The Cincinnati Insurance Company
A Stock Insurance Company

Headquarters: 6200 S. Gilmore Road, Fairfield, OH 45014-5141
Mailing address: P.O. Box 145496, Cincinnati, OH 45250-5496
www.cinfin.com ■ 513-870-2000

PILLAR
COMMON POLICY DECLARATIONS

Billing Method: **DIRECT BILL**

Policy Number: **EMO 063 35 02**

Named Insured: **OWNERS ASSOCIATION OF ELK MEADOWS ESTATES, INC**

Mailing Address: **1000 ASPEN DR**
RIDGWAY, CO 81432-9563

Principal Address: **1000 ASPEN DR**
RIDGWAY, CO 81432-9563

Previous Policy Number: **EMO0633502**

Policy Period: (At 12:01 AM standard time at your principal address shown above.)

FROM: **10-26-2024** TO: **10-26-2027**

Agency: **MOUNTAIN WEST INSURANCE & FINANCIAL SERVICES, LLC 05-028**
City, State: **CRAIG, CO**

Shared Annual Aggregate Limit of Liability: **N/A**
Applicable to all **claims** under the following liability coverage parts:

In return for the payment of the premium and subject to all the terms and conditions of this policy, we agree with you to provide the insurance as stated in this policy.

Forms applicable to all coverage parts:

ML400	01/16	SUMMARY OF PREMIUMS CHARGED
ML101	01/20	GENERAL PROVISIONS
IA4234	01/15	POLICYHOLDER NOTICE TERRORISM INSURANCE COVERAGE
ML4148CO	09/16	COLORADO CHANGES - CANCELLATION AND NONRENEWAL
ML4149CO	09/16	COLORADO CHANGES - PILLAR POLICY PROGRAM

ML4150CO	09/16	COLORADO CHANGES - CRIME COVERAGE
ML4151CO	09/16	COLORADO DISCLOSURE FORM CLAIMS-MADE POLICY
ML458	01/16	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
IA4427	02/13	NOTICE OF LOSS CONTROL SERVICES
IA4486	03/17	NOTICE OF LOSS CONTROL SERVICES- COMMUNITY ASSOCIATIONS
IA4521	03/20	NOTICE OF PRIVACY PRACTICES
IP446	08/01	NOTICE TO POLICYHOLDERS
IA4338	05/24	SIGNATURE ENDORSEMENT
ML305	01/16	SPECIFIC PERSON EXCLUSION
ML384	04/23	AMENDED WAR EXCLUSION

Coverage part declarations:

ML506 01/16	COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE PART DECLARATIONS
ML512 01/16	EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS
ML518 05/23	CRIME XC+® (EXPANDED COVERAGE PLUS) COVERAGE PART DECLARATIONS

Policy Number: EMO 063 35 02	Effective Date: 10-26-2024

SUMMARY OF PREMIUMS CHARGED

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM CHARGE IS INDICATED

COMMUNITY ASSOCIATIONS DIRECTORS & OFFICERS LIABILITY	$ 4,431
EMPLOYMENT PRACTICES LIABILITY	$ 402
CRIME EXPANDED COVERAGE PLUS	$ 270
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
TERRORISM COVERAGE	$ 25
Installment Charge	$
Total	$ 5,128

Payment Plan	First Installment	Remaining Installments
ANNUAL	$ *	$ *

SEE BILLING STATEMENT MAILED SEPARATELY

ALL OTHER TERMS AND CONDITIONS REMAINS UNCHANGED

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

These General Provisions apply only to those Coverage Parts which include a liability coverage, which shall include all Coverage Parts other than Crime Coverage. Furthermore, any reference to the "policy" in these General Provisions refers to all Coverage Parts other than Crime Coverage.

Throughout this policy, the words "we", "us" and "our" refer to the Company providing this insurance.

In consideration of the payment of the premium, in reliance on all statements in the **application** and all other information provided to us and subject to all the provisions of this policy, including the Declarations, we and the **insureds** agree as set forth below.

SECTION I - DEFINITIONS

Where set forth in bold type in this policy, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Application** means:

1. The Application Form for this policy;

2. Any materials submitted with the Application Form which shall be maintained on file with us and shall be deemed to be attached hereto as if physically attached; and

3. Any warranty or representation provided to us within the last three years in connection with any policy of which this policy is a renewal or replacement.

B. **Claim** means:

1. With respect to the Cincinnati Data Defender™ Coverage Part, the Cincinnati Network Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, that meaning which is set forth in the applicable Coverage Part; or

2. With respect to any Coverage Part other than Cincinnati Data Defender™ Coverage Part, the Cincinnati Network Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, that meaning which is set forth in the applicable Coverage Part which shall precede the following:

In the event that a **claim,** as defined herein, was first made during the policy period of any other policy issued by another insurer of which the applicable coverage part of this policy is a direct replacement but no **executive** was aware of such **claim** prior to the expiration of the time to give notice of such claim under such prior policy, such **claim** is deemed to be made on the first service date of **claim** upon any **insured** but only if such claim was submitted to the prior carrier and denied due solely to such **claim** not meeting the prior policy's definition of claim until after the expiration of that policy. However, if such **claim** or any **interrelated claim** was the subject of any notice under any prior policy issued by another carrier of which the applicable coverage part of this policy is a direct replacement and such **claim** was not denied by such prior insurer due to the failure to meet the prior policy's definition of claim until after the expiration of that policy, then such **claim** shall not be deemed to be first made during the **policy period**.

C. **Cyber terrorism** means the premeditated use of disruptive activities, or threat to use disruptive activities, against a computer system or network with the intention to cause harm, further social, ideological, religious, political or similar objectives, or to intimidate any person(s) in furtherance of such objectives. Provided, however, that such activities shall not be considered **cyber terrorism** when they are committed by or at the express direction of a government simultaneously engaged in an active conflict involving physical combat by one or more military forces of, or operating at the direction of, nation states or factions in the case of a civil war.

D. **Debtor in possession** means a "debtor in possession" as that term is defined in Title 11 of the United States Code, as amended.

E. **Defense costs** has the meaning set forth in the applicable coverage part.

F. **Domestic partner** means a natural person who is not otherwise an insured, in a committed relationship with an **insured person**, which is legally recognizable as a marriage, civil union or domestic partnership in the state where the **claim** is made or suit is filed and the legal existence of the relationship is verifiable by legal, government documentation existing prior to the date of the **wrongful act** complained of in the **claim**.

G. **Executive** has the meaning set forth in the applicable coverage part.

H. **Extended reporting period** means the periods of time described in Section **XIX** of the General Provisions.

I. **Insured persons** has the meaning set forth in the applicable coverage part.

J. **Insured** has the meaning set forth in the applicable coverage part.

K. **Interrelated** means all events or incidents which have as a common nexus any:

1. Fact, circumstance, situation, event, transaction, or cause; or

2. Series of causally connected facts, circumstances, situations, events, transactions or causes.

L. **Loss** has the meaning set forth in the applicable coverage part.

M. **Named insured** means the entity or entities shown in the applicable Declarations as a Named Insured and any such entity in its capacity as a **debtor in possession**.

N. **Organization** has the meaning set forth in the applicable coverage part.

O. **Personal injury** has the meaning set forth in the applicable coverage part.

P. **Policy period** means the period from the inception date to the expiration date as set forth in the Declarations, or to the earlier date of cancellation of the applicable Coverage Part.

Q. **Policy year** means the period within the **policy period** from the inception date as set forth in the Declarations to the succeeding anniversary date exactly 1 year later at 12:01 AM standard time, and **policy year** means any subsequent annual period between anniversary dates at 12:01 AM standard time thereafter. In the event of a **policy period** less than 1 year, the **policy year** will be the same as the **policy period**.

In the event of an odd term **policy period** longer than 1 year, the **policy year** is the period from the inception date to the next chronological date which precedes the expiration date by exactly 1 or more years at 12:01 AM standard time. If there are subsequent annual periods remaining in the **policy period** after that date at 12:01 AM standard time, such annual periods will each be a **policy year**.

However, if after the issuance of this Coverage Part, any **policy year** is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding **policy year**.

R. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acid, alkalis, chemicals, asbestos products, petroleum products and their by-products and waste. Waste includes material to be recycled, reconditioned or reclaimed. **Pollutants** does not mean noise. **Pollutants** include but are not limited to substances that are generally recognized in industry or government to be harmful or toxic to persons, property or the environment. regardless of whether the injury or damage is caused directly or indirectly by the **pollutants** and whether:

1. The insured is regularly or otherwise engaged in activities which taint or degrade the environment; or

2. The insured uses, generates or produces the **pollutant**.

S. **Subsidiary** means any entity in which the **named insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, trustees, managers (if a limited liability company) or equivalent positions and any such entity in its capacity as a **debtor in possession**.

T. **Wrongful Act** has the meaning set forth in the applicable coverage part.

SECTION II – EXCLUSIONS

A. Nuclear

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving the hazardous properties, including radioactive, toxic or explosive properties, of any nuclear material. Nuclear material means any source material, special nuclear material, or by-product materials as those terms are defined under the Atomic Energy Act of 1954 or any amendments thereto.

B. Pollution

We are not liable to pay, indemnify or defend any **claim** for:

1. The actual, alleged, or threatened exposure to discharge, generation, storage, transportation, dispersal, seepage, migration, emission, release, treatment, removal, disposal or escape of **pollutants**; or

2. Any request, demand, order or statutory or regulatory requirement that the **named insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, **pollutants**; or

3. Any demand by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, **pollutants**.

However, as it applies to any Directors and Officers Liability Coverage (including Educators Legal Liability), this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

C. Prior Knowledge

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of, or in any way involving any **wrongful act** committed, attempted or allegedly committed or attempted prior to the **policy period** of the applicable Coverage Part if:

1. Prior to the earlier of the following dates:

a. The inception of the applicable Coverage Part;

b. The inception of the original Coverage Part of which the applicable Coverage Part is a renewal or replacement; or

c. The Continuity Date, if any, stated in the Declarations for the applicable Coverage Part;

any **executive** knew that such **wrongful act** is or would reasonably be regarded as the basis of a **claim**; or

2. There is a previous policy under which the **insureds** are entitled to coverage for such **claim**.

D. Prior Notice

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving:

1. Any **wrongful act** or any fact, circumstance or situation which has been the subject of any accepted notice given prior to the **policy period** under any policy or coverage part of which this policy is a direct or indirect renewal or replacement; or

2. Any other **wrongful act** whenever occurring, which, together with a **wrongful act** which has been the subject of such accepted notice, would constitute **interrelated wrongful acts**.

E. Prior or Pending Proceeding

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of, or in any way involving any prior or pending demand or civil, criminal, administrative or regulatory proceeding against any **Insured** as of the Prior or Pending Date stated in the Declarations of the applicable coverage part or any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, regardless of the legal theory asserted in such **claim**.

F. Telephone Consumer Protection Act

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged violation of:

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
3. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

G. War and Military Action

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving:

1. War, including undeclared or civil war; or
2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War and Military Action Exclusion supersedes Exclusion **A.** above.

With respect to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form only this exclusion will not apply to **cyber terrorism**.

SECTION III - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above Exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION IV - LIMITS OF INSURANCE, DEDUCTIBLES, MULTIPLE CLAIMS AND EXHAUSTION

A. If a single **claim** is covered under more than one Coverage Part, then our maximum liability for all **loss** resulting from such **claim** shall be the largest applicable Limit of Insurance available under any one of the applicable Coverage Parts.

B. The Deductibles for each Coverage Part apply separately to the respective Coverage Parts. If a single **claim** is covered under more than one Coverage Part, the applicable Deductibles shall be applied separately to the part of the **claim** covered by each Coverage Part but the sum of such Deductibles shall not exceed the largest applicable Deductible. The Deductibles shall be borne by the **insureds** uninsured and at their own risk.

C. If the aggregate Limit of Insurance for a particular Coverage Part is exhausted, then all of our obligations under that Coverage Part shall be deemed to be completely fulfilled and extinguished as of the date of such exhaustion. If the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations, is exhausted, then all of our obligations under the policy for the remainder of the annual period as described in **SECTION IV.D.** below shall be deemed to be completely fulfilled and extinguished as of the date of such exhaustion.

D. The Limits of Insurance of each Coverage Part and the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations, apply separately to each **policy year**. If the **policy period** of the respective Coverage Part is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period of the respective Coverage part for purposes of determining the Limits of Insurance.

E. Regardless of the number of policies or Coverage Parts involved, all **claims** based upon or arising out of the same **wrongful act** or any **interrelated wrongful acts** shall be considered a single **claim**. Each **claim** shall be deemed to be first made at the earliest of the following times:

1. When notice of the earliest **claim** arising out of such **wrongful act** or **interrelated wrongful acts** is received in writing by an **insured** or by us, whichever comes first; or

2. When notice of a **wrongful act** giving rise to such **claim** is given pursuant to Section **VI** of the General Provisions.

F. In the event that more than one of the **insureds** is included in the same **claim**, the total amount of **loss** resulting from such **claim** and the Deductible shall be apportioned pro-rata among the **insureds** in proportion to their respective **loss** unless otherwise mutually agreed upon by the **insureds** and us.

SECTION V - DUTIES OF THE INSUREDS IN THE EVENT OF A CLAIM

As conditions precedent to coverage under this policy:

A. The **insureds** shall give us written notice of any **claim** made against any of the **insureds** for a **wrongful act** as soon as practicable after any **executive** of the **named insured** has knowledge of such **claim**, and shall cooperate and provide information as we may reasonably require, including but not limited to providing a description of the **claim**, the nature of the alleged **wrongful act**, the nature of the alleged injury, the names of the claimants, and the manner in which the **insureds** first became aware of the **claim**. As soon as practicable, the **insureds** shall furnish us with copies of reports, investigations, pleadings and other papers in connection with the **claim**.

B. The **insureds** shall provide us with all information, assistance and cooperation which we reasonably request and agree that in the event of a **claim** the **insureds** will do nothing which may prejudice our position or our potential or actual rights of recovery. The failure of any **insured person** to do so shall not impair the rights of any other **insured person** under this policy.

C. The **insureds** shall not settle any **claim**, incur any **defense costs** or otherwise assume any obligation or admit any liability with respect to any **claim** without our prior written consent. We shall be entitled to full information and all particulars we may request in order to reach a decision as to such consent. We shall not be liable for any settlement, **defense costs**, assumed obligation or admission to which we have not consented.

If the **insureds** fail to provide notice of any **claim** to us as required under this Section, we shall not be entitled to deny coverage for the **claim** based solely upon late notice unless we can demonstrate that our interests were materially prejudiced by reason of such late notice.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION VI - NOTICE OF A WRONGFUL ACT

If prior to the end of the **policy period** of the applicable Coverage Part, any of the **insureds** first become aware of a specific **wrongful act** they believe is likely to give rise to a **claim**, and if any of the **insureds** give us written notice as soon as practicable, but prior to the end of the **policy period** of the applicable Coverage Part, of:

A. The specific **wrongful act**;

B. The injury or damage which has or may result therefrom; and

C. The circumstances by which the **insureds** first became aware thereof;

then any **claim** subsequently made arising out of such **wrongful act** shall be deemed to have been made when notice of the **wrongful act** was first given.

SECTION VII - DIRECTION OF CORRESPONDENCE TO US

All notices and other materials provided to us pursuant to the terms of this policy shall be directed to the Management Liability Claims Manager at one of the following addresses:

A. MgmtLiabilityClaims@cinfin.com

B. The Cincinnati Insurance Company
P.O. Box 145496
Cincinnati, OH 45250-5496

SECTION VIII - APPLICATION

The **application** is the basis of this policy and is incorporated into and constitutes a part of this policy. It is agreed by the **insureds** that the statements in the **application** are their representations, that they are material and that this policy is issued in reliance upon the truth of such representations provided.

In the event that the **application** contains any misrepresentation or omission with respect to a specific **wrongful act** or the knowledge of any of the **insureds** of any matter which such **insured** has reason to believe may give rise to a future **claim** made with the intent to deceive or which materially affects the acceptability of the risk or hazard assumed by us, then no coverage shall be afforded for any **claim** based upon, arising from or in consequence of any such misrepresentation or omission. Such misrepresentation or omission shall not be imputed to any other **insureds** for purposes of determining the validity of this policy to such other **insureds** except:

A. Any **insured person** who knew that the statement or representation was not true as of the inception date of coverage;

B. The **organization** with respect to any **executive** who knew that the statement or representation was not true as of the inception date of coverage; and

C. The **organization** if the signer of the **application** knew that the statement or representation was untrue.

We shall not be entitled under any circumstances to void or rescind this policy with respect to any **insured**.

SECTION IX - CHANGES IN EXPOSURE

A. Change in Ownership of Named Insured

If during the **policy period** of the applicable Coverage Part:

1. The **named insured** consolidates with or merges into another entity such that such **named insured** is not the surviving entity;

2. Another entity or person or group of entities and/or persons acting in concert acquires more than 50% ownership of the **named insured** or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than 50% of the outstanding securities or voting rights representing the present right to vote for the election of directors, trustees or managers (if a limited liability company) of the **named insured**;

then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such **named insured** and its **insureds** until the end of the applicable **policy period** or any applicable **extended reporting period**, but only with respect to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to such transaction. The **named insured** shall give written notice to us as soon as practicable, but in no event later than 90 days after such transaction.

B. Cessation of Subsidiaries

If during the **policy period** of the applicable Coverage Part any entity ceases to be a **subsidiary** as defined in the applicable Coverage Part, then, subject to all the other provisions of this policy, coverage under the applicable Coverage Part shall continue to apply to such entity and its **insureds** until the end of the applicable **policy period** or any applicable **extended reporting period**, but only with respect to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to the date such entity ceases to be a **subsidiary**. The **named insured** shall give written notice to us as soon as practicable, but in no event later than 90 days after the entity ceases to be a **subsidiary**.

C. Acquisition or Formation of Entity

If during the **policy period** of the applicable Coverage Part the **named insured** newly acquires or forms another entity over which such **named insured** maintains more than 50% ownership for the purpose of coverage under the Coverage Part applicable to such **named insured**, the newly acquired or formed entity shall be deemed to be a **subsidiary**; however, coverage shall be excess of any indemnification or insurance otherwise available to such newly acquired or formed entity from any other source. Furthermore, coverage does not apply to **claims** for **wrongful acts** committed, attempted or allegedly committed or attempted prior to the date the **named insured** acquired or formed the entity unless we agree, after presentation of a complete application and all appropriate information, to provide coverage by endorsement for such **claims** and the **named insured** pays any additional premium we require for the endorsement.

SECTION X - OTHER INSURANCE ISSUED BY ANOTHER INSURER

This insurance is primary except when all or any part of **loss** is also insured under any other valid and collectible prior or current policy. If any other insurance issued by another insurer (with the exception of insurance issued by us, any of our affiliated companies, or any of our predecessors or their affiliated companies) applies to any **claim**, then this insurance is excess over that other insurance, whether primary, excess, contingent or on any other basis, unless that other insurance was purchased specifically to apply excess over the limits provided in this policy. Furthermore, with respect to any coverage that may be provided for any **claim** for actual or alleged **personal injury**, such **claims** shall be specifically excess of any similar coverage provided by the **organization's** General Liability Policy.

When this policy is excess:

A. We will have no duty to defend any **claim** when any other insurer has that duty. If another insurer fails to defend and we incur costs as a result of such failure, we will be entitled to the **insureds'** rights against such other insurer; and

B. We will pay only our share of the amount of the **loss**, if any, that exceeds the sum of:

  1. The total amount that all such other insurance would pay for the **loss** in the absence of this policy; and

  2. The total of all deductible and self-insured amounts under all such other insurance.

SECTION XI - SPOUSE AND LEGAL REPRESENTATIVE EXTENSION

The liability coverage parts in this policy will, subject to all other terms, conditions and exclusions of the applicable Coverage Part and the General Provisions, be extended to apply to **claims** for the **wrongful acts** of an **insured person** made against:

A. The spouse or **domestic partner** of an **insured person** but only to the extent such person is a party to any **claim** solely in such person's capacity as a spouse or **domestic partner** of an **insured person** and only if the **claim** seeks damages recoverable from marital community property jointly held by the **insured person** and the spouse or **domestic partner**, or property transferred from the **insured person** to the spouse; or

B. Their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

We have no obligation to make any payment for **loss** in connection with any **claim** against a spouse, **domestic partner**, estates, heirs, legal representatives or assigns of an **insured person** for any actual or alleged, error, misstatement, misleading statement, act, omission, neglect or breach of duty committed, attempted or allegedly committed or attempted by such spouse, **domestic partner**, estates, heirs, legal representatives or assigns.

SECTION XII - MEDIATION AND ALLOCATION

A. Any dispute including but not limited to tort claims or contract claims between an **insured** and us arising out of or relating to this policy shall be submitted to non-binding mediation prior to commencement of an action between the parties. The mediator shall be chosen by agreement. If the parties cannot agree upon a mediator, the mediator shall be chosen by the American Arbitration Association.

B. If both **loss** covered by this policy and loss not covered by this policy are incurred in a **claim** for which coverage is afforded, either because a **claim**:

1. Against an **insured** includes both covered and uncovered matters, we will pay 100% of **defense costs** and all remaining loss will be allocated between covered **loss** and uncovered loss based upon the relative legal exposure to the parties to such matters; or

2. Is made against both an **insured** and others, we will pay **defense costs** for our **insured**, and all remaining loss will be allocated between covered **loss** and uncovered loss based upon the relative legal exposure to the parties to such matters.

C. If we and the **insureds** cannot agree as to matters in **B.** above prior to a judgment or finding in the civil or administrative proceeding dealing with **claims** against the **insureds**, the parties agree that they will, to the extent it is within their control, require that the allocation between covered **loss** and uncovered loss is made in such civil or administrative proceeding. Such efforts shall include but are not limited to the submission of special interrogatories to the finder of fact in such proceeding. Such efforts shall not require us to become a party to such civil or administrative proceeding.

D. Notwithstanding **C.** above, if we and the **insureds** cannot agree as to matters in Section **B.** above prior to a judgment or finding in any civil or administrative proceeding in which such issues are decided, we may at any time before or after mediation under **A.** above settle all **claims** against any or all **insureds**. Following such settlement, any dispute between us and the **insureds** as to the proper allocation of covered and uncovered matters under **B.** above shall be submitted to non-binding mediation prior to the commencement of an action between the parties. In any event, only one mediation as to the same issues shall be required.

SECTION XIII - ACTION AGAINST US

A. No action shall be taken against us unless, as a condition precedent thereto, there has been full compliance with all of the terms of this policy and until the obligation of the **insureds** to pay shall have been finally determined, either by an adjudication against them or by written agreement of the **insureds**, the claimant and us. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Bankruptcy or insolvency of an **insured** or of an **insured's** estate shall not relieve us of any of our obligations hereunder.

B. No person or organization shall have any right under this policy to join us as a party to any **claim**. Neither the **insureds** nor their legal representative shall implead us in any **claim**.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION XIV - SUBROGATION

In the event of any payment under this policy, we shall be subrogated to all of the rights to recovery of the **insureds** to the extent of such payment. The **insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents as may be necessary to enable us to effectively bring suit in the name of the **insureds**.

SECTION XV - CHANGES IN THIS POLICY

No change or modification of, or assignment of interest under this policy shall be effective except when made by us through a written endorsement to this policy.

SECTION XVI - CONFORMITY TO STATUTE

Any terms of this policy which are in conflict with the terms of any applicable laws construing this policy are hereby amended to conform to such laws.

SECTION XVII - ENTIRE AGREEMENT

By acceptance of this policy, we and the **insureds** agree that this policy (including the **application**) and any written endorsements attached hereto constitute the entire agreement between the parties.

SECTION XVIII - REPRESENTATION BY NAMED INSURED

The first **named insured** shall act on behalf of all of the **insureds** in purchasing this policy and for any purposes under the policy.

SECTION XIX - EXTENDED REPORTING PERIODS

A. Upon termination of any Coverage Parts for any reason, other than nonpayment of premium, the **named insured** shall be provided a 90 day Automatic Extended Reporting Period and have the option to replace the 90 day Automatic Extended Reporting Period with a 12 month Optional Extended Reporting Period. The **named insured** may also request an Optional Extended Reporting Period with a term longer than 12 months, which may be provided solely at our discretion.

1. Automatic Extended Reporting Period

A 90 day Automatic Extended Reporting Period is automatically provided without additional charge. The Automatic Extended Reporting Period starts immediately after the end of the **policy period** of the applicable Coverage Part.

2. Optional Extended Reporting Periods

a. The **named insured** shall have the option to purchase a 12 month Extended Reporting Period to replace the 90 day Automatic Extended Reporting Period for an additional premium equal to 75% of the expiring annual premium for the applicable Coverage Part.

b. Additional Optional Extended Reporting Periods may be available for an additional premium charge if an Extended Reporting Period longer than 12 months is desired. It is solely our decision whether to permit the first **named insured** to purchase an Extended Reporting Period with a term longer than 12 months.

The first **named insured** must give us a written request of their intent to purchase an Optional Extended Reporting Period within 60 days after the **policy period** of the applicable Coverage Part or that option shall terminate. The Optional Extended Reporting Period will not go into effect unless the first **named insured** pays the additional premium promptly when due.

B. The Extended Reporting Periods do not extend the **policy period** or change the scope of coverage provided. They extend the **claims** reporting period.

C. The Extended Reporting Periods extend coverage to **claims** first made during the length of time covered by the applicable Extended Reporting Period provided the **wrongful act** was committed, attempted or allegedly committed or attempted prior to the end of the **policy period** of the applicable Coverage Part, and all such **claims** shall be subject to all other terms, conditions and exclusions of the applicable Coverage Part and the General Provisions. Such **claims** must be reported in writing to us prior to the expiration of the applicable Extended Reporting Period.

D. The Extended Reporting Period, regardless of length does not reinstate or increase the Limits of Insurance of the applicable Coverage Part or the Shared Annual Aggregate Limit of Liability, if so set forth on the Common Policy Declarations. Our total liability shall not exceed the Limit of Insurance shown in the applicable Declarations for the last **policy year** in which coverage is provided hereunder.

E. Any Extended Reporting Period will immediately terminate on the effective date and time of any other insurance issued to the **insureds** which replaces this insurance. The entire premium for any Extended Reporting Period shall be fully earned at the commencement of any Extended Reporting Period.

F. If the terms under this section are invoked under the Cincinnati Data Defender™ Coverage Part or the Cincinnati Cyber Defense™ Coverage Part, the term **claim** as used in this section may also mean **regulatory proceeding.**

SECTION XX - COVERAGE TERRITORY

This policy applies to any **claim** for a **wrongful act** committed, attempted or allegedly committed or attempted anywhere in the world unless indicated otherwise. However, if insurance provided by this policy would be in violation of any United States economic or trade sanctions, such insurance shall be null and void.

SECTION XXI - LIBERALIZATION

If we adopt any revision that would broaden the coverage under this insurance and would be effective during the **policy period** without additional premium, the broadened coverage will immediately apply to this insurance as of the latter of:

A. The date we implemented the change in the headquarters state which is the basis upon which the policy was issued; or

B. The date the applicable Coverage Part became effective.

SECTION XXII - PARENT COMPANY AND FRANCHISOR EXTENSION

Upon written request of the president, chairperson or equivalent position of the **named insured,** we shall extend coverage under this policy to **defense costs** resulting from any **claim** made against a parent company or franchisor of the **named insured** or any **subsidiary** but only if and so long as:

A. The **claim** arises out of a **wrongful act** actually or allegedly committed solely by an **insured**;

B. The **insured** is included as a co-defendant in addition to the parent company or franchisor; and

C. The **insured** as well as the parent company or franchisor are represented by the same counsel in connection with such **claim**.

For the purposes of this extension, a parent company or franchisor shall include:

A. Any entity other than a natural person which owns more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, trustees, managers (if a limited liability company) or equivalent of a **named insured** or **subsidiary**; or

B. Any franchisor who has granted to an **insured** under a franchise agreement any franchise or franchise rights to allow the **insured** to operate as a franchisee or a franchised dealer.

This Section does not apply to the Cincinnati Data Defender™ Coverage Form, the Cincinnati Network Defender™ Coverage Form or the Cincinnati Cyber Defense™ Coverage Form.

SECTION XXIII – STATE INCONSISTENCY

In the event there is an inconsistency between a state amendatory endorsement attached to this policy and any term or condition of this policy, then where permitted by law, we shall apply those terms and conditions which are most favorable to the **insured**.

POLICYHOLDER NOTICE
TERRORISM INSURANCE COVERAGE

Your policy (or the policy proposed to you) contains coverage for certain losses caused by terrorism.

Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to notify you of the portion of the premium, if any, attributable to the coverage for terrorist acts certified under the Terrorism Risk Insurance Act.

- The portion of your premium that is attributable to coverage for terrorist acts certified under the Act is

  $ **25**__________.

Federal Participation:

The Act also requires us to provide disclosure of federal participation in payment of terrorism losses.

- Under your policy, any losses caused by certified acts of terrorism would be partially reimbursed by the United States Government, Department of Treasury, under a formula established by federal law. Under this formula, the federal share equals a percentage, as specified in the Schedule below, of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance 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.

- **Schedule:**

Federal Share of Terrorism Losses	
Percentage	**Calendar Year**
85%	2015
84%	2016
83%	2017
82%	2018
81%	2019
80%	2020

Cap on Insurer Participation:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance 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.

NOTE: THIS NOTICE IS PROVIDED TO SATISFY THE REQUIREMENTS UNDER THE TERRORISM RISK INSURANCE ACT FOR POLICYHOLDER DISCLOSURE: (1) AT THE TIME OF OUR OFFER OF COVERAGE AND (2) AT THE TIME COVERAGE IS ISSUED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

PILLAR POLICY PROGRAM

The following provision is added:

CANCELLATION AND NONRENEWAL

A. The first **named insured** may cancel this policy or any of its Coverage Parts by mailing or delivering to us advance written notice of cancellation.

B. If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first **named insured** written notice of cancellation at least:

1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

2. 30 days before the effective date of cancellation if we cancel for any other reason.

C. Cancellation of Policies in Effect for 60 Days or More

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy or any of its Coverage Parts by mailing through first-class mail to the first **named insured** written notice of cancellation:

1. Including the actual reason, at least 10 days before the effective date of cancellation, if we cancel for nonpayment of premium; or

2. At least 45 days before the effective date of cancellation if we cancel for any other reason. Such notice may only be sent for cancellation effective at a policy anniversary at the end of a **policy year.**

We may only cancel this policy based on one or more of the following reasons:

1. Nonpayment of premium;

2. A false statement knowingly made by the insured on the application for insurance; or

3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first **named insured** has notified us of the change and we accept such change.

D. We will mail or deliver our notice to the first **named insured's** last mailing address known to us.

E. Notice of cancellation will state the effective date of cancellation. The **policy period** will end on that date.

F. If this policy or any of its Coverage Parts are cancelled, we will send the first **named insured** any premium refund due. The refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

G. If notice is mailed, proof of mailing will be sufficient proof of notice.

H. If we decide not to renew this policy or a particular Coverage Part, we will mail through first-class mail to the first **named insured** shown in the Declarations written notice of the nonrenewal at least 60 days before:

1. The expiration date of this policy; or

2. The end of a **policy year**, if the policy is written for a term of more than one year.

If notice is mailed, proof of mailing will be sufficient proof of notice.

I. Increase in Premium or Decrease in Coverage

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first **named insured's** last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;

2. A false statement knowingly made by the **insured** on the application for insurance; or

3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first **named insured** has notified us of the change and we accept such change.

If notice is mailed, proof of mailing will be sufficient proof of notice.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES - PILLAR POLICY PROGRAM

This endorsement modifies insurance provided under the following:

PILLAR POLICY PROGRAM

A. The following Provision is added to **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS:**

CLAIM INFORMATION

We will provide the first **named insured** shown in the Declarations the following information relating to this and any preceding Pillar Policy Program claims-made Coverage Part(s) we have issued to you during the previous three years:

1. A list or other record of each **claim** (or notice of occurrence which could give rise to a **claim**) not previously reported to any other insurer, of which we were notified in accordance with **SECTION V - DUTIES OF THE INSUREDS IN THE EVENT OF A CLAIM** of the **GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS,** the Duties in the Event of a Claim or Loss Condition (Cincinnati Data Defender™ Coverage Part and Cincinnati Network Defender™ Coverage Part), or the Duties in the Event of a Claim, Regulatory Proceeding or Loss Condition (Cincinnati Cyber Defense™ Coverage Part). We will include the date and brief description of the **claim** (or notice of occurrence which could give rise to a **claim**) if that information was in the notice we received.

2. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit. Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

We will provide this information only if we receive a written request from the first **named insured**. We will provide this information within 30 days of receipt of the request.

We compile **claim** information, and notice of occurrence which could give rise to a **claim** information, for our own business purposes and exercise reasonable care in doing so. In providing this information to the first **named insured**, we make no representations or warranties to **insureds**, insurers, or others to whom this information is furnished by or on behalf of any **insured**.

B. The term spouse is replaced by the following:

Spouse or party to a civil union recognized under Colorado law.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COLORADO CHANGES - CRIME COVERAGE

This endorsement modifies insurance provided under the following:

CRIME COVERAGE
CRIME EXPANDED COVERAGE (XC®)

The following is added to **SECTION VI - CONDITIONS:**

Loss Payment

1. We will give you notice of our intentions within 60 days after we receive the sworn proof of loss; and
2. We will pay for covered loss or damage within 60 days after we receive the sworn proof of loss, if you have complied with all the terms of this coverage form; and:
   a. We have reached agreement with you on the amount of loss; or
   b. An appraisal award has been made.

All other provisions of the policy remain unchanged except as herein expressly modified.

COLORADO DISCLOSURE FORM
CLAIMS-MADE POLICY

IMPORTANT NOTICE TO POLICYHOLDER

THIS DISCLOSURE FORM IS NOT YOUR POLICY. IT DESCRIBES SOME OF THE MAJOR FEATURES OF OUR CLAIMS-MADE POLICY FORM. READ YOUR POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR POLICY DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

YOUR POLICY

Your policy is a claims-made policy. It provides coverage only for injury or damage occurring after the policy retroactive date (if any) shown on your policy and the incident is reported to your insurer prior to the end of the policy period. Upon termination of your claims-made policy an extended reporting period option is available from your insurer.

There is no difference in the kind of injury or damage covered by occurrence or claims-made policies. Claims for damages may be assigned to different policy periods, depending on which type of policy you have.

If you make a claim under your claims-made policy, the claim must be a demand for damages by an injured party and does not have to be in writing. Under most circumstances, a claim is considered made when it is received and recorded by you or by us. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same injury or damage has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

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

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

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

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

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

1. If you switch from an occurrence policy to a claims-made policy, the retroactive date in your claims-made policy should be no later than the expiration date of the occurrence policy.

2. When replacing a claims-made policy with a claims-made policy, you should consider the following:

   a. The retroactive date in the replacement policy should extend far enough back in time to cover any events with long periods of liability exposure; or

   b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made policy.

3. If you replace this claims-made policy with an occurrence policy, you may not have insurance coverage for a claim arising during the period of claims-made coverage unless you have purchased an extended reporting period under the claims-made policy. Extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW YOUR POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

A. SECTION I - DEFINITIONS is amended to add the following:

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

1. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance 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.

C. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability, omission or absence of a terrorism exclusion does not serve to create coverage for any **loss** which would otherwise be excluded under this policy, such as **losses** excluded by:

1. Exclusions that address war, warlike action, insurrection, rebellion, revolution, military action, nuclear hazard, nuclear materials, nuclear reaction, radiation, or radioactive contamination;

2. Exclusions that address pollutants, contamination, deterioration, fungi or bacteria; or

3. Any other exclusion,

regardless if the **certified act of terrorism** contributes concurrently or in any sequence to the **loss**.

D. SUNSET CLAUSE

If the federal Terrorism Risk Insurance Act expires or is repealed, then this endorsement is null and void for any act of terrorism that takes place after the expiration or repeal of the Act.

All other provisions of the policy remain unchanged except as herein expressly modified.

NOTICE OF LOSS CONTROL SERVICES

The Cincinnati Insurance Companies provide certain loss prevention services to policyholders at no additional cost. These services are designed to prevent or reduce the impact of potential loss causing events or conditions related to the type(s) of insurance coverage you have purchased from us. One of these services that you can receive is described below:

Employment Practices Liability (EPL) Toll-Free Hot Line

Have a question on how to handle an employment situation? Simply call The Cincinnati Insurance Companies Employment Connection at 1-888-811-3427 for assistance. We offer policyholders an unlimited number of calls seeking advice on employment policies and procedures.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice. Use of the EPL Toll-Free Hot Line will not be deemed to satisfy any notice of claim or notice of wrongful act provision contained in any policy.

NOTICE OF LOSS CONTROL SERVICES - COMMUNITY ASSOCIATIONS

The Cincinnati Insurance Companies provide certain loss control services to policyholders at no additional cost. These services are designed to help you prevent or reduce the impact of a potential loss related to the type(s) of insurance coverage you have purchased from us. One of these services that you can receive is described below:

Community Association Toll-Free Help Line

If you have a question or concern about reducing or avoiding a potential wrongful acts loss, please call 844-458-9556 for assistance. Please leave your contact information, policy number and your question or concern, and a lawyer will return your call, usually within one business day. Calls will be subject to a one hour per policyholder time limit.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, policyholders should consult legal counsel in your state to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice. Use of the Community Association Toll-Free Help Line will not be deemed to satisfy any notice of claim or notice of wrongful act provision contained in any policy. Refer to your policy for a complete statement of coverages, exclusions and limits of insurance.

NOTICE OF PRIVACY PRACTICES

For additional information on our privacy policies, including state specific information, please visit https://www.cinfin.com/privacy-policy.

THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY
THE CINCINNATI INDEMNITY COMPANY

NOTICE TO POLICYHOLDERS

Please be advised that in your application for insurance you disclosed information to The Cincinnati Insurance Company, The Cincinnati Casualty Company and The Cincinnati Indemnity Company. The information disclosed in the application and all information subsequently collected by any of these companies may be shared among all three.

SIGNATURE ENDORSEMENT

IN WITNESS WHEREOF, this policy has been signed by our President and Secretary in the City of Fairfield, Ohio, but this policy shall not be binding upon us unless countersigned by an authorized representative of ours. The failure to countersign does not void coverage in Arizona, Virginia and Wisconsin.

Thomas C Hogan

Secretary

President

The signature on any form, endorsement, policy, declarations, jacket or application other than the signature of the President or Secretary named above is deleted and replaced by the above signatures.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIFIC PERSON EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS

SECTION II - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of the person(s) shown in the Schedule:

SCHEDULE

Person(s):

SPRENTALL, BOB & GAIL

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED WAR EXCLUSION

This endorsement modifies insurance provided under the following:

GENERAL PROVISIONS APPLICABLE TO ALL LIABILITY COVERAGE PARTS
CRIME COVERAGE
CRIME EXPANDED COVERAGE (XC®)

A. For the purposes of this endorsement only, the **DEFINITIONS** section of any Provisions or Coverage Part of this policy is amended to include the following:

1. **Agents** means any person, entity, organization or collection of persons, entities or organizations that have at any time been associated with or designated as having worked with or acted on behalf of any state, government, or sovereign.

The attribution of the actors' status as **agents** will be determined by relying on reasonable evidence such as, but not limited to:

a. Statements by an agency or department of the United States government;

b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or

c. Statements by a **recognized commercial authority**.

2. **Computer system** means any computer or network of computers or computer systems, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, wearable device), server, cloud infrastructure or microcontroller including any configuration of the aforementioned and including any associated input, output, code, program, data, data storage device, networking equipment or back up facility.

3. **Cyber hostilities** means the use of a **computer system** that causes disruption or harm.

4. **Recognized commercial authority** means a business that provides information technology security or forensics services, including, but not limited to:

a. Symantec;

b. Mandiant;

c. Microsoft;

d. Apple;

e. Cisco; or

f. IBM.

5. **War** or **warlike action:**

a. Means physical combat, a state of armed conflict, or **cyber hostilities** engaged in by:

(1) Any state, government, or sovereign; or

(2) **Agents** of a state, government, or sovereign,
against any other:

(a) State, government, or sovereign, including an agency or department thereof; or

(b) Person or entity targeted by such physical combat, armed conflict, or **cyber hostilities**; and

b. Includes any collateral loss, damage, cost, expense or liability for damages of any nature arising out of the physical combat, armed conflict, or **cyber hostilities** or any response to such physical combat, armed conflict, or **cyber hostilities**.

B. Any exclusion of War and Military Action is deleted in its entirety from any **EXCLUSIONS** section of any Provisions or Coverage Part of this policy and is replaced with the following:

G. War

This insurance does not apply to any form of loss, damage, cost, expense or liability for damages arising directly or indirectly from:

1. **War** and **warlike action**, including undeclared or civil **war** and **cyber hostilities**;

2. Hostile action, including action in hindering or defending against an actual or expected attack, by any state, government, or sovereign using military personnel or other **agents**; or

3. Insurrection, rebellion, revolution, usurped power, political violence or action taken by a state or government actor in hindering or defending against any of these, including **cyber hostilities** in connection with any of the foregoing.

The attribution of an action will be determined by relying on reasonable evidence such as, but not limited to:

a. Statements by an agency or department of the United States government;

b. Statements by an international group of which the United States is a member, such as the United Nations or the North Atlantic Treaty Organization, or any member of such an international group; or

c. Statements by a **recognized commercial authority**.

This exclusion applies notwithstanding anything to the contrary in this policy or any appendix or endorsement added to this policy.

All other provisions of the policy remain unchanged except as herein expressly modified.

The Cincinnati Insurance Company

A Stock Insurance Company

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE PART DECLARATIONS

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

Policy Number: **EMO 063 35 02**

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Limit of Insurance:	$	1,000,000	in the aggregate
Investigative Costs Sublimit:	$	100,000	in the aggregate
Excess Benefit Transaction Tax Sublimit:	$	20,000	sublimit per **organizational manager**
Additional Defense Limit of Insurance:	$	UNLIMITED	in the aggregate
Excess Side A Limit of Insurance:	$	1,000,000	in the aggregate

Deductibles:	$ 0	each **claim** under Insuring Agreement **A** (Insured Persons)
	$ 10,000	each **claim** under Insuring Agreement **B** (Indemnification)
	$ 10,000	each **claim** under Insuring Agreement **C** (Organization)

Retroactive Date:	N/A
Prior or Pending Date:	10-26-2001
Continuity Date:	10-26-2001

Forms and endorsements applicable to this coverage part:

ML106	01/18	COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
IA450ML	11/87	CRISIS MANAGEMENT EMERGENCY RESPONSE EXPENSES ENDORSEMENT
ML207	01/21	CAPITAL ENDORSEMENT
ML317	01/16	FAILURE TO MAINTAIN INSURANCE EXCLUSION
ML327	01/18	PRODUCT LIABILITY EXCLUSION

ML329	01/16	PROFESSIONAL LIABILITY EXCLUSION (SCHEDULED)
ML347	02/20	SEXUAL MISCONDUCT OR PHYSICAL ABUSE EXCLUSION
ML357	01/21	AMENDED CYBER EXCLUSION
ML360	09/23	BIOMETRIC INFORMATION PRIVACY EXCLUSION
ML4174	01/18	EXTRADITION COVERAGE ENDORSEMENT

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COMMUNITY ASSOCIATION
DIRECTORS AND OFFICERS LIABILITY COVERAGE

TABLE OF CONTENTS

COMMUNITY ASSOCIATION
DIRECTORS AND OFFICERS LIABILITY COVERAGE

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

SECTION I - INSURING AGREEMENTS

A. We will pay on behalf of the **insured persons** all **loss** which they shall be legally obligated to pay, except for such **loss** which the **organization** actually pays as indemnification, resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **wrongful act**.

B. We will pay on behalf of the **organization** all **loss** which the **organization** is required to pay as indemnification to the **insured persons** resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **wrongful act**.

C. We will pay on behalf of the **organization** all **loss** which the **organization** is required to pay resulting from any **claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, against the **organization** for a **wrongful act**.

We will have the right and duty to select counsel and defend the **insureds** against any such **claim**.

SECTION II - DEFINITIONS

Where set forth in bold type in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Claim** means:

1. A written demand for monetary damages or non-monetary relief;
2. A civil proceeding commenced by the filing of a complaint or similar pleading;
3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;
4. An arbitration, mediation or similar alternative dispute resolution proceeding in which monetary damages are sought if the **insured**:
   a. Is required to participate in such proceeding; or
   b. Agrees to participate in such proceeding with our written consent, such consent not to be unreasonably withheld;
5. A criminal proceeding commenced by the return of an indictment;
6. A written request to toll or waive a statute of limitations related to a potential **claim** described in Definitions **A.1** through **A.5.** above; or
7. A civil, administrative, regulatory or criminal investigation of an **insured person** once such **insured person** is identified in writing by such investigating authority as a person against whom a proceeding described in Definitions **A.2.**, **A.3** or **A.5.** may be commenced. The maximum Limit of Insurance for all such investigations against any **insured persons** shall be the Investigative Costs Sublimit set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and does not increase our maximum aggregate liability under this Coverage Part;

against any **insured**, including any appeal therefrom.

B. **Defense costs** means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the **insureds** or reimbursed to any of the **insureds** by us, resulting solely from the investigation, adjustment, defense and appeal of any **claim**. **Defense costs** includes, but is not limited to, the cost of expert consultants and witnesses, and premiums for appeal, injunction, attachment or supersedeas bonds (but not the obligation to furnish such bonds).

Defense costs shall not include:

1. Salaries, wages, fees, overhead or expenses of our employees or any **insureds**, directors, officers, trustees or employees, other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific **claim**;

2. Any amount covered by the duty to defend obligation of any other insurer; or

3. Any pre-tender fees, costs or expenses.

C. **Directors and officers** means all natural persons who were, now are, or shall become an officer, a duly elected or appointed member of the board of directors, trustees, regents, managers, governors, a **LLC manager** or an equivalent position of the **organization**.

D. **Disqualified person** means a disqualified person as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

E. **Employee** includes, but is not limited to, all natural persons who were, now are, or shall become full-time, part-time, seasonal, volunteer, contingent or leased workers of the **organization** as determined by federal, state or local law. **Employee** does not include independent contractors as determined by federal, state or local law.

F. **Employment related wrongful act** means a **wrongful act** arising from employment related activities including, but not limited to, hiring, training, supervision, evaluation, promotion, demotion, granting of tenure, and termination.

G. **Excess benefit transaction** means an excess benefit transaction as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

H. **Excess benefit transaction tax** means any excise tax imposed by the Internal Revenue Service on any **insured** who is an **organizational manager** as a result of such **insured's** participation in an **excess benefit transaction**.

I. **Executive** means any natural person who was, now is or shall become the chairperson, president or person of equivalent position to any of the foregoing of the **organization**.

J. **Financial impairment** means, with respect to the **organization** or any **outside organization**, the appointment of any receiver, conservator, liquidator, rehabilitator, trustee or similar official; or the **organization** or any **outside organization** becoming a **debtor in possession**.

K. **Insured** means the **organization** and the **insured persons**.

L. **Insured persons** means:

1. **Directors and officers**;

2. All natural persons who were, now are, or shall become an **employee** or committee member, whether or not they were, are or shall be compensated, of the **organization**;

3. All natural persons who were, now are, or shall become members or volunteers of the **organization** while acting on behalf of the **organization** in a voluntary capacity at the direction of the **directors and officers**; and

4. Any natural person who is a property manager or an employee of a property management company, but only for **claims** arising out of their **wrongful acts** while acting at the direction of the **named insured** or any **subsidiary** or arising out of the **wrongful acts** of the **insureds** for which the property management company's employees are vicariously liable; provided, however, that any coverage under this Coverage Part for any such property manager shall be excess of any indemnification or insurance otherwise available to such property manager from any other source.

M. **LLC manager** means any natural person who was, now is or shall become a manager, member of the board of managers or member of the **organization** that is a limited liability company but only with respect to the conduct of the limited liability company's business. However, any member of a limited liability company who is a passive investor not involved in the operations of the limited liability company is not a **LLC manager.**

N. Loss means **defense costs** and the total amount of monetary damages which the **insured** becomes legally obligated to pay on account of any **claim** for a **wrongful act** with respect to which coverage hereunder applies, including damages, judgments, settlements, prejudgment and postjudgment interest, and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

Loss shall also include:

Any **excess benefit transaction tax** an **insured** is obligated to pay as a result of a **claim**. The maximum Limit of Insurance per each **organizational manager** for any **excess benefit transaction tax** shall be the Excess Benefit Transaction Tax Sublimit set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and does not increase our maximum aggregate liability under this Coverage Part. The **excess benefit transaction tax** shall not include the 25% excise tax assessed against any **disqualified person** or the 200% tax assessed for failure to correct an **excess benefit transaction**.

Loss shall not include:

1. Taxes, criminal or civil fines or penalties imposed by law, except as noted above;

2. Any restitution, disgorgement or similar sums; or

3. Any matter deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

O. Organization means:

1. The **named insured**;

2. Any **subsidiary**; and

3. A property management company, but only for claims arising out of its **wrongful acts** while acting at the direction of the **named insured** or arising out of the **wrongful acts** of the **insureds** for which the property management company is vicariously liable.

P. Organizational manager means an organizational manager as that term is defined in Section 4958 of the Internal Revenue Code of 1986, as amended.

Q. Outside organization means any nonprofit corporation or organization other than the **organization**, which is described in Section 501(c)(2), (3), (4), (6), (7), (8), (10), (19), or 501(d) of the Internal Revenue Code of 1986, as amended, and is exempt from federal income taxation.

R. Outside position means the service of any **insured person** of the **organization** as an officer or member of the board of directors, trustees, regents, managers, governors, or equivalent position in any **outside organization** but only during the time that such service is performed at the direction of the **organization** or with the consent and knowledge of the **organization**.

S. Personal injury means invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, false detention, abuse of process, malicious prosecution, libel, slander, defamation, or disparaging of a person's or organization's goods, products or services.

T. Property damage means:

1. Injury or damage, of any nature, to tangible or intangible property, including all resulting loss of use of that property; or

2. Loss of or loss of use of tangible or intangible property that is not otherwise injured or damaged.

U. Publishers liability means infringement of copyright, trademark, service mark or trade name, unauthorized use of title, plagiarism or misappropriation of ideas.

V. Third party means any natural person who is not an **employee** of the **organization**.

W. Wrongful act means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty including any **personal injury** or **publishers liability** committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and prior to the end of the **policy period** by:

1. Any of the **insured persons** in the discharge of their duties solely in their capacity as **insured persons** of the **organization**;

2. Any of the **insured persons** of the **organization** in the discharge of their duties solely in their capacity in an **outside position** in any **outside organization**;

3. Any of the **insured persons** solely by reason of their status as such; or

4. The **organization**.

SECTION III - EXCLUSIONS

The descriptions in the headings of these exclusions are solely for convenience and form no part of the terms and conditions of coverage.

A. Bodily Injury/Property Damage

We are not liable to pay, indemnify or defend any **claim** for actual or alleged:

1. Bodily injury, sickness, disease, or death of any person, mental anguish, or emotional distress; or

2. **Property damage**, including, but not limited to, physical injury, loss of or loss of use of currency or any negotiable or non-negotiable instruments or contracts representing money.

B. Conduct

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of any of the **insureds** or any person for whose actions the **insureds** are legally responsible:

1. Committing any deliberately fraudulent act or omission;

2. Committing any willful violation of any statute or regulation; or

3. Gaining any profit, remuneration or advantage to which they were not legally entitled;

if established by a final and non-appealable judgment or adjudication in any underlying action or proceeding adverse to the **insureds** as to such conduct.

With respect to determining the applicability of this exclusion, no conduct pertaining to any **insured person** shall be imputed to any other **insured person**; however, any conduct pertaining to any **executive** shall be imputed to the **organization** to determine if coverage is available.

C. Contract

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged liability of any **insureds** under the terms, conditions or warranties of any oral or written contract or agreement, except:

1. To the extent the liability would have attached to any such **insureds** in the absence thereof; or

2. With respect to **defense costs** only, any **claim** brought by or on behalf of any member of the **organization** which is based upon, arising from, or in consequence of any actual or alleged breach of the **organization's** covenants, conditions and restrictions or by-laws;

provided, however, that this exclusion shall not apply to **defense costs** with respect to any **claim** against any **insured persons**.

D. Cyber

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged:

1. Improper dissemination of personally identifiable information or protected health information;

2. Liability of any **insured** arising out of internet and electronic services which are performed for or on behalf of any client or customer of the **organization** through the transmission of electronic data to or from the **organization's** internet website or through a private computer network controlled by the **organization**; or

3. Liability of any **insured** for internet professional services the **organization** provides to others which may include, but are not limited to, application service provider, domain name registration services, electronic exchange and auction services, internet hosting services, internet media services, internet service provider service, managed and network security services, public key infrastructure services, search engine services, web portal services, website development, software development and internet access provider;

provided, however, that this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

E. Employment Practices

We are not liable to pay, indemnify or defend any **claim** for an **employment related wrongful act**.

F. ERISA

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, as amended or any rules, regulations or orders promulgated thereunder or any similar provisions of any federal, state or local statutory or common law in connection with any pension or welfare plan established for the benefit of **employees** of the **organization**.

G. Intellectual Property

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of any actual or alleged infringement of patent or misappropriation of trade secrets or other intellectual property rights; provided, however, that this exclusion shall not apply to any **publishers liability**. Furthermore, this exclusion shall not apply to any **claim** against any **insured persons**.

H. Organization vs. Insured

We are not liable to pay, indemnify or defend any **claim** brought or maintained by the **organization**; provided, however, that this exclusion does not apply to any **claim** brought or maintained as a derivative action on behalf of the **organization** by one or more persons who are not **insured persons** and who bring and maintain the **claim** without the solicitation, assistance or participation of any of the **insureds**.

I. Outside Service

We are not liable to pay, indemnify or defend any **claim** for any **wrongful act** in the discharge of the duties of any of the **insured persons** as a director, officer, trustee, employee, volunteer or member of any entity other than the **organization**, even if directed or requested to serve such other entity by the **organization;** provided, however, that this exclusion shall not apply to the extent:

1. Such **claim** is based on the service of an **insured person** in an **outside position**; and

2. The **loss** resulting from such **claim** is not indemnified by the **outside organization** or any of its insurers.

J. Third Party Discrimination or Sexual Harassment

We are not liable to pay, indemnify or defend any **claim** for any discrimination against or sexual harassment of any **third party**.

SECTION IV - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLES

A. We will pay 100% of **loss** in excess of the applicable Deductible amount set forth in the Community Association Directors and Officers Liability Coverage Part Declarations up to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

B. In the event a single **claim** is covered under more than one Insuring Agreement, the Deductibles set forth in the Community Association Directors and Officers Liability Coverage Part Declarations shall be applied separately to the part of the **loss** resulting from such **claim** covered by each Insuring Agreement and the sum of the Deductibles so applied shall constitute the Deductible for each single **claim**; provided, however, that the total Deductible as finally determined shall in no event exceed the largest of the applicable Deductibles. Notwithstanding the aforementioned, the Deductible applicable to Insuring Agreement **B.** shall apply to **loss** payable under any of the Insuring Agreements for which indemnification by the **organization** is legally permissible, whether or not actual indemnification is granted, unless the **organization** fails to indemnify any **insured person** due to the **financial impairment** of the **organization**. The Deductible shall be paid by the **organization**. Any **loss** paid by us within the Deductible shall be reimbursed by the **organization** within 30 days of our written request for such reimbursement.

C. **Defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations. **Defense costs** we pay shall reduce such Limits of Insurance. **Defense costs** paid by the **organization** shall be applied against the Deductible.

D. Our maximum aggregate liability for all **loss** resulting from all **claims** under this Coverage Part shall be the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

E. If an Additional Defense Limit of Insurance is set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, **defense costs** will apply first to and reduce the Additional Defense Limit of Insurance. The Additional Defense Limit of Insurance will be in addition to and not part of the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. The Additional Defense Limit of Liability is applicable to **defense costs** only. **Defense costs** paid by the **organization** shall be applied against the Deductible.

Upon exhaustion of the Additional Defense Limit of Insurance, **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. **Defense costs** we pay shall reduce the Limit of Insurance.

F. If an Excess Side A Limit of Insurance is set forth in the Community Association Directors and Officers Liability Coverage Part Declarations and if the Limit of Insurance has been exhausted, we provide the **insured persons** with an excess limit of insurance under Insuring Agreement **A.** Such Excess Side A Limit of Insurance will not exceed the amount set forth in the Community Association Directors and Officers Liability Coverage Part Declarations. The Excess Side A Limit of Insurance is in addition to and not part of the Limit of Insurance, and it applies solely to **loss** resulting from any **claim** against an **insured person** to which Insuring Agreement **A.** is applicable

G. It is agreed that:

1. If a **loss** from any **claim** is payable but such payment would exceed the remaining applicable Limit of Insurance as set forth in the Community Association Directors and Officers Liability Coverage Part Declarations, we will first pay the unpaid portion of such **loss** under Insuring Agreement **A.**; then to the extent that any amount of the applicable Limit of Insurance shall remain available, we will pay such **loss** to which Insuring Agreements **B.** and **C.** apply.

2. Upon written request of the president, chairperson or equivalent position of the **named insured**, we shall withhold payment of a covered **loss** under Insuring Agreements **B.** and **C.** until the president, chairperson or equivalent position of the **named insured** directs us to pay such covered **loss**. Such request shall not delay any payment under Insuring Agreement **A.**

SECTION VI - DEFENSE, INVESTIGATION AND SETTLEMENT

A. We will have the right and duty to select counsel and defend the **insureds** against any **claim**; however, we will have no duty to defend the **insureds** against any **claim** to which this insurance does not apply.

B. We may make any investigation we deem necessary and may, with the consent of the **insureds** named in connection with the **claim**, make any settlement of any **claim** we deem expedient. If the **insureds** withhold consent to such settlement, our liability for all **loss** in connection with such **claim** shall not exceed:

1. The amount of the proposed settlement plus **defense costs** incurred up to the date of the **insured's** refusal to consent to the proposed settlement; plus

2. 90% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 90% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement, subject in all events to the applicable Limit of Insurance and Deductible for such **claim**. The remaining 10% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 10% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement shall be borne by the **insureds**, uninsured and at their own risk.

C. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the defense or payment of damages, judgments or settlements of covered **claims**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS MANAGEMENT EMERGENCY RESPONSE EXPENSES ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. **SECTION I - INSURING AGREEMENTS** is amended to include the following Insuring Agreement:

We will reimburse the **organization** for reasonable **crisis management emergency response expenses** incurred because of a **crisis incident** giving rise to a **crisis announcement** to which this insurance applies. We will reimburse only those reasonable **crisis management emergency response expenses** which are incurred during the **policy year** and reported to us within six months of the date the **crisis announcement** was initiated.

B. **SECTION II - DEFINITIONS** is amended to include the following:

Crisis announcement means the public announcement that a **crisis incident** occurred on your premises or at an event sponsored by you.

Crisis management emergency response expenses mean those expenses incurred for services provided by a **crisis management firm**. However, **crisis management emergency response expenses** shall not include compensation, fees, benefits, overhead, charges or expenses of any **insured** or any of your **employees**, nor shall **crisis management emergency response expenses** include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

Crisis management firm means any service provider the **organization** hires that is acceptable to us. Our consent will not be unreasonably withheld.

Crisis incident means an accident or other event resulting in death or serious bodily injury to three or more persons. **Crisis incident** shall also mean the accidental discharge of **pollutants**.

C. **SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLES** is amended to include the following:

The Aggregate Limit of Insurance for all **crisis management emergency response expenses** paid under this endorsed Insuring Agreement shall be $25,000 per **policy year**. The Limit of Insurance provided by this endorsement is excess of, and applies in addition to, any similar coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

No deductible shall apply to **crisis management emergency response expenses** paid under this endorsed Insuring Agreement.

All other provisions of the policy remain unchanged except as herein expressly modified.

CAPITAL ENDORSEMENT™

TABLE OF CONTENTS

Begins on Page:

CAPITAL ENDORSEMENT™
CAPITAL SCHEDULE OF COVERAGE LIMITS

Coverages:	Limit of Insurance:	Deductible:
A. Additional Excess Side A	$250,000	$0
B. Business Travel Benefit	$50,000	$0
C. Conference Cancellation	$25,000	$0
D. Crisis Management Emergency Response	$50,000	$0
E. Death Benefit	$50,000	$0
F. Destroyed Records	$25,000	$0
G. Donation Security	$50,000	$0
H. Emergency Real Estate Consulting Fee	$50,000	$0
I. Emergency Travel Expense	$50,000	$0
J. Fundraising Event Cancellation Expense	$25,000	$0
K. Identity Theft Expense	$50,000	$0
L. Image Restoration and Counseling Expense	$50,000	$0
M. Immigration	$25,000	$0
N. Key Individual Replacement Expense	$50,000	$0
O. Kidnap Expense	$50,000	$0
P. Political Unrest Evacuation Expense	$10,000 per employee $50,000 policy limit	$0
Q. Temporary Meeting Space Expense	$50,000	$0
R. Travel Delay Expense	$2,500	$0
S. Unauthorized Business Card Use	$1,500	$500
T. Workplace Violence Counseling Expense	$50,000	$0

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAPITAL ENDORSEMENT™

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE

The insurance coverage and Limits of Insurance provided by this endorsement are excess of, and apply in addition to, any similar or identical coverage provided by any other endorsement attached to this Coverage Part, or by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component.

For the purposes of this endorsement only, **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE, SECTION II - DEFINITIONS** is amended to include the following:

A. Business-related conference expense means those expenses incurred by the **organization** for any employee(s) scheduled to attend a conference or convention provided that the employee(s) was (were) registered for the conference or convention at least 30 days prior to the conference's or convention's cancellation.

B. Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a **certified act of terrorism** include the following:

   1. The act resulted in **insured** losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

   2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy of affect the conduct of the United States Government by coercion.

C. Communicable disease means any disease or any related or resulting diseases, viruses, complexes, symptoms, manifestations, effects, conditions or illnesses, except this endorsement does not apply to any loss directly or indirectly attributable to Anthrax, Avian Influenza, Crimean-Congo Hemorrhagic Fever, Dengue Hemorrhagic Fever, Ebola Hemorrhagic Fever, Francisella Tularensis, Influenza, Lassa Fever, Marburg Hemorrhagic Fever, Meningococcal disease, Plague, Rift Valley Fever, Severe Acute Respiratory Syndrome, Smallpox, Tularemia, Yellow Fever or any pandemic or similar influenza which is defined by the United States Center for Disease Control as virulent human influenza that may cause global outbreak, or pandemic, or serious illness.

D. Covered event means an actual or alleged act, attempt or threat of sexual misconduct or sexual molestation directed at one or more of the **organization's** clients while in the **organization's** care, custody and control, committed by the **organization**, any of the **organization's** partners, directors, officers, employees, independent contractors or volunteers.

E. Covered person means:

   1. Any current director, officer or an equivalent position of the **organization**; or

   2. The spouse, **domestic partner**, parent, or child of a current director, officer or an equivalent position of the **organization**.

F. Crisis means the public announcement that an incident occurred on your premises or at an event sponsored by you.

G. Crisis management emergency response expenses mean those expenses incurred for services provided by a crisis management firm. However, crisis management emergency response expenses shall not include compensation, fees, benefits, overhead, charges or expenses of any **insured** or any of your employees, nor shall crisis management emergency response expenses include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.

H. **Crisis management firm** means any service provider the **organization** hire that is acceptable to us. Our consent will not be unreasonably withheld.

I. **Emergency evacuation expense** means**:**

1. Additional lodging expenses;

2. Additional transportation costs;

3. The cost of obtaining replacement of lost or stolen travel documents necessary for evacuation from the area of **political unrest**; and

4. Translation services, message transmittals and other communication expenses provided that these expenses are not otherwise reimbursable.

J. **Emergency travel expense** means:

1. Hotel expense incurred, and not reimbursed by any other source, as the result of the cancellation of scheduled transportation by a commercial transportation carrier for regular passenger service by land, water, or air. The cancellation must occur within forty-eight hours of a **certified act of terrorism**; and

2. The increased amount incurred and not reimbursed by any other source for air or train fare resulting from cancelling and rescheduling a form of transportation to replace a similarly scheduled form of transportation canceled by a commercial transportation carrier.

K. **Failed donation** means notice to the **insured** during the **policy year** of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a written pledge, made during the **policy year**, of funds or other measurable, tangible property to the **organization** provided that the donor has never been in bankruptcy or filed for bankruptcy/reorganization prior to the time the donor's pledge was made to the **organization**; or

2. The unemployment or **incapacitation** of an individual donor during the **policy year** preventing the donor from honoring a prior written pledge of funds or other measurable, tangible property to the **insured** provided that, if the donor is an individual who becomes unemployed or **incapacitated**:

a. Neither the **organization** nor the donor shall have had reason to believe the donor would become unemployed or **incapacitated** prior to the donation date;

b. The individual donor is unemployed or **incapacitated** for at least 60 days before payment is made by the Company; and

c. There is a written pledge of funds or other measurable, tangible property dated during the **policy year**.

L. **Identity theft** means the act of knowingly transferring or using, without lawful authority, a means of identification of any director, officer or an equivalent position (or spouse or **domestic partner** thereof) of the **organization** with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

M. **Identity theft expenses** mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;

2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and

3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

N. **Image restoration and counseling expense** means reasonable fees and expenses the **organization** necessarily incur after a **covered event** occurs for:

1. The services of a public relations or similar professional image restoration **organization** to assist or advise the **organization** in order to minimize negative publicity and restore or otherwise positively communicate the image of the **organization's** operations.

2. Legal counseling and professional psychological counseling or other necessary professional mental health treatment for **insured persons** as a result of a **covered event**. These **image restoration and counseling expenses** are payable only if and when the accused is acquitted or is discharged from being accused of committing the **covered event**.

3. The recruitment of a replacement for an officer who has been relieved of their duties in the **organization's** operations as a result of the **covered event**.

O. Incapacitated or incapacitation means a person who is impaired by physical injury, physical illness, or physical disability. The cause of the physical injury, physical illness or physical disability must be accidental.

P. Incident means an accident or other event resulting in death or serious bodily injury to three or more persons. **Incident** shall also mean the accidental discharge of pollutants.

Q. Injury means:

1. Accidental loss of life caused by physical injury to the body;

2. Accidental loss of limbs or multiple fingers; or

3. Accidental total loss of sight, speech or hearing.

The **injury** outlined in Paragraphs **1.**, **2.**, and **3.** above must physically occur to the current director, officer or an equivalent position.

R. Kidnap, **kidnapped**, or **kidnapping** means the illegal taking and holding of a **covered person** by an individual who demands a **ransom**. The **ransom** must specifically be demanded from the **organization's** assets as a condition for the release of the **covered person**.

S. Kidnap expense means:

1. Fees and expenses of an independent negotiator the **organization** have hired with our prior approval;

2. Incurred interest of loans taken for the purpose of paying **ransom**, provided that the loan is repaid within seven days of the **insured** receiving reimbursement from us;

3. Travel and accommodation expenses incurred by any current director, officer or an equivalent position of the **organization**;

4. Reward paid by the **insured**, with our prior approval, to an informant for information which leads to the arrest and conviction of parties responsible for a **kidnapping**, provided that the offer of such reward is approved by the local law enforcement officials; and

5. Gross salary including bonuses and allowances paid by the **organization** to its **kidnapped** director, officer or an equivalent position which is contractually due at the time the **kidnapping** occurs. The salary will be paid for a period beginning on the date of the **kidnap** and will end upon the earlier of:

   a. Up to 30 days after the release of the director, officer or an equivalent position, if the director, officer or an equivalent position has not yet returned to work;

   b. The discovery of the death of the director, officer or an equivalent position;

   c. 120 days after we receive the last credible evidence following the **kidnapping** that the director, officer or an equivalent position is still alive;

   d. 12 months after the date of the **kidnapping**; or

   e. The exhaustion of the kidnap expense limit.

T. Natural catastrophe means hurricane, tornado, earthquake or flood.

U. Political unrest means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;

2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or

3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States government's ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff for which either an alert or travel warning has been issued by the United States Department of State.

V. **Ransom** means money or other consideration demanded or paid for the release of a **covered person.**

W. **Replacement expense** means:

1. Costs of advertising the employment position opening;

2. Travel, lodging, and meals incurred in interviewing job applicants for the position opening; and

3. Reasonable extra expenses incurred with our prior consent in finding, interviewing and negotiating with the job applicants including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up employment contracts.

X. **Travel delay expense** means the following travel-related expense for which the director, officer or an equivalent position of the **organization** produces a receipt:

1. Meals and lodging;

2. Alternative transportation;

3. Clothing and necessary toiletries; or

4. Emergency prescription and non-prescription drug expenses.

Y. **Workplace violence** means any intentional use of or threat to use deadly force by any person with intent to cause harm and that results in bodily injury or death of any person while on the **insured's** premises.

Z. **Unforeseeable Destruction** means damage resulting from a **Certified Act of Terrorism**, fire, crash or collapse which renders all of the **insured's** primary office completely unusable.

For the purposes of this endorsement only, **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** is amended to include the following section:

COVERAGE EXTENSIONS

A. Additional Excess Side A

We will provide the **insured persons** with an excess limit of insurance under **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE** or **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE, SECTION I** - Insuring Agreement **A.** The limit provided under this coverage extension shall be excess of the Excess Side A Limit of Insurance (if purchased) and the Limit of Insurance as indicated on the Nonprofit Organization Directors and Officers Liability Coverage Part Declarations or Community Association Directors and Officers Liability Coverage Part Declarations. The limit of insurance applies solely to **loss** resulting from any **claim** against an **insured person** to which Insuring Agreement **A.** is applicable.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

B. Business Travel Benefit

1. We will pay the **organization** the business travel benefit if any current director, officer or an equivalent position while occupying, as a fare-paying passenger, a public conveyance provided and operated by a commercial transportation carrier for regular passenger service by land, water, or air suffers **injury** while traveling for purposes related to the business of the **organization** during the **policy year**.

2. We will not pay business travel benefit for **injury** caused directly or indirectly by any of the following:

   a. An intentional injury by the director, officer or an equivalent position or decedent;

   b. An act of suicide or attempted suicide by the director, officer or an equivalent position or decedent;

   c. An act of war; or

d. A disease process the director, officer or an equivalent position or decedent was diagnosed with prior to the suffered **injury** for which coverage under this Coverage Extension is sought.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

C. Conference Cancellation

We will reimburse the **organization** for any **business-related conference expense** incurred and not reimbursed by any other source as the result of a cancellation of a conference or convention. The cancellation must be the direct result of an order made by a civil authority responding to a **natural catastrophe** or to a **communicable disease** outbreak during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

D. Crisis Management Emergency Response Expenses

1. We will reimburse the **organization** for reasonable **crisis management emergency response expenses** incurred because of an **incident** giving rise to a **crisis** to which this insurance applies.
2. We will reimburse only those reasonable **crisis management emergency response expenses** which are incurred during the **policy year** and reported to us within six months of the date the **crisis** was initiated.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

E. Death Benefit

We will reimburse the **organization** for the death of a current director, officer or an equivalent position resulting from a **certified act of terrorism** occurring during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

F. Destroyed Records

We will reimburse the **organization** for any reasonable and necessary expenses required to reconstruct paper or electronic business records of the **organization** that are lost or destroyed resulting from a **natural catastrophe** or a **Certified Act of Terrorism** occurring during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage Limits. No deductible applies to this coverage extension.

G. Donation Security

1. We will reimburse the **organization** for a **failed donation** incurred and not reimbursed by any other source.
2. For non-cash donations, the value of the **failed donation** will be determined based on the fair market value of the non-cash item at the time of the **failed donation**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

H. Emergency Real Estate Consulting Fee

We will reimburse the **organization** any realtor's fee or real estate consultant's fee necessitated by the need of the **organization** to relocate due to the **unforeseeable destruction** of the principal address of the **organization** listed on the Pillar Common Policy Declarations page during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

I. Emergency Travel Expense

We will reimburse the **organization** reasonable **emergency travel expense**, while traveling for purposes related to their business pursuits during the **policy year**, incurred by the current director, officer or an equivalent position and necessitated by a **certified act of terrorism** which:

1. Occurs during the **policy year**; or

2. Begins to occur during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

J. Fundraising Event Cancellation Expense

We will reimburse the **organization** for fundraising event related expense incurred, and not reimbursed by any other source, due to the cancellation of a fundraising event. However:

1. The canceled fundraising event must not be rescheduled within the **policy year**; and
2. The fundraising event cancellation must be the direct result of an order made by a civil authority responding to a **natural catastrophe** or a **communicable disease** outbreak during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

K. Identity Theft Expense

We will reimburse any current director, officer or an equivalent position of the **organization** for **identity theft expenses** incurred as the direct result of any **identity theft** first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of this coverage extension or any similar coverage extension issued by us of which this coverage is a direct renewal.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

L. Image Restoration and Counseling Expense

We will pay the **organization** any **image restoration and counseling expense** resulting from a **covered event** that occurs during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

M. Immigration

We will reimburse the **organization** for any civil fines or penalties assessed against the **insured** for any non-willful violation of the United States Immigration and Nationality Act (INA) provided that such violation results from a notice of inspection, audit or investigation by a governmental agency commenced during the **policy year**. However, no coverage shall be granted to any **insured**:

1. against whom a final judgement has been made that such **insured** knowingly and willfully violated the INA or engaged in a pattern and practice of such violation as defined in INA; or
2. for any forfeiture of property or vehicles or any amount arising out of or related to any private right of action (Racketeer Influenced and Corrupt Organizations Act, injunctive or otherwise) under Title 8, USC, including any defense costs.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

N. Key Individual Replacement Expense

We will pay the reasonable **replacement expense** incurred, and not reimbursed by any other source, to replace the Chief Executive Officer or the Executive Director of the **organization** if the incumbent Chief Executive Officer or Executive Director of the **organization** is unable to continue due to death or permanent disability resulting from an **injury** that takes place during the **policy year**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

O. Kidnap Expense

We will pay the reasonable **kidnap expense** incurred by the **organization** or their current director, officer or an equivalent position as a result of the **kidnap** of a **covered person** that takes place during the **policy year**.

This coverage does not apply to any **kidnapping** by or at the direction of any past or present family member of the **covered person**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

P. Political Unrest Evacuation Expense

We will reimburse any current director, officer, employee or volunteer of the **organization** for **emergency evacuation expense** that is incurred as the direct result of **political unrest** outside of the United States of America, its territories and possessions, Puerto Rico or Canada. We will only pay **emergency evacuation expense** directly related to traveling for business pursuits and we will only pay **emergency evacuation expenses** not reimbursed by any other source. The **political unrest** must occur in the country where the current director, officer, employee or volunteer are traveling, and the **political unrest** must occur during the **policy year**.

No coverage is granted for travel to countries in a state of **political unrest** at the time of departure of the travel or countries under a United States Department of State trade or travel restriction at the time of incident of **political unrest**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

Q. Temporary Meeting Space Expense

We will reimburse the **organization** the meeting space rental expense incurred, and not reimbursed by any other source, due to the temporary unavailability of the primary meeting office space. The unavailability of the primary meeting space must be the result of direct loss to a climate control system or hot water heater during the **policy year**. However, Temporary Meeting Space Expense does not apply to the renting of a temporary meeting space solely for use by the **organization**, their employees, their officers or directors unless the temporary meeting space is also required for meeting with vendors, clients or customers outside the **organization**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

R. Travel Delay Expense

We will reimburse the current director, officer or an equivalent position of the **organization** any **travel delay expense** incurred, and not reimbursed by any other source, as a result of delay or cancellation of any regularly scheduled travel on a commercial transportation carrier. The regularly scheduled travel must be directly related to the business pursuits of the **organization** and the cause of the cancellation must occur during the **policy year**. However, we will only pay for **travel delay expense** first incurred seventy-two (72) hours after the cancellation occurred.

We will not pay for **travel delay expense** due to a **certified act of terrorism**.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

S. Unauthorized Business Card Use

We will pay for the loss of money or charges and costs the **organization** incur that result directly from the unauthorized use of credit, debit or charge cards issued in the business name, including:

1. Fund transfer cards;
2. Charge plates; or
3. Telephone cards.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. A $500 deductible applies to this coverage extension. We will not pay for a loss in any one occurrence until the amount of the loss exceeds the deductible. We will then pay the amount of the loss in excess of the deductible, up to the Limit of Insurance.

T. Workplace Violence Counseling Expense

We will reimburse the **organization** for emotional counseling expense incurred and not reimbursed by any other source resulting from a **workplace violence** incident at the premises of the **organization** during the **policy year**. The emotional counseling expenses incurred must have been for:

1. The employees of the **organization** who were victims of or witnesses to the **workplace violence**;

2. The spouse, **domestic partner,** parents or children of the employees of the **organization** who were victims of, or witnesses to the **workplace violence**; and

3. Any other person or persons who directly witnessed the **workplace violence** incident.

The most we will pay under this coverage extension in any one **policy year** is the Limit of Insurance indicated in the Capital Schedule of Coverage. No deductible applies to this coverage extension.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FAILURE TO MAINTAIN INSURANCE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, or in consequence of any failure or omission on the part of any **insureds** to effect or maintain insurance or bond nor for the failure or omission to effect or maintain adequate amounts of insurance or bond.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRODUCT LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** for any product liability as hereafter defined. Product liability shall mean any allegations of failure, (or failure to perform as warranted), or malfunction of any product manufactured, distributed, sold, designed, maintained or traded by any **insureds**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL LIABILITY EXCLUSION (SCHEDULED)

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** for the rendering of or failure to render any professional service which is shown in the **Schedule of Excluded Professional Services** below by or on behalf of any **insureds**.

Schedule of Excluded Professional Services

ARCHITECTURE AND ENGINEERING CONSULTING

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SEXUAL MISCONDUCT OR PHYSICAL ABUSE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III - EXCLUSIONS is amended to add the following:

We are not liable to pay, indemnify or defend any **claim** where all or part of such **claim** is based upon, arising out of, or in consequence of any actual or alleged physical touching or bodily contact or any threat thereof. Such physical touching or bodily contact shall include but not be limited to acts of a sexual nature.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED CYBER EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

SECTION III – EXCLUSIONS, D. is deleted in its entirety and replaced with the following:

D. Cyber

We are not liable to pay, indemnify or defend any **claim** for any actual or alleged:

1. Improper dissemination of personally identifiable information or protected health information or any violation of European Union General Data Protection Regulation, the California Consumer Privacy Act or any rules, regulations or orders promulgated thereunder or any similar provisions of any federal, state or local statutory or common law;

2. Liability of any **insured** for the transmission of malicious code or unauthorized access to any computer system; or use of the **organization's** computer system in a denial of service attack against a third party's computer system; or a denial of authorized electronic access to any computer system; or the disclosure or misappropriation of information that is subject to any form of confidentiality agreement or confidentiality provision in a contract or agreement between a third party and any **insured** or which the **insured** is legally required to maintain in confidence;

3. Liability of any **insured** for a failure to maintain adequate security controls to prevent a data breach or infiltration of the **insured's** computer system, including but not limited to ransomware and extortion;

4. Liability of any **insured** arising out of internet and electronic services which are performed for or on behalf of any client or customer of the **organization** through the transmission of electronic data to or from the **organization's** internet website or through a private computer network controlled by the **organization**;

5. Liability of any **insured** for internet professional services the **organization** provides to others which may include, but are not limited to, application service provider, domain name registration services, electronic exchange and auction services, internet hosting services, internet media services, internet service provider service, managed and network security services, public key infrastructure services, search engine services, web portal services, website development, software development and internet access provider; or

6. Liability of any **insured** for an intentional transfer of money, securities, goods, services or sensitive information to an unintended third party;

provided, however, that this exclusion shall not apply to any **claim** to which Insuring Agreement **A.** solely applies.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS EXCLUSION

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. SECTION II - DEFINITIONS is amended to include the following:

1. **Biometric information** means any:

   a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or

   b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

2. **Biometric privacy law** means the parts of any law, ordinance, regulation or rule that governs or relates to the collection, storage, disclosure, retention, destruction, protection, analysis, processing, use, sale, sharing, lease or trade of **biometric information**.

B. SECTION III - EXCLUSIONS is amended to include the following:

We are not liable to pay, indemnify or defend any **claim** based upon, attributable to or arising out of any actual or alleged violation of a **biometric privacy law.**

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXTRADITION COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
EDUCATORS LEGAL LIABILITY COVERAGE
FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE
NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE
PRIVATELY HELD COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE
PUBLICLY TRADED COMPANY DIRECTORS AND OFFICERS LIABILITY COVERAGE

A. **SECTION II - DEFINITIONS**, **A. Claim** is amended to include the following:

An official request for **extradition**, but any **claim** for **extradition** shall be limited to the payment of **extradition costs** only.

B. **SECTION II - DEFINITIONS** is amended to include the following:

1. **Extradition** means any formal process by which an **insured person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation, or the execution of a warrant for the arrest of an **insured person** where such execution is an element of **extradition**.
2. **Extradition costs** means reasonable and necessary fees and expenses directly resulting from a **claim** in which an **insured person** lawfully opposes, challenges, resists or defends against any request for the extradition of such **insured person** from his or her current country of employ and domicile to any other country for trial or otherwise to answer any criminal accusation, including the appeal of any order or other grant of extradition of such **insured person**.

All other provisions of the policy remain unchanged except as herein expressly modified.

The Cincinnati Insurance Company

A Stock Insurance Company

EMPLOYMENT PRACTICES LIABILITY COVERAGE PART DECLARATIONS

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

Policy Number: **EMO 063 35 02**

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Limit of Insurance:	$ **1,000,000**	in the aggregate
Optional Third Party Liability Sublimit	$ **1,000,000**	in the aggregate
Wage and Hour Defense Sublimit	$ **100,000**	in the aggregate
Immigration Defense Sublimit	$ **100,000**	in the aggregate
Additional Defense Limit of Insurance:	$ **UNLIMITED**	in the aggregate

Deductibles:	$ **10,000**	each **claim** under Insuring Agreement **A** (Employment Practices)
	$ **10,000**	each **claim** under Insuring Agreement **B** (Third Party)

Retroactive Date:	**N/A**
Prior or Pending Date:	**10-26-2021**
Continuity Date:	**10-26-2021**

Forms and endorsements applicable to this coverage part:

ML112	**01/18**	**EMPLOYMENT PRACTICES LIABILITY COVERAGE**
IA450EP	**11/87**	**VIOLATION OF EMPLOYEE PRIVACY ENDORSMENT**
ML4195	**09/18**	**NOTICE OF POST-EVENT SERVICES - WORKPLACE VIOLENCE EXPENSE COVERAGE**
ML205	**01/18**	**WORKPLACE VIOLENCE EXPENSE COVERAGE ENDORSEMENT**
ML349	**02/20**	**THIRD PARTY LIABILITY SEXUAL ASSAULT OR PHYSICAL ABUSE EXCLUSION**
ML361	**09/23**	**BIOMETRIC INFORMATION PRIVACY EXCLUSION**
ML4172	**01/18**	**ADDITIONAL INSURED ENDORSEMENT**
ML4224	**01/21**	**EMPLOYEE PRIVACY VIOLATION ENDORSEMENT**

EMPLOYMENT PRACTICES LIABILITY COVERAGE

TABLE OF CONTENTS

Coverage Part Provision: **Begins on Page:**

EMPLOYMENT PRACTICES LIABILITY COVERAGE

THIS COVERAGE PART PROVIDES CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. TO THE EXTENT IT IS NOT OTHERWISE INDICATED, THE LIMIT OF INSURANCE TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE COSTS, AND DEFENSE COSTS WILL BE APPLIED AGAINST THE DEDUCTIBLE. IN NO EVENT WILL WE BE LIABLE FOR DEFENSE COSTS OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE LIMIT OF INSURANCE. READ THE ENTIRE POLICY CAREFULLY.

SECTION I - INSURING AGREEMENTS

A. We will pay on behalf of the **insureds** all **loss** which they shall be legally obligated to pay resulting from any **employment claim** or **immigration claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for an **employment wrongful act** or **immigration wrongful act**.

B. If Optional Third Party Liability is purchased as set forth in the Employment Practices Liability Coverage Part Declarations, we will pay on behalf of the **insureds** all **loss** which they shall be legally obligated to pay resulting from any **third party claim** first made during the **policy period**, or any **extended reporting period** included in or endorsed to the policy, for a **third party wrongful act**.

We will have the right and duty to select counsel and defend the **insureds** against any such **claim**.

SECTION II - DEFINITIONS

Where set forth in bold type in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

A. **Benefits** means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, other than salary, wages or commissions to or for the benefit of an **employee** arising out of the employment relationship.

B. **Claim** means an **employment claim,** an **immigration claim** or a **third party claim**.

C. **Defense costs** means reasonable and necessary fees, costs, and expenses incurred by us or with our consent on behalf of the **insureds** or reimbursed to any of the **insureds** by us, resulting solely from the investigation, adjustment, defense and appeal of any **claim**. **Defense costs** includes, but is not limited to, the cost of expert consultants and witnesses, and premiums for appeal, injunction, attachment or supersedeas bonds (but not the obligation to furnish such bonds).

Defense costs shall not include:

1. Salaries, wages, fees, overhead or expenses of our employees or any **insureds**, directors, officers, trustees or employees, other than that portion of our employed attorneys' fees, salaries and expenses allocated to a specific **claim**;
2. Any amount covered by the duty to defend obligation of any other insurer; or
3. Any pre-tender fees, costs or expenses.

D. **Employee** includes, but is not limited to, full-time, part-time, seasonal, volunteer, contingent or leased workers as determined by the federal, state or local law. **Employee** does not include independent contractors as determined by federal, state or local law.

E. **Employment claim** means:

1. A written demand for monetary damages or non-monetary relief;
2. A civil proceeding commenced by the filing of a complaint or similar pleading;
3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;
4. An arbitration, mediation or similar alternative dispute resolution proceeding (other than a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement) if the **insured** is required or agrees to participate in such proceeding with our written consent;

5. In the context of an audit conducted by the Office of Federal Contract Compliance Programs, a Notice of Violation or Order to Show Cause or written demand for monetary or non-monetary relief, commenced by the receipt by an **insured** of such Notice, Order or written demand; or

6. A written request to toll or waive a statute of limitations relating to a potential **employment claim** described in Definitions **E.1.** through **E.5.** above;

which is brought by or on behalf of any past, present or prospective **employee(s)** of the **organization** against any of the **insureds**, including any appeal therefrom.

F. **Employment wrongful act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed for:

1. Wrongful discharge, dismissal or termination of employment, including constructive discharge;

2. Breach of any oral, written or implied employment contract or quasi-employment contract other than any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement;

3. Employment related misrepresentation;

4. Violation of any federal, state or local law that concerns employment discrimination:

   a. Including:

      1. Sexual harassment involving unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature; or

      2. Workplace bullying or workplace harassment of a non-sexual nature;

   b. That:

      1. Are made a condition of employment;

      2. Are used as a basis for employment decisions; or

      3. Create a work environment that is intimidating, offensive, hostile or interferes with performance;

5. Wrongful failure to employ or promote;

6. Wrongful demotion;

7. Wrongful discipline;

8. Wrongful deprivation of a career opportunity;

9. Negligent hiring, supervision, promotion or retention;

10. Negligent evaluation;

11. Employment related **personal injury**;

12. Wrongful failure to grant tenure;

13. Employment related wrongful infliction of emotional distress;

14. Violation of the Family Medical Leave Act;

15. Wrongful **retaliation**;

16. Wrongful denial of training, denial or deprivation of seniority or evaluation;

17. Failure to adopt, create, provide or enforce adequate workplace or employment practices and procedures; or

18. Wrongful handling of any background check which is issued or expected to be used or collected in whole or in part for the purpose of serving as a factor in any employment related activities, including but not limited to any violation of the Fair Credit Reporting Act;

including any actual or alleged assault, battery, or loss of consortium in connection with Subparagraphs **1.** through **18.** above.

G. **Executive** means any natural person who was, now is or shall become the chairperson, president, chief executive officer, chief financial officer, executive director, in-house general counsel or person of equivalent position to any of the foregoing of the **organization**.

H. **Immigration claim** means any criminal investigation of any **insured** by any governmental agency for any actual or alleged hiring of illegal aliens.

I. **Immigration wrongful act** means any actual or alleged violation of the Immigration Reform and Control Act of 1986 or any amendments to or rules, regulations or orders promulgated pursuant to it, or similar provisions of any federal, state, or local statutory or common law.

J. **Insured** means the **organization** and the **insured persons**.

K. **Insured persons** means:

1. All natural persons who were, now are, or shall become an officer or a duly elected or appointed member of the board of directors, trustees, regents, managers, governors, a **LLC manager** or an equivalent position of the **organization**;
2. All natural persons who were, now are, or shall become an **employee** or committee member, whether or not they were, are or shall be compensated, of the **organization**;
3. All natural persons who were, now are, or shall become members or volunteers of the **organization**, if the **organization** is nonprofit in nature, while acting on behalf of the **organization** in a voluntary capacity at the direction of the board of directors, trustees, regents, managers, governors, or an equivalent position; and
4. Any natural person who is an independent contractor as determined by federal, state or local law, but only while acting in the capacity as such for the **organization** pursuant to an express written agreement between the independent contractor, or any entity on behalf of the independent contractor, and the **organization** and only if the **organization** agrees in writing to provide indemnification to such independent contractor; provided, however, that any coverage under this Coverage Part for any such independent contractor shall be excess of any indemnification or insurance otherwise available to such independent contractor from any other source;

but only for acts with respect to their duties for or service to the **organization**.

L. **LLC manager** means any natural person who was, now is or shall become a manager, member of the board of managers or member of the **organization** that is a limited liability company but only with respect to the conduct of the limited liability company's business. However, any member of a limited liability company who is a passive investor not involved in the operations of the limited liability company is not a **LLC manager.**

M. **Loss** means **defense costs** and the total amount of monetary damages which the **insured** becomes legally obligated to pay on account of any **claim** for a **wrongful act** with respect to which coverage hereunder applies, including damages (including back pay and front pay), judgments, settlements, prejudgment and postjudgment interest, and punitive or exemplary damages or the multiplied portion of any multiplied damage award if insurable under the applicable law most favorable to the insurability of punitive, exemplary or multiplied damages.

Loss shall not include any amount for which an **insured** is not financially liable, compensation earned in the course of employment but not paid by an **insured** or matters which are deemed uninsurable under the law pursuant to which this Coverage Part shall be construed.

Loss shall not include, (other than **defense costs**):

1. **Benefits** or the equivalent value, however, this provision does not apply to **loss** resulting solely from wrongful termination of employment;
2. Amounts, which arise out of, are based upon, or are attributable to the employment reinstatement of the claimant by an **insured** or the continued employment of the claimant;
3. Future compensation, including salary or **benefits** for an **employee**, if the **insured** is ordered in accordance with a judgment or other final adjudication but fails to reinstate the claimant as an **employee**;
4. That part of any express contract of employment or an express obligation to make payments in the event of the termination of employment;
5. Salary, wages, commissions, **benefits** or other monetary payments which constitute severance payments or payments pursuant to a notice period;
6. Civil or criminal fines or penalties imposed by law, liquidated damages (other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act), payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;

7. Future compensation, including salary or **benefits** for an **employee** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **claim**; or

8. Medical, pension, disability, life insurance, stock option or other **employee** type **benefit**.

N. **Organization** means the **named insured** and any **subsidiary**.

O. **Personal injury** means injury, other than bodily injury, arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;

2. Oral or written publication of material that libels, slanders or defames a past, present or prospective **employee**;

3. Invasion of a past, present or prospective **employee's** right of privacy;

4. Malicious prosecution; or

5. Abuse of process.

P. **Property damage** means:

1. Injury or damage, of any nature, to tangible or intangible property, including all resulting loss of use of that property; or

2. Loss of or loss of use of tangible or intangible property that is not otherwise injured or damaged.

Q. **Retaliation** means any actual or alleged wrongful termination of employment or other adverse employment action against a claimant with respect to any person's exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat of disclosure to a superior or to any governmental agency actual or alleged violations of the law, or having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.

R. **Third party** means any natural person who is not an **employee** of the **organization**.

S. **Third party claim** means:

1. A written demand for monetary damages or non-monetary relief;

2. A civil proceeding commenced by the filing of a complaint or similar pleading;

3. A formal administrative or regulatory proceeding commenced by the filing of a complaint, charge, formal investigative order or similar document;

4. An arbitration, mediation or similar alternative dispute resolution proceeding (other than a labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement) if the **insured** is required or agrees to participate in such proceeding with our written consent; or

5. A written request to toll or waive a statute of limitations relating to a potential **third party claim** described in Definitions **S.1.** through **S.4.** above;

which is brought by or on behalf of any **third party** against any of the **insureds**, including any appeal therefrom.

T. **Third party wrongful act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed, attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Employment Practices Liability Coverage Part Declarations and prior to the end of the **policy period** by an **insured** or any person for whose acts the **insured** is legally liable for:

1. Discrimination by any **insured** against a **third party** in violation of any applicable federal, state or local statute, ordinance or common law;

2. Sexual or other harassment by any **insured**, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature against a **third party** which violates the civil rights of the **third party**; or

3. **Wrongful eviction** when arising out of discrimination or harassment by any **insured** against a **third party** in violation of any applicable federal, state or local statute, ordinance or common law.

U. **Wrongful act** means an **employment wrongful act**, an **immigration wrongful act** or a **third party wrongful act** attempted or allegedly committed or attempted on or after the Retroactive Date, if any, set forth in the Employment Practices Liability Coverage Part Declarations and prior to the end of the **policy period** by an **insured** or any person for whose acts the **organization** is legally liable.

V. **Wrongful eviction** means the act of dispossessing or attempting to dispossess a **third party** of real property to which such **third party** claims a right to occupy, and such real property is owned, operated or controlled by the **organization**.

SECTION III - EXCLUSIONS

The descriptions in the headings of these exclusions are solely for convenience and form no part of the terms and conditions of coverage.

A. Exclusions applicable to **loss** other than **defense costs**:

1. Americans With Disabilities Act

This insurance does not apply to **loss** incurred by the **insured** in making physical changes, modifications, alterations, or improvements as part of an accommodation pursuant to the Americans With Disabilities Act or similar provisions of any federal, state or local statutory or common law; provided, however, that this exclusion does not apply to **defense costs**.

2. Wage and Hour (with Defense Sublimit)

This insurance does not apply to any **claim** based upon, arising out of or in consequence of the Fair Labor Standards Act (except the Equal Pay Act) or any amendments to or rules, regulations or orders promulgated pursuant to it, or similar provisions of any federal, state, or local statutory or common law; except we shall reimburse the **insureds** for up to a maximum payment of the Wage and Hour Defense Sublimit set forth in the Employment Practices Liability Coverage Part Declarations in **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Fair Labor Standards Act by any **insured**.

3. Immigration (with Defense Sublimit)

This insurance does not apply to any **immigration claim** except we shall reimburse the **insureds** for up to a maximum payment of the Immigration Claim Defense Sublimit set forth in the Employment Practices Liability Coverage Part Declarations in **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the Immigration Reform and Control Act of 1986 by any **insured**.

B. Exclusions applicable to all **loss**:

1. Bodily Injury/Property Damage

We are not liable to pay, indemnify or defend any **claim** for actual or alleged:

a. Bodily injury, sickness, disease, or death of any person; or

b. **Property damage**, including, but not limited to, physical injury, loss of or loss of use of currency or any negotiable or non-negotiable instruments or contracts representing money.

2. COBRA, ERISA, NLRA, OSHA and WARN (with Retaliation Carve Back)

This insurance does not apply to any **claim** based upon, arising out of or in consequence of the:

a. Consolidated Omnibus Budget Reconciliation Act of 1985;

b. Employee Retirement Income Security Act of 1974 (except Section 510 thereof);

c. National Labor Relations Act (including the Labor Management Relations Act of 1947);

d. Occupational Safety and Health Act;

e. Worker Adjustment and Retraining Notification Act; or

any amendments to or rules, regulations or orders promulgated pursuant to these laws, or similar provisions of any federal, state, or local statutory or common law. However, this exclusion shall not apply to any **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation of the acts described in **B.2.a.** through **B.2.e.** above by any **insured**.

3. Contractual (Other than Employment Contract)

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged liability of any **insureds** under the terms, conditions or warranties of any oral or written contract or agreement, except:

a. To the extent the liability would have attached to any such **insureds** in the absence thereof; or

b. With respect to any **claim** for breach of an employment contract.

4. Labor Relations

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged:

a. Labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement; or

b. **Wrongful act** committed, attempted, or allegedly committed or attempted concurrent with or after a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.

5. Workers' Compensation, Unemployment, Social Security and Disability (with Retaliation Carve Back)

We are not liable to pay, indemnify or defend any **claim** based upon, arising out of or in consequence of any actual or alleged obligation of any **insured** under any workers' compensation, unemployment insurance, social security, disability benefits or similar law, or derivative actions arising out of any of these. However, this exclusion shall not apply to any **employment claim** for retaliatory treatment by an **insured** due to the exercise of rights granted under any such law.

SECTION IV - SEVERABILITY OF EXCLUSIONS

With respect to determining the applicability of the above exclusions, no **wrongful act** or knowledge possessed by any one of the **insureds** shall be imputed to any other **insureds** to determine if coverage is available, unless indicated otherwise.

SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLE

A. The Limits of Insurance shown in the Employment Practices Liability Coverage Part Declarations and the rules below fix the most we will pay regardless of the number of:

1. **Insureds** under this Coverage Part;

2. **Claims** made or suits brought on account of **wrongful acts** or otherwise; or

3. Persons or organizations making **claims** or bringing suits.

B. Our liability shall apply only to that part of each covered **loss** which is excess of the Deductible amount specified in the Employment Practices Liability Coverage Part Declarations and such Deductible amount shall be borne by the **insureds**.

C. **Defense costs** incurred by us or by the **insured** with our written consent are part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations. **Defense costs** we pay shall reduce such Limits of Insurance. **Defense costs** paid by the **insureds** shall be applied against the Deductible.

D. Our maximum aggregate liability for all **loss** resulting from all **claims** under this Coverage Part shall be the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations, subject to the Shared Annual Aggregate Limit of Liability, if so set forth in the Common Policy Declarations.

E. If an Additional Defense Limit of Insurance is set forth in the Employment Practices Liability Coverage Part Declarations, **defense costs** will apply first to and reduce the Additional Defense Limit of Insurance. The Additional Defense Limit of Insurance will be in addition to, and not part of the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations. The Additional Defense Limit of Liability is applicable to **defense costs** only. **Defense costs** paid by the **insureds** shall be applied against the Deductible.

Upon exhaustion of the Additional Defense Limit of Insurance, **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations. **Defense costs** we pay shall reduce the Limit of Insurance.

SECTION VI - DEFENSE, INVESTIGATION AND SETTLEMENT

A. We will have the right and duty to select counsel and defend the **insureds** against any **claim**; however, we will have no duty to defend the **insureds** against any **claim** to which this insurance does not apply.

B. We may make any investigation we deem necessary and may, with the consent of the **insureds** named in connection with the **claim**, make any settlement of any **claim** we deem expedient. If the **insureds** withhold consent to such settlement, our liability for all **loss** in connection with such **claim** shall not exceed:

1. The amount of the proposed settlement plus **defense costs** incurred up to the date of the **insured's** refusal to consent to the proposed settlement; plus

2. 90% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 90% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement, subject in all events to the applicable Limit of Insurance and Deductible for such **claim**. The remaining 10% of any settlement or judgment in excess of the proposed settlement amount referenced in **B.1.** above plus 10% of any **defense costs** incurred after the date the **insureds** refused to consent to the proposed settlement shall be borne by the **insureds**, uninsured and at their own risk.

C. Our right and duty to defend end when we have used up the applicable Limit of Insurance in the defense or payment of damages, judgments or settlements of covered **claims**.

SECTION VII - SUPPLEMENTARY PAYMENTS

We will pay with respect to any **claim** we defend:

A. The cost of any appeal bond, attachment bond, or any similar bond, but only for bond amounts within the applicable Limit of Insurance; provided, however, that we do not have to apply for or furnish these bonds; and

B. All reasonable expenses incurred by the **insured** at our request to assist us in the investigation or defense of the **claim**, including actual loss of earnings up to $250 a day because of time off from work.

These payments will not reduce the Limits of Insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

VIOLATION OF EMPLOYEE PRIVACY ENDORSEMENT (DEFENSE COSTS ONLY WITH SUBLIMIT)

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

In consideration of the premium charged, it is agreed that solely with respect to this Employment Practices Liability Coverage Part, the following shall apply:

(1) The Company's maximum aggregate liability for all Defense Costs on account of all Employment Claims for a "Violation of Employee Privacy" (as defined below) shall be $250,000, which amount is part of, and not in addition to, the Company's Maximum Aggregate Limit of Liability set forth in Item 2 of the EPL Declarations.

(2) No coverage will be available under this Coverage Part for Loss, other than Defense Costs, on account of any Employment Claim for a Violation of Employee Privacy.

(3) The definition of Employment Practices Wrongful Act, as set forth in Section II. Definitions, of this Coverage Part is amended to include the following:

Employment Practices Wrongful Act shall also mean any actual or alleged Violation of Employee Privacy committed, attempted, or allegedly committed or attempted by an Organization or by an Insured Person while acting in his or her capacity as such.

(4) Section XII. Coordination of Coverage, of the General Terms and Conditions is amended to include the following:

Additionally, any Loss otherwise covered pursuant to the terms of this endorsement and the Cyber Defense Coverage Part, if purchased, shall be first covered under this Coverage Part, subject to its terms, conditions, and limitations.

(5) For the purposes of this endorsement, the following terms shall have the meanings set forth below:

"Violation of Employee Privacy" means an Organization's failure to:

(i) secure an employee's "Record" (as defined below) from actual or potential unauthorized access by another person or by an organization which results in injury to such employee; or

(ii) provide notice as required by any state, federal or local statutory law or common law anywhere in the world to an employee whose Record was accessed or may have been accessed by an unauthorized person.

"Record" means an employee's first name or first initial, and last name, in combination with:

(i) their social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);

(ii) their financial account number (including a bank account number, retirement account number, or healthcare spending account number);

(iii) their credit, debit or other payment card number; or

(iv) any individually identifiable health information, pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), held by the Organization,

when any such information in (i) through (iv) above is intended by the Organization to be accessible only by persons or organizations specifically authorized by the Organization to have access to such information.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other provisions of the policy remain unchanged except as herein expressly modified.

NOTICE OF POST-EVENT SERVICES - WORKPLACE VIOLENCE EXPENSE COVERAGE

Your policy includes valuable workplace violence expense coverage from the Cincinnati Insurance Company. In the event of a workplace violence event, you may utilize an outside vendor to assist your organization. The associated workplace violence expenses may be covered by your policy. The Cincinnati Insurance Company has teamed with Black Swan Solutions. A crisis management service through Empathia, Inc., Black Swan is a leader in supporting organizations affected by crisis and can provide policyholders with services following a workplace violence event. While you have no obligation to use the services of Black Swan Solutions, they are available if you want to consult with an outside vendor. However, if you opt to use the services of another organization or choose not to utilize an outside vendor, it will not impact your coverage under the Workplace Violence Expense Coverage Endorsement.

Black Swan Solutions offers a variety of services. Some expenses related to these services may be covered by your policy and some may not. The final determination of any expense reimbursement coverage will come from the Cincinnati Insurance Company. Black Swan Solutions can also engage in pre-event consulting, but such an expense would be borne solely by you.

The Cincinnati Insurance Company Workplace Violence Post-Event Hotline, monitored by Black Swan Solutions, is available to help your organization and your employees after a workplace violence event. You can contact Black Swan Solutions any time of day or night by calling our 24 hour hotline: 877-841-1082.

Use of Workplace Violence Post-Event Hotline will not be deemed to satisfy any notice of claim or notice of workplace violence event provision contained in any policy. The selection of a vendor is the independent choice of the policyholder. The Cincinnati Insurance Company makes no warranties and assumes no liability for services, products, or loss control measures provided by Black Swan Solutions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WORKPLACE VIOLENCE EXPENSE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION I - INSURING AGREEMENTS is amended to include the following Insuring Agreement:

We will reimburse all **workplace violence expenses** sustained by the **organization** as a result of a **workplace violence event** occurring during the **policy period** and reported to us as soon as practicable but in no event after the expiration of the policy or any **extended reporting period** included in or endorsed to this Coverage Part.

B. SECTION II - DEFINITIONS is amended to include the following:

1. Business interruption expense means:

a. The excess of revenues over expenses, if any, that would have been earned by the **organization** had no **workplace violence event** occurred; and

b. The reasonable costs and expenses that would not have been incurred by the **organization** except for a **workplace violence event** with the sole purpose to:

(1) Continue the activities necessary for the organization to resume operations to substantially the same level that existed immediately prior to the **workplace violence event**; or

(2) Reduce any **business interruption expense**, not to exceed the amount of actual reduction of such **business interruption expense.**

However, **business interruption expense** shall be reduced by all recoveries, other insurance, suretyship and other indemnity which cover **business interruption expense**. Additionally, **business interruption expense** shall be reduced by the amount by which the organization reasonably could have reduced **business interruption expense** but fails to do so.

2. Premises means any building, facility or property occupied by the **organization** in the conduct of its business.

3. Workplace violence event means any actual or alleged intentional and unlawful:

a. Use of deadly force; or

b. Threat of deadly force involving the display of a lethal weapon;

which occurs on **premises** and which did or could result in bodily injury or death to an **insured person**.

4. Workplace violence expenses means the reasonable fees, costs and expenses for:

a. The services of an independent security consultant for up to 90 days following a **workplace violence event**;

b. The services of an independent public relations consultant for up to 90 days following a **workplace violence event**;

c. Counseling services provided to **insured persons** by an independent counselor on **premises** for up to 120 days following a **workplace violence event**;

d. Independent security guards and other reasonable costs to secure the **premises** for up to 30 days following a **workplace violence event**;

e. The services of an independent forensic analyst for up to 120 days following a **workplace violence event**;

f. The salaries or wages for up to 90 days following a **workplace violence event** paid by the **organization** to **insured persons** victimized by a **workplace violence event** and unable to work because of such **workplace violence event**; and

g. **Business interruption expense** until the earlier of 90 days following a **workplace violence event** or until the organization restores operations to substantially the same level that existed immediately prior to the **workplace violence event.**

C. **SECTION III - EXCLUSIONS, B.** is amended to include the following:

1. Robbery

This insurance does not apply to any **workplace violence event** based upon, arising out of or in consequence of a purpose of demanding money, securities or property.

2. Riot

This insurance does not apply to any **workplace violence event** based upon, arising out of or in consequence of riot, civil upheaval or civil unrest.

D. **SECTION V - LIMIT OF INSURANCE AND DEDUCTIBLE** is amended to include the following:

1. The Aggregate Limit of Insurance for all **workplace violence expenses** paid under this endorsed Insuring Agreement shall be $ **100,000** per **policy year** and shall apply as indicated by ☒ below:

☐ This separate limit shall be in addition to and not part of the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations.

☒ This sublimit shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations.

2. No deductible shall apply to **workplace violence expenses** paid under this endorsed Insuring Agreement.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIRD PARTY LIABILITY SEXUAL ASSAULT OR PHYSICAL ABUSE EXCLUSION

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS, **T. Third party wrongful act**, **2.** is deleted in its entirety and replaced by the following:

2. Sexual or other harassment solely and entirely of a verbal or **nonphysical** nature by any **insured** against any **third party** which violates the civil rights of the **third party**, including unwelcome verbal or **nonphysical** sexual advances or requests for sexual favors; or

B. SECTION II - DEFINITIONS is amended to include the following:

Nonphysical means not involving any physical touching or bodily contact.

C. SECTION III – EXCLUSIONS, **B.** is amended to include the following:

Exclusions applicable to **INSURING AGREEMENT B.** only:

1. We are not liable to pay, indemnify or defend any **claim** based upon, arising out of, in consequence of, or in any way involving any actual or alleged physical touching or bodily contact of a **third party** by any **insured**.

2. We are not liable to pay, indemnify or defend any **claim** where all or part of such **claim** is based upon, arising out of, in consequence of, or in any way involving any actual or alleged rape, sexual abuse, sexual assault, sexual battery, or sexual molestation of a **third party** by any **insured**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIOLATION OF BIOMETRIC INFORMATION PRIVACY LAWS EXCLUSION

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS is amended to include the following:

1. **Biometric information** means any:

   a. Biological measurement or physical characteristic of an individual, including but not limited to a retina or iris scan, fingerprint, palmprint, voiceprint, hand or face geometry, vein pattern, genetic data, movement, or any other information that can be used as a form of identification or authentication; or

   b. Information, regardless of how it is captured, converted, stored or shared, based on an individual's biological measurement or physical characteristic.

2. **Biometric privacy law** means the parts of any law, ordinance, regulation or rule that governs or relates to the collection, storage, disclosure, retention, destruction, protection, analysis, processing, use, sale, sharing, lease or trade of **biometric information**.

B. SECTION III - EXCLUSIONS, B. is amended to include the following:

We are not liable to pay, indemnify or defend any **claim** based upon, attributable to or arising out of any actual or alleged violation of a **biometric privacy law.** However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged violation regarding a violation of a **biometric privacy law** by any **insured**.

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED ENDORSEMENT

This endorsement modifies insurance provided under the Coverage Part(s) as indicated by ☒ below:

- ☐ **BANKERS PROFESSIONAL LIABILITY COVERAGE**
- ☐ **COMMUNITY ASSOCIATION DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **EDUCATORS LEGAL LIABILITY COVERAGE**
- ☒ **EMPLOYMENT PRACTICES LIABILITY COVERAGE**
- ☐ **FIDUCIARY LIABILITY COVERAGE**
- ☐ **FINANCIAL INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **HEALTHCARE INSTITUTIONS DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **NONPROFIT ORGANIZATION DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **PRIVATELY HELD DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **PUBLICLY TRADED DIRECTORS AND OFFICERS LIABILITY COVERAGE**
- ☐ **TRUST SERVICES ERRORS AND OMISSIONS COVERAGE**

Insured is amended to include the **additional insured(s)** if a written contract exists in which the **named insured** agrees in writing to provide indemnification to such **additional insured(s)**, but only for **claims**:

1. Arising out of the **wrongful acts** of the **additional insured** while acting at the direction of the **named insured** or any **subsidiary**; or

2. Arising out of the **wrongful acts** of the **insureds** (other than an **additional insured)** for which the **additional insured** is vicariously liable;

provided, however, that any coverage provided under this endorsement shall be excess of any indemnification or insurance otherwise available to such **additional insured** from any other source and limited to the extent that an **insured** (other than an **additional insured**) is and remains a codefendant in the **claim** along with the **additional insured**.

As used in this endorsement, **additional insured** means any entity(ies), position(s) and/or natural person(s) shown in the Schedule below.

SCHEDULE

PROPERTY MANAGER

All other provisions of the policy remain unchanged except as herein expressly modified.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE PRIVACY VIOLATION ENDORSEMENT (DEFENSE COSTS ONLY WITH SUBLIMIT)

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY COVERAGE

A. SECTION II - DEFINITIONS, F. is amended to include the following:

Employment wrongful act shall also mean any actual or alleged **employee privacy violation** committed, attempted, or allegedly committed or attempted by an **insured** while acting in the capacity as such.

B. SECTION II - DEFINITIONS is amended to add the following:

Employee privacy violation means an **insured's** failure to:

1. Secure an employee's **record** from actual or potential unauthorized access by another person or entity which results in injury to such **employee**; or
2. Provide notice as required by any state, federal or local statutory law or common law to an **employee** whose **record** was accessed or may have been accessed by an unauthorized person.

Record means an **employee's** first name or first initial, and last name, in combination with:

1. Their social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
2. Their financial account number (including a bank account number, retirement account number, or healthcare spending account number);
3. Their credit, debit or other payment card number; or
4. Any personally identifiable health information, pursuant to the Health Insurance Portability and Accountability Act of 1996, held by the **organization**,

when any such information in **1.** through **4.** above is intended by the **organization** to be accessible only by persons or entities specifically authorized by the **organization** to have access to such information.

C. SECTION III - EXCLUSIONS is amended to include the following:

This insurance does not apply to any **claim** based upon, arising out of or in consequence of an **employee privacy violation**; except we shall reimburse the **insured** for up to a maximum payment of $**250,000** for **defense costs** that exceed the Deductible amount as set forth in the Employment Practices Liability Coverage Part Declarations. Any payment of **defense costs** shall be part of and not in addition to the Limit of Insurance set forth in the Employment Practices Liability Coverage Part Declarations and such payment reduces the Limit of Insurance. However, this exclusion shall not apply to an **employment claim** for retaliatory treatment of a person with respect to actual or threatened disclosures by such person of any actual or alleged **employee privacy violation** by any **insured**.

All other provisions of the policy remain unchanged except as herein expressly modified.

The Cincinnati Insurance Company

A Stock Insurance Company

CRIME XC+® (EXPANDED COVERAGE PLUS) COVERAGE PART DECLARATIONS

Policy Number: **EMO 063 35 02**

Named Insured is the same as it appears in the Common Policy Declarations unless another entry is made here.

Insuring Agreements	Limit of Insurance	Deductible Amount
Employee Theft	$**50,000**	$**500**
Forgery or Alteration	$**50,000**	$**500**
Inside the Premises - Theft of Money and Securities	$**25,000**	$**500**
Outside the Premises - Theft of Money and Securities	$**25,000**	$**500**
Money Orders and Counterfeit Money	$**25,000**	$**500**
Computer Fraud	$**10,000**	$**500**
Funds Transfer Fraud	$**10,000**	$**500**

Forms and endorsements applicable to this coverage part:

ML117 05/23 CRIME EXPANDED COVERAGE (XC®)

CRIME EXPANDED COVERAGE (XC®)

TABLE OF CONTENTS

CRIME EXPANDED COVERAGE (XC®)

Throughout this Coverage Part 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.

SECTION I - INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which a Limit of Insurance is shown in the Declarations and applies to loss that you or a **subsidiary** sustain resulting directly from an **occurrence** taking place at any time which is **discovered** by you or a **subsidiary** during the Policy Period shown in the Common Policy Declarations or during the period of time provided in the Extended Period to Discover Loss Condition **VI.A.7.:**

A. Employee Theft

We will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from **theft** committed by an **employee**, whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, **theft** shall also include forgery.

B. Forgery or Alteration

1. We will pay for loss resulting directly from **forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **money** that are:

a. Made or drawn by or drawn upon you; or

b. Made or drawn by one acting as your agent;

or that are purported to have been so made or drawn.

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

2. If you are sued for refusing to pay any instrument covered in Paragraph **B.1.**, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

C. Inside the Premises - Theft of Money and Securities

1. We will pay for loss of **money** and **securities** inside the **premises** or **banking premises**:

a. Resulting directly from **theft** committed by a person present inside such **premises** or **banking premises**; or

b. Resulting directly from disappearance or destruction.

2. We will pay for loss from damage to the **premises** or its exterior resulting directly from an actual or attempted **theft** of **money** and **securities**, if you are the owner of the **premises** or are liable for damage to it.

3. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **premises** resulting directly from an actual or attempted **theft** of or unlawful entry into those containers.

D. Outside the Premises - Theft of Money and Securities

We will pay for loss of **money** and **securities** outside the **premises** in the care and custody of a **messenger** or an armored motor vehicle company resulting directly from **theft**, disappearance or destruction.

E. Money Orders and Counterfeit Money

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, **money** or services:

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; or

2. **Counterfeit money** that is acquired during the regular course of business.

F. Computer Fraud

We will pay for loss of or damage to **money**, **securities** and **other property** resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the **premises** or **banking premises**:

1. To a person (other than a **messenger**) outside those **premises**; or

2. To a place outside those **premises**.

G. Funds Transfer Fraud

We will pay for loss of **funds** resulting directly from a **fraudulent instruction** directing a financial institution to transfer, pay or deliver **funds** from your **transfer account**.

SECTION II - DEFINITIONS

Where set forth in bold type in this Coverage Part, whether in singular or in plural, the following terms shall have the meanings indicated.

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

B. **Counterfeit money** means an imitation of **money** that is intended to deceive and to be taken as genuine.

C. **Debtor in possession** means a "debtor in possession" as that term is defined in Title 11 of the United States Code, as amended.

D. **Discover** or **discovered** means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance 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.

Discover 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 insurance.

E. **Employee:**

1. **Employee** means:

   a. Any natural person:

   (1) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to **theft** or any other dishonest act committed by the **employee**;

   (2) Who you compensate directly by salary, wages or commissions; and

   (3) Who you have the right to direct and control while performing services for you;

   b. Any natural person who is furnished temporarily to you:

   (1) To substitute for a permanent **employee** as defined in Paragraph **1.a.**, who is on leave; or

   (2) To meet seasonal or short-term work load conditions;

   while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **premises**;

   c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **1.b.**;

   d. Any natural person who is:

(1) A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any **employee benefit plan**; and

(2) A director or trustee of yours while that person is engaged in handling **funds** or **other property** of any **employee benefit plan**;

e. Any natural person who is a former **employee**, partner, **member**, **manager**, director or trustee retained as a consultant while performing services for you;

f. Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the **premises**;

g. Any **employee** of an entity merged or consolidated with you prior to the effective date of this insurance;

h. Any of your **managers**, directors or trustees while:

(1) Performing acts within the scope of the usual duties of an **employee**; or

(2) Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf; or

i. Any non-compensated natural person:

(1) Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an **employee**; or

(2) While acting as a fund solicitor during fund raising campaigns.

2. **Employee** does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **D.1.**

3. **Employee** also means any **employee** of any **subsidiary**.

F. **Employee benefit plan** means any welfare or pension benefit plan that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

G. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.

H. **Fraudulent Instructions** means:

1. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

2. A written instruction (other than those described in Insuring Agreement **B**.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

3. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an **employee** but which was in fact fraudulently transmitted by someone else without your or the **employee's** knowledge or consent.

I. **Funds** means **money** and **securities**.

J. **Manager** means a person serving in a directorial capacity for a limited liability company.

K. **Member** means an owner of a limited liability company represented by its membership interest, who also may serve as a **manager**.

L. **Messenger** means you, or a relative of yours, or any of your partners or **members**, or any **employee** while having care and custody of property outside the **premises**.

M. **Money** means:

1. Currency, coins and bank notes in current use and having a face value; and

2. Travelers checks, register checks and money orders held for sale to the public.

N. **Occurrence** means:

1. Under Insuring Agreement **A.:**

   a. An individual act;

   b. The combined total of all separate acts whether or not related; or

   c. A series of acts whether or not related;

   committed by an **employee** acting alone or in collusion with other persons, during the Policy Period shown in the Common Policy Declarations, before such Policy Period or both.

2. Under Insuring Agreement **B.:**

   a. An individual act;

   b. The combined total of all separate acts whether or not related; or

   c. A series of acts whether or not related;

   committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Common Policy Declarations, before such Policy Period or both.

3. Under All Other Insuring Agreements:

   a. An individual act or event;

   b. The combined total of all separate acts or events whether or not related; or

   c. A series of acts or events whether or not related;

   committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Common Policy Declarations, before such Policy Period or both.

O. **Other property** means any tangible property other than **money** and **securities** that has intrinsic value. **Other property** does not include computer programs, electronic data or any property specifically excluded under this insurance.

P. **Policy year** means the period within the Policy Period from the inception date as set forth in the Common Policy Declarations to the succeeding anniversary date exactly 1 year later at 12:01 AM standard time, and **policy year** means any subsequent annual period between anniversary dates at 12:01 AM standard time thereafter. In the event of a Policy Period less than 1 year, the **policy year** will be the same as the Policy Period.

In the event of an odd term Policy Period longer than 1 year, the **policy year** is the period from the inception date to the next chronological date which precedes the expiration date by exactly 1 or more years at 12:01 AM standard time. If there are subsequent annual periods remaining in the Policy Period after that date at 12:01 AM standard time, such annual periods will each be a **policy year**.

However, if after the issuance of this Coverage Part, any **policy year** is extended for an additional period of less than 12 months, that additional period of time will be deemed to be part of the last preceding **policy year**.

Q. **Premises** means the interior of that portion of any building you occupy in conducting your business.

R. **Securities** means negotiable and nonnegotiable instruments or contracts representing either **money** or property and includes:

1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include **money**.

S. **Subsidiary** means any entity in which the **named insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to vote for election of directors, trustees, managers (if a limited liability company) or equivalent positions and any such entity in its capacity as a **debtor in possession**.

T. **Theft** means the unlawful taking of property to the deprivation of the Insured.

U. **Transfer account** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of **funds**:

1. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

2. By means of written instructions (other than those described in Insuring Agreement **B.**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

V. **Watchperson** means any person you retain specifically to have care and custody of property inside the **premises** and who has no other duties.

SECTION III - EXCLUSIONS

The descriptions in the headings of these exclusions are solely for convenience and form no part of the terms and conditions of coverage.

A. Acts Committed by You, Your Partners or Your Members

This insurance does not cover loss resulting from **theft** or any other dishonest act committed by:

1. You; or

2. Any of your partners or **members**;

whether acting alone or in collusion with other persons.

B. Acts of Employees Learned of by You Prior to the Policy Period

This insurance does not cover loss caused by an **employee** if the **employee** had also committed **theft** or any other dishonest act prior to the effective date of this insurance and you or any of your partners, **members**, **managers**, officers, directors or trustees, not in collusion with the **employee**, learned of that **theft** or dishonest act prior to the Policy Period shown in the Common Policy Declarations.

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

This insurance does not cover loss resulting from **theft** or any other dishonest act committed by any of your **employees**, **managers**, directors, trustees or authorized representatives:

1. Whether acting alone or in collusion with other persons; or

2. While performing services for you or otherwise;

except when covered under Insuring Agreement **A.**

D. Confidential Information

This insurance does not cover loss resulting from:

1. The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or

2. The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

E. Governmental Action

This insurance does not cover loss resulting from seizure or destruction of property by order of governmental authority.

F. Indirect Loss

This insurance does not cover loss that is an indirect result of an **occurrence** covered by this insurance including, but not limited to, loss resulting from:

1. Your inability to realize income that you would have realized had there been no loss of or damage to **money**, **securities** or **other property**.

2. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.

3. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

G. Legal Fees, Costs and Expenses

This insurance does not cover fees, costs and expenses incurred by you which are related to any legal action, except when covered under Insuring Agreement **B.**

H. Nuclear Hazard

This insurance does not cover loss or damage resulting from nuclear reaction or radiation or radioactive contamination, however caused.

I. Pollutants

This insurance does not cover loss or damage caused by or resulting from pollutants. Pollutants mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, petroleum and petroleum by-products, and waste. Waste includes materials to be recycled, reconditioned or reclaimed. Pollutants include but are not limited to substances which are generally recognized in industry or government to be harmful or toxic to persons, property, or the environment regardless of whether injury or damage is caused directly or indirectly by the pollutants and whether:

1. You are regularly or otherwise engaged in activities which taint or degrade the environment; or

2. You use, generate or produce the pollutant.

J. War and Military Action

This insurance does not cover loss or damage resulting from:

1. War, including undeclared or civil war;

2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

K. Inventory Shortages

Insuring Agreements **A.** and **F.** do not cover loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

1. An inventory computation; or

2. A profit and loss computation.

However, for Insuring Agreement **A.** only, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

L. Trading

Insuring Agreement **A.** does not cover loss resulting from trading, whether in your name or in a genuine or fictitious account.

M. Warehouse Receipts

Insuring Agreement **A.** does not cover loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.

N. Accounting or Arithmetical Errors or Omissions

Insuring Agreements **C.** and **D.** do not cover loss resulting from accounting or arithmetical errors or omissions.

O. Exchanges or Purchases

Insuring Agreements **C.** and **D.** do not cover loss resulting from the giving or surrendering of property in any exchange or purchase.

P. Fire

Insuring Agreements **C.** and **D.** do not cover loss or damage resulting from fire, however caused, except:

1. Loss of or damage to **money** and **securities**; and

2. Loss from damage to a safe or vault.

Q. Money Operated Devices

Insuring Agreements **C.** and **D.** do not cover loss of property contained in any money operated device unless the amount of **money** deposited in it is recorded by a continuous recording instrument in the device.

R. Motor Vehicles or Equipment and Accessories

Insuring Agreements **C.** and **D.** do not cover loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

S. Transfer or Surrender of Property

1. Insuring Agreements **C.** and **D.** do not cover loss of or damage to property after it has been transferred or surrendered to a person or place outside the **premises** or **banking premises**:

a. On the basis of unauthorized instructions;

b. As a result of a threat to do bodily harm to any person;

c. As a result of a threat to do damage to any property;

d. As a result of a threat to introduce a denial of service attack into your computer system;

e. As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;

f. As a result of a threat to contaminate, pollute or render substandard your products or goods; or

g. As a result of a threat to disseminate, divulge or utilize:

(1) Your confidential information; or

(2) Weaknesses in the source code within your computer system.

2. But, this Exclusion does not apply under Insuring Agreement **D.** to loss of **money**, **securities** or **other property** while outside the **premises** in the care and custody of a **messenger** if you:

a. Had no knowledge of any threat at the time the conveyance began; or

b. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

T. Vandalism

Insuring Agreements **C.** and **D.** do not cover loss from damage to the **premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **other property** by vandalism or malicious mischief.

U. Voluntary Parting of Title to or Possession of Property

Insuring Agreements **C.** and **D.** do not cover loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

V. Insured Initiated Transfer

1. Insuring Agreement **F.** does not cover loss resulting directly or indirectly from you, your **employee** or any other natural person acting on your behalf having initiated, authorized or acted to assist in the transfer of **money**, **securities** or **other property**, regardless of whether such initiation, authorization or action was made voluntarily, under any real or perceived duress, or as the result of a communication (including, but not limited to, a legitimate or fraudulent email) directing such transfer.

2. Insuring Agreement **G.** does not cover loss resulting directly or indirectly from you, your **employee** or any other natural person acting on your behalf instructing a financial institution to pay or deliver **funds** from your **transfer account**, regardless of whether such instruction was issued voluntarily, under any real or perceived duress, or as the result of a communication (including, but not limited to, a legitimate or fraudulent email) directing such transfer.

W. Credit Card Transactions

Insuring Agreement **F.** does not cover loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

X. Funds Transfer Fraud

Insuring Agreement **F.** does not cover Loss resulting from a **fraudulent instruction** directing a financial institution to transfer, pay or deliver **funds** from your **transfer account**.

Y. Computer Fraud

Insuring Agreement **G.** does not cover loss resulting from the use of a computer to fraudulently cause a transfer of **money**, **securities**, or **other property**.

SECTION IV - LIMIT OF INSURANCE

A. The most we will pay for all loss resulting directly from an **occurrence** is the applicable Limit of Insurance shown in the Declarations.

B. If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

C. The Limits of Insurance stated in the Declarations are the most we will pay for all loss under any one Insuring Agreement or Coverage in any one **policy year**, regardless of the number of **occurrences**.

The Limits of Insurance of this Coverage Part apply separately to each **policy year**.

SECTION V - DEDUCTIBLE

A. We will not pay for loss resulting directly from an **occurrence** unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

B. In the event this insurance applies on an excess basis per Paragraph **b.(3)** in Condition **VI.A.11. Other Insurance**, then only the single highest deductible will apply to the loss.

SECTION VI - CONDITIONS

A. CONDITIONS APPLICABLE TO ALL INSURING AGREEMENTS

1. Additional Premises or Employees

If, while this insurance is in force, you establish any additional **premises** or hire additional **employees**, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such **premises** and **employees** shall automatically be covered under this insurance. Notice to us of an increase in the number of **premises** or **employees** need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Common Policy Declarations.

2. Concealment, Misrepresentation or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:

a. This insurance;

b. The property covered under this insurance;

c. Your interest in the property covered under this insurance; or

d. A claim under this insurance.

3. Consolidation - Merger or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

a. You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but

b. For the first 90 days after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all **occurrences** causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

4. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

5. Duties in the Event of Loss

After you **discover** a loss or a situation that may result in loss of or damage to **money**, **securities** or **other property** you must:

a. Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreement **A.** or **B.**) involves a violation of law, you must also notify the local law enforcement authorities.

b. Submit to examination under oath at our request and give us a signed statement of your answers.

c. Produce for our examination all pertinent records.

d. Give us a detailed, sworn proof of loss within 120 days.

e. Cooperate with us in the investigation and settlement of any claim.

6. Employee Benefit Plans

a. The **employee benefit plans** (hereafter referred to as Plan) are included as Insureds under Insuring Agreement **A.**

b. If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for Insuring Agreement **A.** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.

c. With respect to loss sustained or **discovered** by any such Plan, Insuring Agreement **A.** is replaced by the following:

We will pay for loss of or damage to **funds** and **other property** resulting directly from fraudulent or dishonest acts committed by an **employee**, whether identified or not, acting alone or in collusion with other persons.

d. If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.

e. If two or more Plans are insured under this insurance, any payment we make for loss:

(1) Sustained by two or more Plans; or

(2) Of commingled **funds** or **other property** of two or more Plans;

resulting directly from an **occurrence** will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.

f. The Deductible Amount applicable to Insuring Agreement **A.** does not apply to loss sustained by any Plan.

7. Extended Period to Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is **discovered** by you:

a. No later than 60 days from the date of that cancellation. However, this extended period to **discover** loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

b. No later than 1 year from the date of that cancellation with regard to any **employee benefit plans**.

8. Joint Insured

a. If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.

b. If any Insured, or partner, **member** or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.

c. An **employee** of any Insured is considered to be an **employee** of every Insured.

d. If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is **discovered** by you:

(1) No later than 60 days from the date of that cancellation. However, this extended period to **discover** loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

(2) No later than 1 year from the date of that cancellation with regard to any **employee benefit plans**.

e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.

f. Payment by us to the first Named Insured for loss sustained by any Insured, other than an **employee benefit plan**, shall fully release us on account of such loss.

9. Legal Action Against Us

You may not bring any legal action against us involving loss:

a. Unless you have complied with all the terms of this insurance;

b. Until 90 days after you have filed proof of loss with us; and

c. Unless brought within 2 years from the date you **discovered** the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

10. Liberalization

If we adopt any revision that would broaden the coverage under this insurance and would be effective during the Policy Period without additional premium, the broadened coverage will immediately apply to this insurance as of the latter of:

a. The date we implemented the change in the headquarters state which is the basis upon which the policy was issued; or

b. The date the applicable Coverage Part became effective.

11. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

a. Primary Insurance:

When this insurance is written as primary insurance, and:

(1) You have other insurance subject to the same terms and conditions as this insurance, issued by an insurer other than us or an insurer affiliated with us, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.

(2) You have other insurance, issued by an insurer other than us or an insurer affiliated with us, covering the same loss other than that described in Paragraph **a.(1)**, we will only pay for the amount of loss that exceeds:

(a) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or

(b) The Deductible Amount shown in the Declarations;

whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

b. Excess Insurance:

(1) When this insurance is written excess over other insurance issued by an insurer other than us or an insurer affiliated with us, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.

(2) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations, by the sum total of all such other insurance issued by an insurer other than us or an insurer affiliated with us, plus any Deductible Amount applicable to that other insurance.

(3) This insurance is excess of, and applies in addition to, any similar or identical insurance coverage provided by any other Coverage Part forming a part of the policy of insurance of which this Coverage Part forms a component. However, this insurance will not apply to that part of a loss falling within any deductible amount.

Paragraph **(3)** above supersedes any competing Other Insurance Condition contained in any other Coverage Part issued by us.

12. Ownership of Property; Interests Covered

The property covered under this insurance is limited to property:

a. That you own or lease; or

b. That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

13. Policy Bridge - Discovery Replacing Loss Sustained

a. If this insurance replaces insurance that provided you with an extended period of time after cancellation in which to discover loss and which did not terminate at the time this insurance became effective:

(1) We will not pay for any loss that occurred during the Policy Period of that prior insurance which is **discovered** by you during the extended period to **discover** loss, unless the amount of loss exceeds the Limit of Insurance and Deductible Amount of that prior insurance. In that case, we will pay for the excess loss subject to the terms and conditions of this policy.

(2) However, any payment we make for the excess loss will not be greater than the difference between the Limit of Insurance and Deductible Amount of that prior insurance and the Limit of Insurance shown in the Declarations. We will not apply the Deductible Amount shown in the Declarations to this excess loss.

b. The Other Insurance Condition **VI.A.11.** does not apply to this Condition.

14. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

15. Recoveries

a. Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:

(1) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;

(2) Second, to us in satisfaction of amounts paid in settlement of your claim;

(3) Third, to you in satisfaction of any Deductible Amount; and

(4) Fourth, to you in satisfaction of any loss not covered under this insurance.

b. Recoveries do not include any recovery:

(1) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or

(2) Of original **securities** after duplicates of them have been issued.

16. Territory

This insurance covers loss that you sustain resulting directly from an **occurrence** taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

17. Transfer of Your Rights of Recovery Against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

18. Valuation - Settlement

a. The value of any loss for purposes of coverage under this policy shall be determined as follows:

(1) Loss of **money** but only up to and including its face value. We will, at your option, pay for loss of **money** issued by any country other than the United States of America:

(a) At face value in the **money** issued by that country; or

(b) In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **discovered**.

(2) Loss of **securities** but only up to and including their value at the close of business on the day the loss was **discovered**. We may, at our option:

(a) Pay the market value of such **securities** or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **securities**; or

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **securities**. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

1) Market value of the **securities** at the close of business on the day the loss was **discovered**; or

2) The Limit of Insurance applicable to the **securities**.

(3) Loss of or damage to **other property** or loss from damage to the **premises** or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:

(a) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;

(b) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or

(c) The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs **18.a.(3)(a)** through **18.a.(3)(c),** we will not pay on a replacement cost basis for any loss or damage:

1) Until the lost or damaged property is actually repaired or replaced; and

2) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

b. We will, at your option, settle loss or damage to property other than **money**:

(1) In the **money** of the country in which the loss or damage occurred; or

(2) In the United States of America dollar equivalent of the **money** of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **discovered**.

c. Any property that we pay for or replace becomes our property.

19. Changes in This Coverage Part

No change or modification of, or assignment of interest under this Coverage Part shall be effective except when made by us through a written endorsement to this policy.

B. CONDITIONS APPLICABLE TO INSURING AGREEMENT **A.**

1. Termination as to Any Employee

This Insuring Agreement terminates as to any **employee**:

a. As soon as:

(1) You; or

(2) Any of your partners, **members**, **managers**, officers, directors or trustees not in collusion with the **employee**;

learn of **theft** or any other dishonest act committed by the **employee** whether before or after becoming employed by you.

b. On the date specified in a notice mailed to the first Named Insured. That date will be at least 30 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Territory

We will pay for loss caused by any **employee** while temporarily outside the territory specified in the Territory Condition **VI.A.16.** for a period of not more than 90 consecutive days.

C. CONDITIONS APPLICABLE TO INSURING AGREEMENT **B.**

1. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement **B.**

2. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

3. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

4. Territory

We will cover loss that you sustain resulting directly from an **occurrence** taking place anywhere in the world. Territory Condition **VI.A.16.** does not apply to Insuring Agreement **B.**

D. CONDITIONS APPLICABLE TO INSURING AGREEMENT **D.**

1. Armored Motor Vehicle Companies

Under Insuring Agreement **D.,** we will only pay for the amount of loss you cannot recover:

a. Under your contract with the armored motor vehicle company; and

b. From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

2. Special Limit of Insurance for Specified Property

We will only pay up to the lesser of $5,000 or the Limit of insurance for any one **occurrence** of loss of or damage to:

a. Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or

b. Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

E. CONDITIONS APPLICABLE TO INSURING AGREEMENT **F.**

1. Special Limit of Insurance for Specified Property

We will only pay up to $5,000 for any one **occurrence** of loss of, and loss from damage to, manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

2. Territory

We will cover loss that you sustain resulting directly from an **occurrence** taking place anywhere in the world. Territory Condition **VI.A.16.** does not apply to Insuring Agreement **F.**