment of premium by mailing or delivering written notice of cancellation to the **Named Insureds** stating the effective date of cancellation, which will not be less than sixty (60) days from the date of notice. Such notice will state the reason(s) for cancellation.
4. If this Policy is cancelled, the Insurer will refund unearned premium, if any, to the **Named Insured** as soon as practicable. If the Insurer cancels, unearned premium will be computed on a pro-rata basis. If the **Named Insured** cancels, unearned premium will be computed on the customary short rate basis. The return or tender of a return premium is not a condition precedent to the cancellation becoming effective at the time stated in the cancellation notice.

Nonrenewal

The Insurer may elect not to renew this Policy by mailing or delivering written notice of nonrenewal to the **Named Insured** at its address stated in the Declarations, at least sixty (60) days before the end of the **Policy Period**. If notice of nonrenewal is mailed, proof of mailing will be sufficient proof of notice. Delivery of the notice will be the same as mailing.

N. Changes to the Policy

This Policy contains all the agreements between the **Named Insured** and the Insurer concerning the insurance provided. No change in, modification of or assignment of interest under this Policy will be effective except when made by a written endorsement issued by the Insurer and made a part of this Policy. Notice to or knowledge possessed by the Insurer, any **Insured**, or any agent, broker, or other person acting on behalf of an **Insured** or Insurer will not affect a waiver of or estop the Insurer from asserting any rights under the Policy.

O. Authorization Clause

Each **Insured** agrees that the **Named Insured**, by acceptance of this Policy, will act on behalf of each **Insured** with respect to giving and receiving notices, paying premiums and receiving any return premiums, and the agreement and negotiation of endorsements.

P. Representations

The **Insureds** acknowledge and represent that the statements, information, and representations contained within the application are true and accurate. Such statements, information, and representations are the basis for coverage and are deemed to be incorporated into this Policy. The Insurer has relied upon the truthfulness and accuracy of such statements, information, and representations within the application.

Q. State Amendatory Inconsistency

In the event there is an inconsistency between the terms and conditions of this Policy and any state amendatory endorsement attached to this Policy, then to the extent permitted by law, such terms and conditions that are most favorable for the **Insureds** shall apply.

R. Territory and Compliance with Applicable Trade and Economic Sanction Laws

Coverage under this Policy shall apply world-wide to the extent legally permitted. This Policy does not provide coverage that would be in violation of any applicable laws or regulations concerning trade or economic sanctions, including, but not limited to, those administered and enforced by the United States Treasury's Office of Foreign Asset Control (OFAC). Payment of loss under this Policy shall be made only if such payment is in full and complete compliance with all economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by OFAC.