

I. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which a Limit of Liability is shown in the Crime Coverage Part Declarations.

A. EMPLOYEE THEFT

The Insurer will pay for **Loss** sustained by the **Insured Entity** of **Money, Securities** and **Other Property** as a direct result of **Employee Theft**.

A.1 EMPLOYEE THEFT OF CLIENT PROPERTY WHILE ON CLIENT PREMISES

The Insurer will pay the **Insured Entity** for **Loss** sustained by the **Insured Entity** by reason of loss or damage to **Money, Securities** and **Other Property** owned or held by a **Client** on such **Client's Premises** as a direct result of **Employee Theft** while such **Employee** is performing assigned duties pursuant to a written contract between the **Insured Entity** and the **Client** and while such **Employees** are under the direction and control of the **Client**.

B. FORGERY OR ALTERATION-INCLUDING PERSONAL ACCOUNTS OF THE PROPRIETOR, PARTNERS, MEMBERS, AND OFFICERS OF THE INSURED ENTITY

The Insurer will pay for **Loss** sustained by the **Insured Entity** resulting from **Forgery** or **Alteration** of, on, or in **Covered Instruments** that are:

1. made or drawn by, or drawn upon, the **Insured Entity**; or,
2. made or drawn by one acting as the **Insured Entity's** agent,

or that are purported to have been so made or so drawn, by any person, acting alone or together with others. Mechanically reproduced facsimile signatures are the same as handwritten signatures.

The Insurer will also pay reasonable legal expenses that the **Insured Entity** incurs if the **Insured Entity** is sued for refusing to pay any of the **Covered Instruments** under Insuring Agreement B. on the basis that such instrument has been subject to **Forgery** or **Alteration**, and the **Insured Entity** has the Insurer's written consent to defend against the suit. The Insurer will pay for any reasonable and necessary legal expenses that the **Insured Entity** incurs in defense of the suit. The amount paid is additional to the applicable Limit of liability under Insuring Agreement B.

The Insurer will include the proprietor, partners, **Members** and officers of the **Insured Entity** as additional insureds under this Insuring Agreement, but only for **Loss** involving **Covered Instruments** of those persons' personal accounts and subject to the Limit of Liability and Deductible shown in the Crime **Coverage Part** Declarations, and subject to the definitions, exclusions and conditions pertaining to this Insuring Agreement B. Coverage provided for personal accounts is part of, and not in addition to, the Limit of Liability under Insuring Agreement B.

C. THEFT, DISAPPEARANCE AND DESTRUCTION OF MONEY AND SECURITIES

The Insurer will pay for **Loss** sustained by the **Insured Entity** as the direct result of the actual destruction, disappearance or **Theft** of **Money** and **Securities** within the **Premises** or within any **Banking Premises**.

This Insuring Agreement shall also include **Loss** sustained by the **Insured Entity** as the direct result of:

1. damage to the **Premises** or its exterior from an actual or attempted **Theft** of **Money** and **Securities**, if the **Insured Entity** is the owner of the **Premises** or is liable for damage to it; or
2. damage to a locked safe, vault, cash box, cash register or cash drawer within the **Premises** from an actual or attempted **Theft** of, or unlawful entry into those containers.

The Insurer will pay for **Loss** sustained by the **Insured Entity** as the direct result of the actual destruction, disappearance or **Theft** of **Money** and **Securities** while outside the **Premises** in the care and custody of a **Messenger** or armored motor vehicle company.

D. ROBBERY & SAFE BURGLARY OF OTHER PROPERTY

The Insurer will pay for **Loss** sustained by the **Insured Entity** of **Other Property** as the direct result of:

1. an actual or attempted **Robbery**, inside the **Premises**, of **Other Property** from the care and custody of any person, or **Safe Burglary** inside the **Premises**. The Insurer will also pay for **Loss** sustained by the **Insured Entity** due to damage to the **Premises** as a direct result of such actual or attempted **Robbery** or **Safe Burglary** if the **Insured Entity** is the owner of the **Premises** or is liable for damage to it. The Insurer will also pay for damage to a locked safe or vault located inside the **Premises** resulting directly from such actual or attempted **Safe Burglary**; or
2. an actual or attempted **Robbery** outside the **Premises** of **Other Property** while such **Other Property** is in the in the care and custody of a **Messenger** or an armored motor vehicle company and while such **Other Property** is in the active process of transportation.

But, the Insurer will pay only for the amount the **Insured Entity** cannot recover:

- a. under the **Insured Entity's** 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.

E. COUNTERFEIT MONEY ORDERS AND CURRENCY

The Insurer will pay for **Loss** sustained by the **Insured Entity** as a direct result of the **Insured Entity's** acceptance in good faith of:

1. **Counterfeit** postal or express money order issued or purported to have been issued by any post office, express company or bank that are not paid upon presentation; or
2. **Counterfeit** paper currency of the United States of America, or any other country in the exchange for merchandise, **Money** or services.

F. COMPUTER AND FUNDS TRANSFER FRAUD

The Insurer will pay for **Loss** sustained by the **Insured Entity** of:

1. **Money**, **Securities** and **Other Property** as a direct result of **Computer Fraud**; or
2. **Money** and **Securities** on deposit at a **Financial Institution**, subject to a **Transfer Agreement**, as a direct result of **Funds Transfer Fraud** provided that such **Transfer Agreement**:
 - a. contains a listing of the **Insured Entity's Employees** who are authorized to initiate wire transfers; and
 - b. requires the **Financial Institution** to make a telephone call to the **Insured Entity's** authorized **Employees** to verify any electronic or wire transfer instructions communicated by the **Insured Entity**, other than:
 - i. **Prearranged Transfers**; or
 - ii. transfers made through an automated teller machine before transferring **Money** or **Securities**; and
 - c. requires the **Financial Institution** to confirm completed transfers in writing to the **Insured Entity** within five working days; and
 - d. does not impair the **Insured Entity's** right of action against the **Financial Institution** for any loss of **Money** or **Securities** resulting from failure to exercise reasonable care or to comply.

II. DEFINITIONS

For purposes of this **Coverage Part**, words in bold, whether expressed in the singular or the plural, have the meaning set forth below even if otherwise defined elsewhere.

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

Banking Premises means the interior of that portion of any building occupied by a **Financial Institution**.

Client means a third party for whom the **Insured Entity** performs specified professional services for a fee.

Computer Fraud means **Theft of Money, Securities and Other Property** following and directly related to the use of any computer to fraudulently cause a transfer of that property to a person who is not an **Employee** or to an account of any **Financial Institution** not controlled by the **Insured Entity**.

Counterfeit means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

Coverage Part means the EPACK Extra Crime **Coverage Part**.

Covered Instruments means checks, drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **Money**, and also includes written instruments required in conjunction with any credit, debit or charge card issued to the **Insured Entity** or to any **Employee** for business purposes, or issued to any proprietor, partner, **Member** or officer of the **Insured Entity** for personal use.

Discover or **Discovered** means:

- A. the time when the **Insured Entity** first becomes aware of facts which would cause a reasonable person to assume that **Loss** covered by this **Coverage Part** did or will happen, regardless of when the act that may cause or contribute to such **Loss** occurred, even though the exact amount or details of **Loss** may not be known; or
- B. the time when the **Insured Entity** first receives notice of an actual or potential claim in which it is alleged that the **Insured Entity** is liable to a third party under circumstances which, if true, would constitute **Loss** under this **Coverage Part**.

Employee means:

- A. any natural person:
 - 1. while in the **Insured Entity's** service (and for 60 days after termination of service); and
 - 2. whom the **Insured Entity** compensates directly by salary, wages, or commissions; and
 - 3. whom the **Insured Entity** has the right to direct and control while performing services for the **Insured Entity**; or
- B. any natural person who is furnished to the **Insured Entity**:
 - 1. to substitute for a permanent **Employee** on leave; or
 - 2. to meet seasonal or short-term workload conditions;

while that person is subject to the **Insured Entity's** direction and control and performing services for the **Insured Entity**, excluding, however, any such person while having care and custody of the **Insured Entity's** property outside the **Premises**; or

- C. any natural person leased to the **Insured Entity**, under an agreement between the **Insured Entity** and a labor leasing firm, while that person is subject to the **Insured Entity's** direction and control and performing services for the **Insured Entity**; or

- D. any non-compensated natural person:
1. other than one who is a fund solicitor, while performing services for the **Insured Entity** that are usual to the duties of an **Employee** or officer; or
 2. while acting as a fund solicitor during fund raising campaigns; or
- E. Solely with respect to an **Employee Benefit Plan** any natural person who is required to be bonded by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

However, **Employee** does not mean any:

1. agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
2. **Manager, Member**, partner, proprietor, director or trustee, but solely to the extent he or she is acting in his or her capacity as such;

However, this exception does not apply to an **Employee Benefit Plan**.

Employee Benefit Plan means an an employee pension benefit plan registered under any Canadian provincial or federal pension benefits legislation or under any regulations promulgated thereunder, and which is solely sponsored by the **Insured Entity**.

Employee Theft means, for all Insuring Agreements in this Coverage Part except Insuring Agreement A.1, the unlawful taking of **Money, Securities** and **Other Property** to the deprivation of the **Insured Entity** by an **Employee**, whether identified or not, acting alone or in collusion with others. With respect to Insuring Agreement A.1 only, it means the unlawful taking of **Money, Securities** and **Other Property** to the deprivation of the **Client** by an identified **Employee**. For all Insuring Agreements in this Coverage Part, **Employee Theft** also includes **Forgery** by an **Employee**. For purposes of clarification, solely with respect to an **Employee Benefit Plan**, **Employee Theft** means all acts of fraud or dishonesty required to bonded against by the Employee Retirement Income Security Act of 1974 (ERISA), any amendments thereto and any regulations promulgated thereunder.

Financial Institution means:

- A. a bank, credit union, or similar depository institution; or
- B. a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution where the **Insured Entity** maintains an account.

However, **Financial Institution** does not include check cashers, currency exchangers or money remittance firms.

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.

Funds Transfer Fraud means **Theft** of **Money** and **Securities** following and directly related to the use of fraudulent written or verbal instructions which are purported to have been made by the **Insured Entity**, which causes an electronic transfer of **Money** or **Securities** from a **Financial Institution** to:

- A. an account at a **Financial Institution** not controlled by the **Insured Entity**; or
- B. a person other than an **Employee**.

Insured Entity means the **Named Insured** and any **Subsidiary**. As respects Insuring Agreement A. only, **Insured Entity** also means, at the inception of the **Policy Period**, any **Employee Benefit Plan**.

Loss means, solely with respect to Insuring Agreements A., A.1, D. and F., the actual and direct deprivation or dispossession or damage to the property specified in such Insuring Agreement. With respect to all other insuring Agreements Loss means the actual and direct deprivation or dispossession of the property specified in each Insuring Agreement.

Manager means any natural person manager, member of the Board of Managers or equivalent executive of a **Named Insured** that is a limited liability company.

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

Messenger means any of the **Insured Entity's** natural person **Members**, proprietors, partners, or **Employees** who are duly authorized by the **Insured Entity** to have care and custody of the property outside the **Premises**.

Money means:

- A. currency, coins and bank notes in current use and having a face value; or
- B. travelers checks, register checks and money orders held for sale to the public.

Named Insured is the entity named in Item 1. of the Policy Declarations.

Other Property means any tangible property other than **Money** and **Securities** that has intrinsic value. However, "**Other Property**" does not include any property listed in this **Coverage Part** as specifically not covered.

Policy Period means the period of time from the effective date and time of this Policy to the date and time of termination as shown in the Policy Declarations, or its earlier cancellation date. If the length of the **Policy Period** is the same as the **Policy Year**, the terms **Policy Period** and **Policy Year** are used interchangeably herein.

Policy Year means the period of one year following the effective date of the **Policy Period** or any subsequent one-year anniversary thereof. A **Policy Year** may be extended or reduced by endorsement or by termination of the Policy.

Prearranged Transfer means an electronic transfer of **Money** or **Securities** which is part of a regular or scheduled series of electronic transfers, authorized by written agreement, to a designated **Financial Institution** specifying:

- A. the amount of **Money** or **Securities** to be transferred; and
- B. account number to be credited.

Premises means:

- A. the interior of that portion of any building the **Insured Entity** occupies in conducting the **Insured Entity's** business;
- B. as respects damage to **Other Property** only, the exterior of that portion of any building the **Insured Entity** occupies in conducting the **Insured Entity's** business; or
- C. with respect to Insuring Agreement A.1 only, the interior of that portion of any building a **Client** occupies in conducting their business or the interior of a **Client's** owned, leased or rented residence.

Robbery means the unlawful taking of specified property from the care and custody of any person by one who has:

- A. caused or threatened to cause that person bodily harm; or
- B. committed an unlawful act witnessed by that person.

Safe Burglary means the unlawful taking of:

- A. property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
- B. a safe or vault from inside the **Premises**.

Securities means negotiable and non-negotiable instruments or contracts representing either **Money** or **Other Property** and includes:

- A. tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; or
- B. evidences of debt issued in connection with credit, debit or charge cards, which cards are not issued by the **Insured Entity**.

However, **Securities** does not include **Money**.

Subsidiary means at policy inception, any entity owned or controlled by the **Named Insured**. For the purposes of this coverage, "owned and controlled" means any entity not specifically named on the Crime **Coverage Part** Declarations of which the **Named Insured** has more than 50% of the total assets and liabilities. This includes any joint venture, partnership or limited liability company, however, with respect to any joint venture coverage is provided only to the extent of the ownership interest held by any **Named Insured** listed on the Crime **Coverage Part** Declarations.

Theft means the unlawful taking of **Money**, **Securities** and **Other Property** to the deprivation of the **Insured Entity** by someone other than an **Employee**;

Transfer Agreement means a written agreement with any **Financial Institution** authorized to transfer **Money** and **Securities** at the **Insured Entity's** request.

III. EXCLUSIONS

A. Exclusions Applicable to All Insuring Agreements

The Insurer does not cover any **Loss** sustained by the **Insured Entity**:

1. Indirect Loss

as an indirect or consequential loss of any nature including, but not limited to:

- a. the **Insured Entity's** inability to realize income that the **Insured Entity** would have realized had there been no loss of, or damage to property that is covered under this **Coverage Part**; or
- b. payment of damages of any type for which the **Insured Entity** is legally liable. But, the Insurer will pay compensatory damages arising directly from a covered **Loss** under this **Coverage Part**;
- c. payment of costs, fees or other expenses the **Insured Entity** incurs in establishing either the existence or the amount of **Loss** under this **Coverage Part**, however, this exclusion does not apply to Supplementary Payment Proof of **Loss** Expenses as set forth in paragraph G. of Section IV, **LIMITS OF LIABILITY AND DEDUCTIBLE**; or
- d. amounts due to expenses related to any legal action, except as may be covered under Insuring Agreement B; or
- e. salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

2. Inventory or Profit of Loss Computations

the proof of which as to its existence or amount is dependent upon:

- a. an inventory computation; or
- b. a profit and loss computation.

However, where the **Insured Entity** establishes wholly apart from such computations that the **Insured Entity** has sustained **Loss** covered under any Insuring Agreement, then the **Insured Entity** may offer the **Insured Entity's** inventory records and an actual physical count of inventory in support of other evidence as to the amount of **Loss** claimed;

3. **Nuclear Reaction**

as a result of nuclear reaction, nuclear radiation or radioactive contamination;

4. **Seizure or Destruction of Property**

as a result of seizure or destruction of property by order of any governmental authority;

5. **Theft, Forgery, Alteration or Other Dishonest Act of the Insured Entity**

as a result of **Theft, Employee Theft, Forgery, Alteration** or any other dishonest act committed by the **Insured Entity** or any of the **Insured Entity's** partners, proprietors, **Employees, Managers, Members,** directors, trustees or authorized representatives whether acting alone or in collusion with others, and while performing services for the **Insured Entity** or otherwise,

except:

- i. as specifically provided under Insuring Agreements A., A.1. or B.;
- ii. with respect to Insuring Agreement B. only, when handling the personal accounts of the proprietor, any partner, any **Member**, or any officer of the **Insured Entity**;

6. **Trade Secrets, Confidential Information and Intangible Property**

as a result of loss of trade secrets, confidential processing methods, confidential information or intangible property of any kind;

7. **Trading**

as a result of trading in a genuine or fictitious account, whether or not on behalf of the **Insured Entity**, provided, however, this exclusion does not apply to **Loss** caused by **Employee Theft** which results in improper financial gain to such **Employee**. As used herein, "improper financial gain" does not include any salary or other benefits paid to the **Employee** in the course and scope of employment. However, this exclusion shall not apply to any **Employee Theft** with respect to an **Employee Benefit Plan**.

8. **War**

as a result of war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

B. Additional Exclusions Applicable to Insuring Agreement A. and Insuring Agreement A.1:

Insuring Agreement A. and Insuring Agreement A.1 do not apply to **Loss** sustained by the **Insured Entity**:

1. **Canceled Insurance of an Employee**

as a result of any act of the **Insured Entity's Employee** or an **Employee** of a predecessor in interest of the **Insured Entity**, for whom similar prior insurance has been canceled and not reinstated;

2. **Contractual Liability**

as a result of contractual or extra-contractual liability sustained by the **Insured Entity** in connection with the issuance of contracts, or purported contracts, of insurance, indemnity or suretyship.

C. Additional Exclusion Applicable to Insuring Agreement A.1 – Unidentified Employee

Insuring Agreement A.1 does not apply to **Loss** sustained by the **Insured Entity** as a result of any act of an unidentified **Employee**.

D. Additional Exclusion Applicable to Insuring Agreement B.:

Insuring Agreement B. does not apply to **Loss** sustained by the **Insured Entity** as a result of use of any credit, debit or charge card if the **Insured Entity** has not fully complied with the provisions, conditions, or other terms upon which the card was issued.

E. Additional Exclusions Applicable to Insuring Agreement C., Insuring Agreement D. and Insuring Agreement F.:

Insuring Agreement C., Insuring Agreement D. and Insuring Agreement F. do not apply to **Loss** sustained by the **Insured Entity**:

1. Accounting or Arithmetical Error

as a result of accounting or arithmetical errors or omissions;

2. Fire

as a result of loss of, or damage to, the **Premises** or **Other Property** as a direct result of fire, however caused; except for damage to a safe or vault otherwise covered under Insuring Agreement C., **THEFT, DISAPPEARANCE AND DESTRUCTION OF MONEY AND SECURITIES**;

3. Money in Automated Teller Machine

involving **Money** in any automated teller machine unless the amount of **Money** contained in it is recorded by a continuous recording instrument;

4. Motor Vehicles, Trailers or Semi-Trailers

as a result of loss of, or damage to, motor vehicles, trailers or semi-trailers or equipment, and accessories to them;

5. Precious Materials

as a result of loss of, or damage to, 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, except as provided under Section IV. E. and F.

6. Surrender of Property

as a result of the giving or surrendering of property in any exchange or purchase;

7. Transferred Money, Securities and Other Property

involving **Money, Securities** and **Other Property** after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises** on the basis of unauthorized instructions, except for **Loss** under Insuring Agreement F., or as a result of a threat to do bodily harm to any person or damage to any property. However, this exclusion does not apply **Money, Securities** or **Other Property** while outside the **Premises** or **Banking Premises** in the care and custody of a **Messenger** if the **Insured Entity**:

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;

8. Vandalism or Malicious Mischief

as a result of loss of, or damage to, the **Premises** or to containers of **Money, Securities** or **Other Property** by vandalism or malicious mischief;

9. Voluntarily Parting with Title or Possession

as a result of the **Insured Entity**, or anyone acting on the **Insured Entity's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

F. Additional Exclusions Applicable to Insuring Agreement A.:

The Insurer does not cover any **Loss** under Insuring Agreement A sustained by the **Insured Entity** for salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

Except as set forth in Section VI., **INSURED SPONSORED ERISA PLANS**, the limits of liability and deductibles are as follows:

A. Limit of Liability

1. Per **Loss** – The maximum Limit of Liability the Insurer will pay during the **Policy Year** for one **Loss** shall not exceed the applicable dollar amount set forth as “Per **Loss Limit**” in the Crime **Coverage Part** Declarations, Limit of Liability.
2. In the Aggregate - The maximum Limit of Liability the Insurer will pay during the **Policy Year** for all **Loss** shall not exceed the applicable dollar amount set forth as the Policy Period “Aggregate Limit” in the Crime **Coverage Part** Declarations, Limit of Liability.

B. All Loss Resulting From a Single Act or Series of Acts

All Loss

1. under Insuring Agreement A and A1, caused by or involving any **Employee**, acting alone or in collusion with other persons, or any group of **Employees** acting together, even if in collusion with other persons, whether the result of a single act or multiple acts and whether or not sustained only during the **Policy Year**; or
2. under Insuring Agreement B, caused or contributed to, by any one person, acting alone or in collusion with others, or in which any such person is implicated, whether the **Loss** involves one or more instruments; or
3. under all other Insuring Agreements, caused by:
 - a. any single act, or series of related acts;
 - b. any act or acts involving one person, or a group of persons acting together, or
 - c. an act or event, or a series of related acts or events, not involving any identifiable person,

will be treated as a single **Loss** and the applicable Limit of Liability of this **Coverage Part** will apply, subject to Section V. **CONDITIONS**, paragraph D, **Loss Sustained During Prior Policy**.

C. Non-Cumulation of Limit of Insurance

Regardless of the number of years this **Coverage Part** or similar insurance (whether issued on a “Loss Sustained” or “Loss Discovered” basis) issued by the Insurer remains in force or the number of premiums paid, the Limit of liability does not cumulate from **Policy Year** to **Policy Year**.

D. Deductible Provision

The Insurer will not pay for **Loss** sustained under any Insuring Agreement unless the amount of such **Loss** exceeds the applicable deductible for that Insuring Agreement shown in the Crime **Coverage Part** Declarations. The Insurer will then pay for the amount of covered **Loss** in excess of the deductible subject to the Limit of Liability paragraph of this Section. If any **Loss** is covered partly by this **Coverage Part** and partly by any prior cancelled or terminated policy, the deductible applicable to that **Loss** covered by this **Coverage Part** shall be reduced by the applicable deductible of the preceding Policy.

In the event that more than one deductible amount under this **Coverage Part** applies to the same **Loss**, only the highest deductible amount will apply.

E. Specific Limit of Insurance Insuring Agreement D.

Under Insuring Agreement D., the Insurer will only pay up to \$7,500 for any one **Loss** involving 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. This limit is part of, and not in addition to, the Limit of Liability shown on the Crime **Coverage Part** Declarations.

F. Specific Limit of Insurance: Under Insuring Agreement D. and Insuring Agreement F.

The Insurer will only pay up to \$7,500 for any one **Loss** involving manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them. This limit applies independently to Insuring Agreement D. and Insuring Agreement F. This limit is part of, and not in addition to, the Limit of Liability shown on the Crime **Coverage Part** Declarations.

G. Supplementary Payments – Proof of Loss Expenses

1. Subject to the limits set forth in paragraph 2 and 3 below, the Insurer will pay for reasonable expense the **Insured Entity** incurs, with our consent, for assistance in establishing the nature, extent and amount of any **Loss** covered under any insuring agreement (“Proof of Loss Expenses”). This includes expense the **Insured Entity** incurs as a result of any audits or investigations conducted by its directors, trustees or **Employees**. The Insurer’s consent will not be unreasonably withheld.
2. The maximum Limit of Liability the Insurer will pay for all such proof of loss expenses in any one **Loss** is the lesser of:
 - a. the “Per **Loss**” Limit of Liability shown as applicable to Proof of Loss Expenses in the Crime **Coverage Part** Declarations; or
 - b. 10% of the applicable Limit of Liability shown in the Crime **Coverage Part** Declarations.
3. In the Aggregate – The maximum Limit of Liability the Insurer will pay for all Proof of Loss Expenses incurred during the **Policy Period** shall not exceed the applicable dollar amount set forth as “Aggregate” in the Crime **Coverage Part** Declarations, Limit of Liability.
4. The Insurer will not pay for any such Proof of Loss Expenses in any one **Loss** unless the amount of the **Loss** exceeds:
 - a. the Deductible amount shown in the Crime **Coverage Part** Declarations as applicable to the Insuring Agreement involved in the **Loss**; and
 - b. the Deductible amount shown in the Crime Pack **Coverage Part** Declarations as applicable to Proof of Loss Expenses.

V. CONDITIONS

A. New Employees/New Employee Benefit Plans

1. **New Employees or Premises**

If, during the **Policy Period** the **Insured Entity** establishes any additional **Premises** or hires additional **Employees** other than as set forth in Section **XII. COVERAGE FOR NEW SUBSIDIARIES AND PLANS** of the General Terms and Conditions any insurance afforded for **Employees** and **Premises** shall also apply to those additional **Premises** and **Employees**.

2. **New Employee Benefit Plans**

If any **Employee Benefit Plan** is acquired by the **Insured Entity** during the **Policy Period** that is:

- a. sponsored and approved by the **Insured Entity**; and
- b. required to be bonded under the provisions of the Employee Retirement Income Security Act of 1974, it shall be included as an **Insured Entity** under this **Coverage Part**.

B. Joint Insured Entity

1. If more than one **Insured Entity** is covered, the first **Named Insured** on the Policy Declarations will act for itself and for every other **Insured Entity** for all purposes of this **Coverage Part**. If the first **Named Insured** ceases to be covered, then the next **Named Insured** will become the first **Named Insured**, unless all other Joint **Insured Entities** are unnamed. In that case the **Named Insured** must, prior to

termination of Insuring Agreement, provide notice to the Insurer designating the entity to be the **Named Insured**. If such notice is not provided coverage will terminate and the surviving entities may be considered for coverage under a new **Coverage Part**.

2. If the **Insured Entity** or partner, proprietor, **Member** or officer of that **Insured Entity** has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every **Insured Entity**.
3. An **Employee** of any **Insured Entity** is considered to be an **Employee** of every **Insured Entity**.
4. If this **Coverage Part** or any of its Insuring Agreements is canceled or terminated as to any **Insured Entity**, a **Loss** with respect to that **Insured Entity** is covered only if the **Loss** was **Discovered** during the period of time provided in the Condition entitled "**When Loss must be Sustained and Discovered**". However, this extended period to **Discover Loss** terminates as to that **Insured Entity** immediately upon the effective date of any other insurance obtained by that **Insured Entity** replacing in whole or in part the insurance afforded hereunder, whether or not such other insurance provides coverage for **Loss** or damage sustained prior to its effective date.
5. In the event **Loss** or damage is sustained by more than one **Insured Entity**, the Insurer will not pay more than if the **Loss** or damage was sustained by one **Insured Entity**.

C. When Loss Must be Sustained and Discovered

Except as provided in paragraph D. below, **Loss** is covered under this **Coverage Part** only if sustained on or after the effective date of this **Policy Period** and prior to the cancellation or termination of the **Policy Period** and **Discovered** no later than ninety (90) days (or one year with respect to any **Employee Benefit Plan**) from the expiration date of the **Policy Period**. However, with respect to any **Insured Entity** who obtains any other insurance replacing in whole or in part the insurance afforded by this **Coverage Part**, regardless of whether such insurance is obtained during or after the **Policy Period**, this extended period to **Discover Loss** terminates immediately upon the effective date of such other insurance, whether or not such other insurance provides coverage for **Loss** sustained prior to its effective date.

D. Loss Sustained During Prior Policy

1. If the **Insured Entity**, or a predecessor in interest, sustained a **Loss** that could have been recovered under a prior policy except that the time within which to **Discover** the **Loss** under such prior policy had expired, then the Insurer will pay for it under this policy, provided:
 - a. this policy became effective at the time of cancellation or termination of such prior policy; and
 - b. the **Loss** would have been covered by this **Coverage Part** had it been in effect at the time of such **Loss**.
2. The limit of Liability available under this Condition is part of, and not in addition to, the limits of liability applicable to this **Coverage Part** and is limited to:
 - a. the highest single Limit of Liability of the amount recoverable under:
 - i. this policy as of its effective date; or
 - ii. the prior policy had it remained in effect where such prior policy was issued by the Insurer or any affiliate of the Insurer.
 - b. the lesser of the single Limit of Liability recoverable under:
 - i. this policy as of its effective date; or
 - ii. the prior policy had it remained in effect where such prior policy was not issued by the Insurer or any of its affiliates.

E. Loss Covered Under This Insurance and Prior Insurance Issued by the Insurer or Any Affiliate of the Insurer

If the **Insured Entity Discovers** covered **Loss** during the **Policy Period** resulting directly from an act or series of acts that took place partly during the **Policy Period** and partly during the policy period of any prior canceled or terminated policy that the Insurer or any affiliate issued to the **Insured Entity** or any predecessor in interest, the most the Insurer will pay is the larger of the amount recoverable under this policy or the prior policy.

F. Examination of the Insured Entity's Books and Records

The Insurer may examine and audit the **Insured Entity's** books and records as they relate to this **Coverage Part** at any time during the **Policy Period** and up to three years afterward. The **Insured Entity** must keep records of all property covered under this **Coverage Part** so that the Insurer can verify the amount of any **Loss** or damage.

G. Inspections and Surveys

The Insurer has the right but is not obligated to:

1. make inspections and surveys at any time;
2. give the **Insured Entity** reports on the conditions the Insurer finds; and
3. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The Insurer does not make safety inspections. The Insurer does not undertake to perform the duty of any person or organization to provide for the health and safety of workers or the public. Further, the Insurer does not warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards. This does not apply to any inspections, surveys, reports or recommendations the Insurer may make relative to certification, under provincial, state or municipal statutes, ordinances or regulations, of boilers, pressure vessels, or elevators.

This condition applies not only to the Insurer, but also to any rating or advisory service or similar organization which makes insurance inspections, surveys, reports or recommendations.

H. Loss or Damage Covered Under More Than One Insuring Agreement Under This Coverage Part

If two or more Insuring Agreements of this **Coverage Part** apply to the same **Loss** or damage, the Insurer will pay the lesser of:

1. the actual amount of the **Loss** or damage; or
2. the sum of the limits of liability applicable to those Insuring Agreements.

I. Other Insurance

This **Coverage Part** does not apply to **Loss** or damage recoverable or recovered under any other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the **Loss** or damage, this **Coverage Part** will apply to that part of the **Loss** or damage, other than that falling within any deductible, not recoverable or recovered under the other insurance or indemnity, but not more than the applicable Limit of Liability.

J. Ownership of Property; Interests Covered

The **Money, Securities and Other Property** covered under this **Coverage Part** is limited to such property:

1. that the **Insured Entity** owns or leases;
2. that the **Insured Entity** holds for others; or,
3. owned and held by someone other than the **Insured Entity** under circumstances which make the **Insured Entity** responsible for the property prior to the occurrence of **Loss**.

Solely with respect to an **Employee Benefit Plan**, the **Money**, **Securities** and **Other Property** covered under this **Coverage Part** is limited to all funds or property that the **Employee Benefit Plan** is permitted by law to use as a source for the payment of benefits to plan participants or beneficiaries.

However, this insurance is for the **Insured's Entity** benefit only. It provides no rights or benefits to any **Clients** or to any other person or organization.

K. Premiums

The first **Named Insured** shown in the Policy Declarations is responsible for the payment of all premiums and will be the payee for any return premiums the Insurer pays.

L. Transfer of the Insured Entity's Rights and Duties Under This Coverage Part

The **Insured Entity's** rights and duties under this **Coverage Part** may not be transferred without the Insurer's written consent.

M. Concealment, Misrepresentation or Fraud

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

1. this insurance;
2. the **Money**, **Securities** or **Other Property**;
3. the **Insured Entity** interest in the **Money**, **Securities** or **Other Property**; or
4. a claim under this **Coverage Part**.

N. Duties In The Event of Loss

After **Discovery** of **Loss** or a situation that may result in covered **Loss**, the **Insured Entity** must:

1. provide written notice as soon as possible to the address specified on the Policy Declarations;
2. notify the law enforcement authorities, if the **Insured Entity** has reason to believe that any loss or damage (except for loss or damage under Insuring Agreement A., Insuring Agreement A.1 or Insuring Agreement B.) involves a violation of law;
3. submit to examination under oath at the Insurer's request and give the Insurer a signed statement of the **Insured Entity's** answers;
4. give the Insurer a detailed, sworn proof of **Loss** within 120 days. Proof of **Loss** under Insuring Agreement B. must include an affidavit of **Forgery** setting forth the amount and cause of loss or damage and (1) the original instruments or (2) copy of the instruments involved in that loss or damage if the originals are unavailable; and,
5. cooperate with the Insurer in the investigation and settlement of any claim.

O. Valuation-Settlement

1. Subject to the applicable Limit of Liability the Insurer will pay for **Loss** sustained by the **Insured Entity**:
 - a. due to loss of or damage to **Money** but only up to and including its face value. The Insurer may, at the Insurer's option, pay for loss of **Money** issued by any country other than Canada:
 - i. at face value in the **Money** issued by that country; or
 - ii. in the Canadian dollar equivalent determined by the rate of exchange on the day the **Loss** was discovered based on foreign exchange selling rates as published in on the Bank of Canada's Daily Currency Converter website.

- b. due to loss of, or damage to, **Securities** but only up to and including their value at the close of business on the day the **Loss** was **Discovered**. The Insurer may, at the Insurer's option:
 - i. pay the value of such **Securities** or replace them in kind, in which event the **Insured Entity** must assign to the Insurer all the **Insured Entity's** rights, title and interest in and to those **Securities**; or
 - ii. pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**. However, the Insurer 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 value of the **Securities** at the close of business on the day the **Loss** was discovered or the Limit of Liability.
- c. due to loss of, or damage to, **Other Property** or damage to the **Premises** for not more than the:
 - i. actual cash value of the property on the day the **Loss** or damage was discovered;
 - ii. cost of repairing the property or **Premises**; or
 - iii. cost of replacing the property with property of like kind and quality.

The Insurer may, at the Insurer's option, pay the actual cash value of the property or repair or replace it. If the Insurer cannot agree with the **Insured Entity** upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

- 2. The Insurer may, at the Insurer's option, pay for covered **Loss** sustained by the **Insured Entity** due to loss of, or damage to, property other than **Money**:
 - a. in the **Money** of the country in which the **Loss** occurred; or
 - b. in the Canadian dollar equivalent of the **Money** of the country in which the **Loss** occurred determined by the rate of exchange on the day the **Loss** was discovered based on the foreign exchange selling rates as published on the Bank of Canada's Daily Currency Converter website.
- 3. Any property that the Insurer pays for or replace becomes the Insurer's property.

P. Recoveries

- 1. Any recoveries, less the cost of obtaining them, made after settlement of **Loss** or damage covered by this **Coverage Part** will be distributed as follows:
 - a. to the **Insured Entity**, until the **Insured Entity** is fully reimbursed for any **Loss** or damage that the **Insured Entity** sustains that exceeds the Limit of Liability and the Deductible amount, if any;
 - b. then to the Insurer, until the Insurer is reimbursed for the settlement made; and,
 - c. then to the **Insured Entity**, until the **Insured Entity** is reimbursed for that part of the **Loss** or damage equal to the Deductible amount, if any.
- 2. Recoveries do not include any recovery:
 - a. from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit; or
 - b. of original **Securities** after duplicates of them have been issued.

Q. Transfer of the Insured Entity's Rights of Recovery Against Others to the Insurer

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

R. Legal Action Against the Insurer

No suit, action or legal proceeding may be brought hereunder by anyone other than the **Insured Entity**. The **Insured Entity** may not bring any legal action against the Insurer involving **Loss** (1) unless the **Insured Entity** has complied with all the terms of this Policy; (2) until 90 days after the **Insured Entity** has filed proof of **Loss** with the Insurer; and, (3) unless brought within 2 years from the date the **Insured Entity Discovers** the **Loss**. However, if any law prohibits such time limitation then the limitation is amended to equal the minimum time limitation required by such law.

S. Termination of Coverage as Respects Acts of Any Employee

Coverage under any Insuring Agreement is terminated with respect to any **Employee**:

1. immediately upon **Discovery** of any dishonest act:
 - a. committed by that **Employee** while employed by the **Insured Entity**, or
 - b. committed by that **Employee** prior to becoming employed by the **Insured Entity**, provided dishonest acts committed prior to becoming employed by the **Insured Entity** resulted in a loss equal to or exceeding \$10,000;provided that such **Discovery** was made by the **Insured Entity** or any of the **Insured Entity's Employees**, partners, proprietors, **Members**, **Managers**, officers, directors or trustees, not in collusion with the **Employee** who committed such act,
2. on the date specified in the notice mailed to the **Named Insured**. That date will be at least 60 days after the date of mailing.

VI. INSURED SPONSORED ERISA PLANS

In compliance with certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA):

- A.** If the first **Named Insured** is an entity other than an **Employee Benefit Plan**, any payment made by the Insurer will be made jointly to the first **Named Insured** and to the **Employee Benefit Plan** that sustained the **Loss**.
- B.** If two or more **Employee Benefit Plans** are insured under this **Coverage Part**, any payment the Insurer makes for **Loss**:
 1. sustained by two or more **Employee Benefit Plans**; or
 2. of commingled funds or other property of two or more **Employee Benefit Plans**is to be shared by each **Employee Benefit Plan** sustaining **Loss** in the proportion that the amount of insurance required for each such **Employee Benefit Plan** under ERISA bears to the total of such payments.
- C.** The deductible applicable to Insuring Agreement A. does not apply to **Loss** sustained by any **Employee Benefit Plan** subject to ERISA which is insured under this **Coverage Part**.
- D.** The first **Named Insured** must purchase a Limit of Liability applicable to Insuring Agreement A. that is at least equal to the minimum amount required by ERISA for any **Employee Benefit Plans**. If **Employee Benefit Plans** are insured jointly with any other entity under this **Coverage Part** the limit must be at least equal to the minimum amount required by ERISA if each **Employee Benefit Plan** were insured independently. If, during the **Policy Period**, it is determined that the applicable Limit of Liability as set forth in the Declarations was less than the amounts required by ERISA on the effective date of this Policy, then, at the request of the first **Named Insured** during the **Policy Period**, and subject to the payment of any additional premium, the applicable Limit of Liability may be amended to equal the minimum amount required by ERISA.