IMPORTANT INFORMATION

NOTICE - OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

As used herein, 1) “we” means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) “you” means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized ("Act"), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 reauthorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be "a certified act of terrorism."

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. Beginning in 2020, the federal share equals 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion. 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.

CONFIRMATION OF ACCEPTANCE OF COVERAGE

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In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.

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COMMUNITY ASSOCIATION POLICY
DECLARATIONS

NOTICE:

THE LIABILITY COVERAGE PARTS PROVIDE CLAIMS MADE COVERAGE, WHICH APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD. THE LIMIT OF LIABILITY TO PAY JUDGMENTS OR SETTLEMENT AMOUNTS SHALL BE REDUCED AND MAY BE EXHAUSTED BY PAYMENT OF DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.

NAMED INSURED AND ADDRESS	NAMED ENTITY AND PHYSICAL ADDRESS
Item 1. Heritage Greens Paired Homes Homeowners' Association c/o MJF Associates 1940 Greeley St Suite 104 STILLWATER, MN 55082	10 Inspiration Blvd HUDSON, WI 54016
POLICY NUMBER	**INSURER**
768732413	Continental Casualty Company CNA Center, 151 North Franklin Street Chicago, IL 60606
Policy Premium: **Association Liability:** **$1,766.00** **Crime:** **$536.00** **Total Premium:** **$2,302.00** **Surcharge/Tax/Assessment:** **$0.00** **Total Amount Due:** **$2,302.00**	

Item 2. **Policy period:** 11/01/2026 to 11/01/2027 *12:01 a.m. local time per address Item 1.*

Item 3. Notices:

Claims or Circumstance:
CNA – Claims Reporting
P.O. Box 8317
Chicago, IL 60680-8317
Email: nfpnewloss@cna.com
Fax Number: 866-773-7504

All other notices:

Ian H. Graham Insurance
P.O. Box 19640
Irvine, CA 92623

Item 4. **Extended reporting period**

a. Period: One Year Premium: 100% of Policy Premium
b. Period: Two Year Premium: 175% of Policy Premium
c. Period: Three Year Premium: 225% of Policy Premium

Item 5. **Liability coverage parts:** Association Liability Coverage Part
Non-liability coverage parts: Commercial Crime Coverage Part

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Item 6. COVERAGE PARTS – Limits of Liability Retentions and Sublimits

Association Liability Coverage Part

Maximum Aggregate Limit of Liability:	$1,000,000
Retention:	per **claim**: $1,000
Pending or Prior Litigation Date:	11/01/2026
Wage and Hour Defense Costs Sublimit of Liability (part of Aggregate Limit of Liability):	$100,000
Immigration Claims Defense Costs of Sublimit of Liability (part of Aggregate Limit of Liability):	$100,000
Additional Defense Costs Aggregate Limit of Liability:	Defense Costs Outside the Limit of Liability

Commercial Crime Coverage Part

	Limit of Liability	Retention
A. Fidelity Coverage		
1. Employee Theft	$250,000	$1,000
2. Client	$25,000	$1,000
3. ERISA Plan	$250,000	$0
B. Forgery or Alteration Coverage	$250,000	$1,000
C. Inside and Outside Premises Coverage		
1. Money or Securities	$250,000	$0
2. Property	$250,000	$0
3. Damage	$250,000	$0
D. Transfer Coverage		
1. Computer	$250,000	$1,000
2. Funds	$250,000	$1,000
3. Social Engineering Fraud	$100,000	$1,000
E. Counterfeit Coverage	$250,000	$0

Commercial Crime Coverage Part Coverage Extensions	Sublimit of Liability	
1 Proof of Loss Costs Sublimit	$5,000	
2 Computer Restoration Costs Sublimit	$25,000	
3 Record Recovery Costs Sublimit	$25,000	

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Item 7. ENDORSEMENTS:

CNA-81758-XX (1/21)	Notice - Offer of Terrorism Coverage Disclosure of Premium
CNA-103300-XX (10/22)	Community Association Policy General Terms and Conditions
CNA-103302-XX (10/22)	Community Association Policy Association Liability Coverage Part
CNA-103304-XX (10/22)	Privacy Event Expense Endorsement
CNA-103305-XX (10/22)	Network Security and Privacy Regulation Proceeding Endorsement
CNA-103420-XX (10/22)	Defense Costs Outside the Limits Endorsement
CNA-103432-XX (10/22)	Public Relations Event Expenses Endorsement
CNA-81751-XX (3/15)	Cap on Losses from Certified Acts of Terrorism Endorsement
CNA-103435-XX (10/22)	Workplace Violence Act Expenses Sublimited Coverage Endorsement
CNA-103440-XX (10/22)	Sublimited Breach of Contract Defense Costs Endorsement
CNA-103303-XX (10/22)	Community Association Policy Commercial Crime Coverage Part
CNA-103441-XX (10/22)	Telephone Toll Fraud Endorsement
CNA-88892-WI (6/17)	Conditional Renewal Endorsement - Wisconsin

These Declarations, along with the completed and signed **application**, the policy, and any written endorsements attached shall constitute the contract between the **insureds** and the Insurer.

Authorized Representative: 

Date: 10/19/2026

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COMMUNITY ASSOCIATION POLICY
GENERAL TERMS AND CONDITIONS

In consideration of the premium, and in reliance upon the **application**, we agree to provide you with the following coverage subject to the terms and conditions of this policy:

I. PREFACE

A Coverage Part is included within this policy and affords coverage only if the Coverage Part is purchased as indicated by a corresponding limit of liability in the Declarations.

The terms and conditions in each Coverage Part apply only to such Coverage Part and will not apply to any other Coverage Part.

If any provision in the General Terms and Conditions is inconsistent with the terms and conditions of any applicable Coverage Part, the terms and conditions of such Coverage Part will control.

Bolded terms in the policy will have the special meaning set forth in the definitions. The terms “we”, “us”, and “our” mean the Insurer named on the Declarations; the terms “you”, “your”, and “yours” mean any **insured**.

II. SUPPLEMENTARY BENEFITS

A. Mediation Retention Reduction

If, prior to, or within sixty (60) days of the service of suit or the institution of arbitration proceedings, we and the **named insured** agree to use a non-binding alternative dispute resolution process to resolve any **claim** reported to us, and such **claim** is entirely resolved through such process, then we will reduce the Retention applicable to such **claim** by the lesser amount of fifty percent (50%) of such Retention or ten thousand ($10,000) dollars.

B. Proceeding Expenses Reimbursement

If we request an **insured person’s** presence at a trial, hearing, deposition, mediation, or arbitration, we will pay up to $250.00 per day, per **insured person** for reimbursement of costs and expenses incurred in connection with such presence, subject to a maximum of $2,500 per **claim**, per **policy period**. Such payment will be in addition to the applicable limit of liability and no Retention will apply.

C. Pre-Claim Expenses

In the event a **noticed matter** later gives rise to a covered **claim**, then we will credit the **pre-claim expenses** that you have paid up to ten percent (10%) of the applicable Retention for such **claim**.

III. DEFINITIONS

Any defined word not defined in the General Terms and Conditions will have the meaning assigned to it in the applicable Coverage Part.

Application means any signed application, including its warranty and attachments together with any other materials and representations provided to us in connection with the underwriting and negotiating of the terms and conditions of this policy or any other policy of which this policy is an indirect or direct renewal.

Bodily injury means any actual or alleged bodily injury, sickness, disease, death, emotional distress or mental anguish of any natural person.

Change of control means when: (i) the **named insured** merges into another entity and is no longer the surviving entity; (ii) another person(s) or entity(ies) acquires such an ownership interest in the **named insured** to exercise **management control**; or (iii) the **named insured** emerges from bankruptcy.

Clean-up costs mean any fees, costs, or expenses, including legal and professional fees, incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying, or assessing the effects of **pollutants**.

Extended reporting period means the additional period of reporting time purchased by an **insured** after termination, cancellation, or non-renewal of this policy within which to report a **claim** subject to the provisions of Section V, Extended Reporting Period for Liability Coverage Parts Only.

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Financial insolvency means: (i) the appointment by a federal, state or local agency or court of a receiver, conservator, liquidator, trustee, rehabilitator, or similar official, to take control of, supervise, manage, or liquidate an **insured entity** or **outside entity**; (ii) an **insured entity** becoming a debtor in possession under United States bankruptcy law or any equivalent foreign bankruptcy law; or (iii) when an **insured entity** can establish affirmatively it is unable at the present time, or in the future, to pay its debts in the ordinary course of business.

Independent contractor means any natural person working for an **insured entity** in the ordinary course of such **insured entity's** business, and in the capacity of an independent contractor, pursuant to a written agreement for services between such **insured entity** and either (i) such natural person; or (ii) any other entity acting on behalf of such natural person.

Insured entity means the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Insured person will have the meaning designated in the respective Coverage Part.

With respect to any **liability coverage part**, **insured person** will also include: (i) assigns, estates, heirs, legal representatives, or assigns of any **insured person** in their capacity as such, provided such **insured person** is deceased or legally incompetent; or (ii) a spouse or domestic partner of an **insured person** in their capacity as such, or due to legal ownership of property identified as potential recovery relief. There will be no coverage afforded under this policy for any act, error or omission of an estate, heir, legal representative, assign, spouse or domestic partner.

Liability coverage part means those Coverage Parts set forth in Item 5 of the Declarations.

Management control means:

(i) owning or controlling more than fifty-percent (50%) of the outstanding securities, shares or equity ownership representing the right to control an entity as evidenced by the present power to elect, designate or appoint the majority of the board of directors, management committee members or management board members; or

(ii) having the present right, pursuant to written contract or an organizational document, to elect, designate or appoint the majority of the board of directors, management committee members or management board members of an entity.

Named insured means the entity set forth in Item 1 of the Declarations.

Non-liability coverage part means those Coverage Parts set forth in Item 5 of the Declarations.

Noticed matter means any written notice of circumstance which we have accepted under a **liability coverage part**.

Policy period means the time period from the inception date to the expiration date of this policy set forth in Item 2 of the Declarations, or any such earlier termination or cancellation date. **Policy period** will also include the **extended reporting period**, if purchased.

Pollution means any actual, or threat of, discharge, emission, release, dispersal, escape of, or treatment, removal or disposal of any **pollutants**. **Pollution** also includes any regulation, order, direction, or request to test, monitor, clean up, remove contain, treat or detoxify or neutralize any **pollutants**.

Pre-claim expenses mean the reasonable and necessary fees, costs, and expenses incurred by an **insured** in responding to or defending a **noticed matter**, on or after the date we accepted the notice of circumstances and prior to the date the **noticed matter** became a **claim**. **Pre-claim expenses** will not include **overhead expenses** or any fees, costs, or expenses incurred by an i**nsured** as a result of any **routine examination**. We have the right to determine the reasonableness, necessity, and allocation of the **pre-claim expenses** (including the right to apply any applicable **claim** exclusions to the **pre-claim expenses**).

Property damage means any actual or alleged: (i) damage to, or destruction or deterioration of, any tangible property; (ii) loss of use, loss of view, or diminution of value to, any tangible property; or (iii) failure to supervise, repair or maintain any tangible property.

Related claims mean all **claims** that are based upon, arising from, or are logically or causally connected by the same, or any related or common, or a series of related or common, facts, circumstances, transactions, or **wrongful acts**.

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Responsible person means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the General Counsel, the Risk Manager or such functionally equivalent positions of the **named insured**.

Routine examination means any routine examination, routine inspection, sweep examination, general requests for information, or any other similar reviews, inquiries, or investigations.

Subsidiary means any not-for-profit: (i) entity while under the **management control** of an **insured entity**; or (ii) charitable trust, political action committee or foundation while such entity is controlled by the **named insured**.

IV. LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

The maximum aggregate amount we will pay for all **loss** regardless of the number of **claims**, **insureds**, losses, parties or requests for coverage under each respective Coverage Part is set forth in Item 6 of the Declarations.

Subject to any additional limits of liability for **defense costs** set forth in a Coverage Part, **defense costs** are part of and not in addition to the limit of liability set forth in Item 6 of the Declarations. Our payment of any **defense costs** will erode and may exhaust the applicable limit of liability. Unless indicated otherwise in a Coverage Part, **defense costs** or any sublimited coverage will be part of, and not in addition to, the aggregate limit of liability of such Coverage Part.

Item 6 of the Declarations sets forth any applicable Retention. Any Retention will be uninsured and the responsibility of the **named insured** to pay regardless of the nature or form of the **claim**. We will be liable to pay only that amount of **loss** in excess of any applicable Retention. If there are two Retentions that apply to the same **claim**, we will only apply the higher Retention.

All premiums, limits, Retentions, **loss** and other amounts under this policy are expressed and payable in United States of America currency unless the parties agree in writing otherwise.

V. EXTENDED REPORTING PERIOD FOR LIABILITY COVERAGE PARTS ONLY

If this policy is terminated, cancelled or non-renewed for any reason other than non-payment of premium or a **change of control**:

(i) you have the right to elect an **extended reporting period** for **liability coverage parts** for the additional period(s) and additional premium set forth in Item 4 of the Declarations.
You must notify us in writing of this election within sixty (60) days after the non-renewal, cancellation, or termination. If you do not elect within this time frame, you will have waived your right to purchase the **extended reporting period**;

(ii) solely with respect to an **executive** who is a past director or officer at the time of such cancellation or non-renewal, an automatic **extended reporting period** for **liability coverage parts** will apply at no additional charge for an unlimited period; provided such automatic **extended reporting period** will not apply:
   (a) to any **claim** arising out of an **employment wrongful act** made against such **executive** if such **executive** was not a director or officer at the time of such **employment wrongful act**; or
   (b) if any other policy of insurance which is a renewal, replacement or extension (including run-off) of this Policy, covering such **executive** is in effect at the time the **claim** is made, whether or not such policy affords coverage for such **claim**.

A purchased or automatic **extended reporting period** will extend to selected Coverage Parts coverage for a period of time but only to **claims** that are:
(i) first made during the **extended reporting period**;
(ii) reported to us according to this policy's notice and reporting requirements; and
(iii) for **wrongful acts** that occurred prior to the date of such termination, cancellation or non-renewal.

Any premium for an **extended reporting period** will be deemed fully earned at the beginning of the **extended reporting period**. There will be no additional limit of liability for any **extended reporting period**.

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VI. NOTICE AND REPORTING

A. Reporting a Claim in any **Liability Coverage Part**

As a condition precedent to our policy obligations, you must provide written notice of a **claim** as soon as reasonably practicable after a **responsible person** first becomes aware of such **claim** but no later than:
(i) sixty (60) days after the **policy period** expires or terminates, if there is no extended reporting period; or
(ii) the expiration date of the purchased **extended reporting period**.

B. Reporting a Notice of Circumstances in any **Liability Coverage Part**

(i) If during the **policy period** (excluding any **extended reporting period**) you first become aware of circumstances that may give rise to a **claim**, you may elect to submit a written notice of circumstance to us. Such written notice must contain a description of the circumstances, the nature of the **wrongful act**, persons involved and the nature of the relief sought.

(ii) Any subsequent **claim** that is based upon or arises out of a **noticed matter** will be deemed to have first been made in the **policy period** in which we accepted the notice of circumstances.

C. **Non-liability coverage parts** will have their own reporting provisions.

D. Except with respect to any applicable **pre-claim expenses** described in Section II Supplementary Benefits paragraph C we will not provide coverage for fees, costs, or expenses incurred prior to the time a **claim** is noticed, even if such fees, costs, or expenses benefit the defense of a covered **claim**.

E. Notice Mailing

Written notices of a **claim** or circumstance should be directed to us at the mailing address or email address indicated in Item 3 of the Declarations. A notice on one Coverage Part will be deemed notice to all Coverage Parts. All other notices should be sent to the address(es) or emails set forth in Item 3 of the Declarations.

We will send all correspondence to you at the address set forth in Item 1 of the Declarations.

We will consider the effective date of notice to be the date of mailing with sufficient proof of mailing.

VII. RELATED CLAIMS

All **related claims** will be treated as one **claim** first made on the date the first of such **related claims** was first made or deemed made according to the provisions of the applicable Coverage Part of this policy.

VIII. COOPERATION AND CONSENT

You agree:
(i) to provide us full cooperation, assistance, and any information we may reasonably request when seeking coverage under this policy;
(ii) to do nothing that may increase our liabilities or prejudice our potential or actual rights of recovery or subrogation;
(iii) not to incur any **loss**, or any other costs or expenses for which you are seeking coverage under this policy, or admit any liability or assume any contractual obligation, without our prior written consent; and
(iv) not to accept or consent to any settlement, or make any offer of settlement, or stipulate to any judgment, without our prior written consent; however, our consent will not be required if you can settle the **claim**, including all **related claims** and **loss** (including **defense costs**) for an aggregate amount that does not exceed the Retention.

We will:
(a) make any settlement of any **claim** that we deem reasonable, provided such settlement is made with your written consent (such consent not be unreasonably withheld);
(b) have the right to make any reasonable investigation into any **claim** or **noticed matter** that we deem necessary or appropriate;
(c) not withhold written consent unreasonably; and
(d) not be liable for any **loss**, or any other costs or expenses for which you are seeking coverage under this policy, or admission of liability, or any contractual obligation unless we have provided prior written consent.

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IX. APPLICATION

In issuing this policy we have relied upon the truthfulness and accuracy of the statements, representations, and information in the **application**, which is incorporated into this policy. The **insureds** represent and acknowledge that the statements contained in the **application** are true, are the basis of this policy, and are deemed material to the acceptance of this risk or the hazard assumed by us under this policy.

If the **application's** statements, representations, and information contain any actual or knowing misrepresentations or omissions which materially affect our acceptance of the risk or the hazard assumed by us under this policy, then the coverage afforded by this policy will be void and of no effect but only with respect to any:

(i) **insured person** who had actual knowledge of such misrepresentations or omissions;
(ii) **insured entity** to the extent it provided indemnification, or owed indemnification to any such **insured person** in (i) above: and
(iii) **insured entity** if such **insured person** referenced in (i) signed the application.

X. CHANGE OF CONTROL

With respect to any **liability coverage part**:

In the event of a **change of control**, the premium will become fully earned as of the effective date. We will not be liable for any **wrongful act** committed, attempted, or allegedly committed or attempted by any **insured** after the effective date of a **change of control**. We will however, continue to provide coverage until the policy is otherwise cancelled, terminated, or expires, but only for **wrongful acts** by any **insureds** prior to the date of a **change of control**. The extended reporting provision in Section V will not apply to a **change of control** event.

If you notify us in writing at least sixty (60) days prior to the **change of control**, we will provide you with proposed additional terms and conditions for run-off coverage subject to an additional premium and payment by you.

Non-liability coverage parts will have specific change of control provisions applicable to such Coverage Part.

XI. SUBSIDIARY

With respect to any **liability coverage part**:

A **subsidiary** and its **insureds** acquired or created before or during the **policy period** will be afforded coverage for a **claim** arising from **wrongful acts** which occur while that **subsidiary** is under the **management control** of an **insured entity**. There will be no acquisition threshold with respect to any **subsidiary**.

If an **insured entity** ceases **management control** of a **subsidiary** during the **policy period**, coverage will continue until the policy is otherwise terminated or cancelled, but coverage will apply to such **subsidiary** and its **insureds** only for **claims** for **wrongful acts** which occurred prior to such cessation.

XII. CANCELLATION OR TERMINATION

This policy may only be cancelled or terminated by one of the following events:

(i) by us, for nonpayment of premium, in which event we will send you a written notice twenty (20) days prior to the effective date of such cancellation;
(ii) by the **named insured** for any reason if we receive written notice twenty (20) days prior to the date the policy should be cancelled; or
(iii) the expiration of the **policy period**.

Any returned premium will be computed on a pro rata basis.

XIII. SUBROGATION AND RECOUPMENT

If we pay any **loss** or other similar cost or expense under this policy, we reserve all rights to subrogation. We will not subrogate against you. You agree that we have the right to recoup any amount paid to you, or on your behalf, if such amount was not owed under this policy.

Any amounts recovered by subrogation or recoupment, less costs expended for the recovery, will be applied to the limit of liability of the applicable Coverage Part.

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XIV. GENERAL POLICY PROVISIONS

The **named insured** agrees to act on behalf of all **insureds** with respect to:

(i) providing or receiving any notice, other than on behalf of an **insured** for a covered **claim** brought by or on behalf of the **named insured** against such other **insured**;
(ii) the payment of any premiums;
(iii) receiving any applicable return premiums; and
(iv) agreeing to and acceptance of any endorsements.

This policy, including the **application**, constitutes the entire contract existing between you and us or any of our agents relating to this insurance.

The provisions of this policy cannot be waived or changed except by written endorsement issued to form a part of this policy. We will not be bound by any assignment of interest under this policy unless this assignment is specifically endorsed to the policy.

XV. REFERENCE TO LAW

Any reference to United States law will also include United States federal, state and local statutory law, and any rules, regulations and amendments of such law or any such equivalent foreign law.

XVI. FINANCIAL INSOLVENCY

Financial insolvency will not impact our obligations, rights or defenses under this policy. We will not object to your efforts to obtain relief or stay from any injunction issued as a result of **financial insolvency**.

XVII. ACTION AGAINST THE COMPANY

No action may be taken against us unless, as a condition precedent, there has been full compliance with all the terms and conditions of this policy. Further, no person or entity will have any right under this policy to join us as a party to any action against any **insured** to determine such **insured's** liability, nor can we be impleaded by the **insured** or legal representatives of such **insured**.

XVIII. STATE AMENDATORY INCONSISTENCY STATEMENT

In the event that there is an inconsistency between the terms and conditions of this policy and any state amendatory endorsement, where permitted by law, we will apply the terms and conditions that are most favorable for you.

XIX. TERRITORY

Coverage will apply worldwide. This policy does not provide coverage for any **insured**, transaction, that part of **loss**, or other similar cost or expense that is uninsurable under the laws or regulations of the United States concerning trade or economic sanctions.

IN WITNESS WHEREOF, we have caused this policy to be executed by our Chairman and Secretary, but this policy shall not be binding upon us unless completed by the attachment of the Declarations.

Chairman



Secretary



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COMMUNITY ASSOCIATION POLICY
ASSOCIATION LIABILITY COVERAGE PART

In consideration of the premium and subject to the Declarations and the General Terms and Conditions, the parties agree as follows:

I. INSURING AGREEMENTS

We will pay **loss** on behalf of an **insured** arising from a **claim** against such **insured** first made during the **policy period.**

II. COVERAGE EXTENSIONS

The following coverage extensions, if subject to a sublimit, are part of, and not in addition to, the aggregate limit of liability set forth in Item 6 of this Coverage Part Declarations.

Settlement Retention Credit

Solely with respect to the settlement of a **claim**, if you and the claimant consent to the initial settlement offer, as recommended by us, within thirty (30) days of being made aware of such offer by us, we will reduce the applicable Retention for such **claim** by the lesser amount of ten percent (10%) of the Retention or ten thousand dollars ($10,000) provided the settlement exceeds the Retention and such Retention has been met by the **named insured**

In the event that one **claim** is eligible for both this Settlement Retention Credit and the Mediation Retention Reduction found in Section II A Supplementary Benefits of the General Terms and Conditions, then the **insured entity** will receive only one such benefit.

III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions.

Applicant means any applicant or prospective applicant for employment with an **insured entity**.

Assessments mean any fees, costs, expenses, dues, funds or other amounts imposed upon, charged to or collected from a resident, property owner or member of an **insured entity** pursuant to either: (i) the governing documents of an **insured entity**; or (ii) any decision by a board, committee or other governing body of an **insured entity**.

Breach means an intentional unauthorized access, intrusion, or control over an **insured's** computer system or network by a third party for some illicit purpose.

Claim means any:
(i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution or request to toll or waive a statute of limitations;
(ii) civil or criminal proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **insured**; (b) the filing of an indictment or information with respect to an **insured**; or (c) the arrest or detainment of an **insured**; or
(iii) a formal administrative or regulatory proceeding (excluding an audit), including an **EEOC proceeding** or proceeding by the Office of Federal Contract Compliance Programs, evidenced by a formal notice of charges or a formal notice of investigation,

against an **insured** for a **wrongful act**, committed, attempted, or allegedly committed or attempted, by such **insured** before or during the **policy period** including any appeal therefrom; provided, that a **claim** for an **employment wrongful act** will not include any criminal proceeding, criminal administrative or regulatory proceeding, criminal investigation, or labor or grievance arbitration or proceeding pursuant to a collective bargaining agreement or similar agreement.

Claim will also include an **immigration claim**.

Unless specifically stated elsewhere in this Coverage Part, a **claim** will be deemed first made on the earliest of the date on which the **claim** is served upon, or first received by, any **insured**.

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Conduct means an **insured's**: (i) gaining of profit or other advantage to which the **insured** was not legally entitled; or (ii) commission of a crime, fraud, or a dishonest act or omission, or willful violation of any law or regulation, provided such conduct was committed with actual knowledge of its wrongful nature or with intent to cause damage and such conduct is established by a final non-appealable adjudication.

Construction defect means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under common or statutory law, whether or not as a result of: (i) faulty or incorrect design or architectural plans; (ii) improper soil testing; (iii) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence; (iv) construction, manufacture or assembly of any tangible property; (v) the failure to provide construction related goods or services as represented or to pay for such goods or services; or (vi) the supervision of such activities.

Contractual liability means actual or alleged liability voluntarily undertaken by an **insured** in any contract or agreement. **Contractual liability** does not include liability that would be imposed upon an **insured**: (i) in the absence of such contract or agreement; or (ii) pursuant to the **named insured's** declarations, by-laws or similar governing documents, except for any provision in such governing documents providing for an award of attorneys' fees.

Cyber event means any actual or alleged:
(i) **exploit**;
(ii) **unauthorized access or use**; or
(iii) **network impairment**.

Defense costs mean the reasonable and necessary fees, costs, and expenses, charged by attorneys designated by us, or incurred by an **insured** with our consent in the investigation, defense, or appeal of any covered **claim**, including the premium for appeal, attachment, or similar bonds arising out of a covered judgment. In no event will we be obligated to supply, underwrite or provide collateral for any such bond. **Defense costs** do not include **overhead expenses**.

Discrimination means any alleged or actual violation of any United States law or common law which prohibits discrimination.

EEOC proceeding means any investigative proceeding before the Equal Employment Opportunity Commission, or an adjudicatory or investigative proceeding before any similar federal, state, or local government body whose purpose is to address any **wrongful employment practice**.

Employee means any natural person, who is a past, present, or future full-time, part-time, seasonal or temporary worker, employees leased by, or loaned to, an **insured entity**. **Employee** does not include any **executive**, **independent contractor** or **property manager employee**.

Employment related benefits mean perquisites, fringe benefits, deferred compensation, or payments (including insurance premiums and benefit claim payments) in connection with an employee benefit plan, **stock benefits** (or the equivalent value thereof), and any other payment to or for the benefit of an **employee** arising out of the employment relationship. **Employment related benefits** will not include salary, wages, commissions, or non-deferred cash incentive compensation.

Employment wrongful act means: (i) any **wrongful employment practice** but only with respect to any **employee** or any **applicant**; (ii) any **wrongful employment practice** but only with respect to any **property manager employee** but solely against an **insured entity**; or (iii) any **third party wrongful act** but only with respect to any **third party**. A **wrongful act** includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites. **Employment wrongful act** does not include: (a) any **wrongful employment practice** of a **property manager**; or (b) an **immigration wrongful act**.

ERISA means any actual or alleged violation of the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985) (COBRA).

Executive means any:
(i) past, present, or future duly elected or appointed director or officer, member of the: board of directors, board of managers, board of regents, board of trustees, board of governors trustee, or such functionally equivalent position of the **insured entity**; or

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(ii) holder of such functionally equivalent position to those included in paragraph (i) above in an **outside entity** while serving at the **insured entity's** specific request or direction.

Executive does not include any **employee**.

Exploit means the **breach** of, or unauthorized or unlawful access to, any **network**, resulting in denial of service, delay to a **network**, or infection of a **network** through malware, spyware, virus or any such similar unauthorized code, application or software.

Fungi means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of such substances.

Harassment means any actual or alleged sexual harassment or other unlawful harassment, including bullying, quid pro quo sexual harassment, or hostile work environment.

Immigration claim means any criminal proceeding or criminal investigation against an **insured person**, alleging an **immigration wrongful act**, provided such criminal proceeding or criminal investigation is based upon or arising out of an actual or alleged violation of the Federal Immigration and Nationality Act of 1965.

Immigration wrongful act means any actual or alleged hiring, harboring, employment or attempted employment of illegal aliens or alleged illegal aliens committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

Insurance benefits mean medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had an **insured entity** provided the claimant with a continuation or conversion of insurance.

Insured means any **insured person** or any **insured entity**. **Insured** also includes **property manager** entity but solely in the course and scope of their provision of **property management services** to the **named insured** or a **subsidiary**. The status of any **insured** will be determined as of the time or date of the alleged **wrongful act**.

Insured person means any duly constituted committee member or volunteer of an **insured entity**, **employee**, **executive**, natural person **property manager**, or **property manager employee** but solely in the course and scope of their provision of **property management services** to the **named insured** or a **subsidiary**. **Insured person** will not include any in-house, or contracted, legal counsel.

Invasion of privacy means any actual or alleged failure by an **insured** to secure an **employee's personal information** from unauthorized use or disclosure resulting in injury to such **employee**; provided **invasion of privacy** does not include unauthorized use or disclosure caused by a **cyber event**.

Loss means the amount you are legally obligated to pay as a result of a **claim** including compensatory damages, settlements, judgments, pre-judgment and post-judgment interest, and **defense costs**.

Loss will also include:

(i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to the **insure**d provided that such jurisdiction has a substantial relationship to us, the **insured**, or to the **claim** giving rise to such **loss**;
(ii) civil fines or penalties assessed against an **insured person** for an unintentional and non-willful violation of law that are insurable under the law to which this policy is construed; and
(iii) liquidated damages awarded pursuant to the Age Discrimination in Employment Act, the Family Medical Leave Act, or the Equal Pay Act.

Loss does not include:

(a) costs to comply with any order or agreement to provide non-monetary or injunctive relief costs to provide any accommodation under any United States law or common law which prohibits discrimination based on disability; provided this will not apply to **defense costs**;
(b) any amount representing the return, restitution, or reimbursement of **assessments** or of any other fees, costs, expenses or other amounts paid to or charged by an **insured**, no matter whether claimed as restitution of specific funds, forfeiture, financial loss, set-off or otherwise;
(c) taxes, fines, or penalties (other than those referenced in (i) or (ii) above);

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(d) **clean-up costs**;
(e) compensation earned by the claimant in the course of employment but unpaid by the **insured**, including but not limited to salary, wages, commissions, severance, bonus, carried interest, or incentive compensation;
(f) amounts not insurable under the law to which this policy is construed;
(g) attorneys' fees or costs sought or awarded pursuant to any declarations, by-laws or other governing documents of an **insured entity**;
(h) any amount for which an **insured** is absolved from payment by reason of any covenant, agreement, or court order;
(i) future salary, wages, or commissions of a claimant who is hired, promoted, or reinstated to employment pursuant to a settlement of, order in, or other resolution of any **claim**;
(j) amounts incurred or required to remedy, repair or compensate for any damage to tangible property, including loss of use thereof, actually or allegedly caused by any owner's modification, addition or architectural change, regardless if such modifications, additions or changes were made with the approval of any **insured**;
(k) amounts as a result of an **immigration claim**; provided this will not apply to **defense costs**; or
(l) **employment related benefits**.

Microbe means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.

Network means any computer, program, database, server, mainframe, software, hardware, mobile device, applications, storage or back-up devices, or such similar components of a digital telecommunication network that is owned or operated by, or on behalf of, or for the benefit of the **insured entity**. **Network** does not include the internet, telephone company networks, electrical grids, or other public infrastructure network.

Network impairment means the disruption, theft, modification, destruction or damage to any **network**, that results in the impairment of the **network** to such an extent that the **insured entity** is substantially unable to conduct normal and customary business operations.

Non-indemnifiable loss means any **loss** incurred by an **insured person** that an **insured entity** fails or refuses to pay, advance, or indemnify:
(i) due to **financial insolvency**; or
(ii) because such indemnification is not permitted pursuant to law.

NLRA means any actual or alleged violation of the National Labor Relations Act, or similar law governing employees' rights and employers' duties with respect to unions, bargaining, strikes, boycotts, picketing, lockouts, or collective activities.

OSHA means any actual or alleged violation of the Occupational Safety and Health Act of 1970, or similar law governing workplace safety and health.

Outside entity means any entity exempt from federal income tax pursuant to Sections 501(c)(3),(4),(6),(7), and (10) of the Internal Revenue Code, provided such entity: (i) is not an **insured entity**; and (ii) is a community association, joint council, master association or sub-association.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses, associated with any **insured**.

Pending or prior litigation means any matter, fact, circumstance, situation, transaction, event, action, proceeding, investigation, inquiry, or written demand, commenced against you pending on or prior to the date set forth in Item 6 of the Declarations or any related, same, or essentially related or same matter, fact, circumstance, situation, transaction, event, action, proceeding, investigation, inquiry, or written demand.

Personal injury means any:
(i) wrongful entry or eviction, or other invasion of the right of private occupancy;
(ii) false arrest or false imprisonment; or
(iii) malicious prosecution or abuse of process.

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Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **wrongful act** that has been the subject of any notice accepted under any not-for-profit directors and officers liability policy, employment practices liability policy, or comparable policy, coverage section or coverage part of which this Coverage Part is a direct or indirect renewal or replacement, or any related, same, or essentially related or same matter, fact, circumstance, situation, transaction, event, or **wrongful act**.

Pollutants mean any substance exhibiting hazardous characteristics as is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also mean, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

Property manager means the entity or natural person providing **property management services** to the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Property manager employee means any natural person (including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director or officer, member of the board of directors or board of managers) in the regular service of a **property manager** in the ordinary course of such **property manager's** business, provided such **property manager** governs and directs in the performance of such service.

Property management services mean the following property and community association management services provided for a fee pursuant to a written contract in connection with the management of property under the ownership, management or control of the **named insured** or a **subsidiary**:

(i) development of management plans and budget;
(ii) oversight of physical maintenance of property;
(iii) solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
(iv) development, implementation and management of loss control and risk management plans for real property;
(v) solicitation and negotiation of contracts for sale and leasing of real property;
(vi) development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
(vii) personnel administration; or
(viii) record keeping.

Protected information means nonpublic proprietary and confidential information of a third-party entity, or any **personal information**.

Publisher injury means libel, slander, defamation, plagiarism, or misappropriation of ideas; or infringement of copyright, title, slogan, logo, trademark, tradename, trade dress, service mark, or service name.

Retaliation means any actual or alleged retaliatory act by an **insured** against an **employee** arising from such **employee's**:

(i) **whistleblower activity**;
(ii) participation, assistance, testimony, or cooperation in any internal or external proceeding or investigation regarding violations of law by an **insured**; or
(iii) exercise of his/her rights, refusal to violate any law, or opposition to any unlawful practice or activity.

Sponsor liability means any actual or alleged: (i) act or omission by an **insured** in their capacity as a sponsor, builder or developer of an **insured entity**; or (ii) misconduct of a sponsor, builder or developer of an **insured entity**, including but not limited to actual or alleged conflicts of interest, self-dealings, or disputes concerning conversion, construction or development.

Third party means any natural person who is not an **employee** or **executive**.

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Third party wrongful act means any **discrimination** or **harassment** of a **third party** or **applicant** committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

Unauthorized access or use means unauthorized use, theft, collection, disclosure, disruption, modification, deletion or destruction of, or unauthorized access to, any **protected information** or any **network** component.

Wage and hour means any actual or alleged violation of any United States law or common law which regulates or governs employment wage, pay, or labor requirements or standards, including but not limited to:
(i) the calculation, recordkeeping, timing or manner of payment of minimum wages, prevailing pay rates, overtime pay, or other compensation alleged to be due and owing, including the failure to compensate for any unpaid vacation pay, off the clock or remote work, or for employer sponsored activities;
(ii) failure to provide or enforce legally required meal or rest break periods;
(iii) the classification of any entity or person for wage and hour purposes;
(iv) garnishments, withholdings, or other deductions from wages;
(v) use of federal or state tip credits or maintenance and distribution of tip pools; or
(vi) reimbursement of work-related expenses or tools to any person providing services or labor to or on behalf of an **insured entity**,
or any such similar practices, policies, or procedures.

WARN means any actual or alleged violation of the Workers' Adjustment and Retraining Notification Act, or similar law governing employer notice requirements in advance of lay-offs or facility closings.

Whistleblower Activity means the lawful activity of an **insured person**, with respect to any alleged wrongdoing by an **insured**, who causes information to be provided to the attention of, or otherwise assists in an investigation by, a governmental or law enforcement agency, provided such activities are protected by statute with rights and remedies for retaliation recognized under United States law.

Worker benefits mean any actual or alleged violation of any United States law governing workers' compensation, unemployment insurance, social security, or disability benefits.

Workplace tort means any:
(i) negligent hiring, training, supervision, or evaluation of **employees**;
(ii) failure to adopt or enforce adequate workplace or employment policies and procedures;
(iii) false imprisonment, false arrest, detention, or malicious prosecution;
(iv) libel, slander, defamation, or humiliation;
(v) **invasion of privacy**; or
(vi) wrongful infliction of emotional distress.

Wrongful act means any:
(i) error, misstatement, misleading statement, act, omission, neglect, or breach of duty, (including **personal injury** or **publisher injury**) committed, attempted or allegedly committed, or attempted, by:
  (a) an **insured person** in his/her capacity as such; or
  (b) an **insured entity**;
(ii) matter claimed against an **insured person** solely by reason of his/her status as such; or
(iii) **employment wrongful act**.

Wrongful employment decision means any:
(i) actual or constructive wrongful dismissal, discharge, or termination of employment;
(ii) wrongful deprivation of career opportunity, demotion, failure to grant tenure, failure to train, or failure to employ or promote;
(iii) employment related misrepresentation, including inducement to become or remain employed based on an erroneous job description; or
(iv) wrongful discipline of **employees**.

Wrongful employment practice means any employment related:
(i) breach of any written employment contract or agreement, including any written contract or agreement concerning severance payments or contractual obligation arising out of any employee handbook, personnel manual, policy statement, or other representation;

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(ii) **discrimination**;
(iii) **harassment**;
(iv) **retaliation**;
(v) **workplace tort**; or
(vi) **wrongful employment decision**,
committed, attempted, or allegedly committed or attempted by an **insured** in such capacity.

IV. COVERAGE PART EXCLUSIONS

We will not cover **loss** in connection with any **claim**:

A. based upon or arising from, or in any way involving:
   (i) **bodily injury**; provided this exclusion (i) will not apply to actual or alleged emotional distress, mental anguish or humiliation from an **employment wrongful act**;
   (ii) **conduct**;
   (iii) **construction defect**;
   (iv) **contractual liability**; provided this exclusion (iv): (a) will not apply to **defense costs** in connection with **contractual liability** for a written contract; and (b) is subject to the employment **contractual liability** exclusion in B(vii) below;
   (v) **cyber event**;
   (vi) **pending or prior litigation**;
   (vii) **pollution**;
   (viii) **prior notice**;
   (ix) **sponsor liability**;
   (x) any **wrongful act** by an **insured person** acting in a capacity as directors, officers, trustees, regents, governors or employees (or solely by reason of their status as such) of any entity other than an **insured entity** or an **outside entity**;
   (xi) failure to maintain or effect insurance; provided this exclusion (xi) will not apply to **defense costs**; or
   (xii) actual, alleged or threatened:
      (a) inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **fungi** or **microbes**; or
      (b) failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **fungi** or **microbes**.

B. for:
   (i) **worker benefits**; provided this exclusion (i) will not apply to any **claim** on account of **retaliation**;
   (ii) **ERISA**, provided this exclusion (ii) will not apply to:
      (a) Section 510 in a **claim** for an **employment wrongful act**;
      (b) any **claim** on account of **retaliation**;
   (iii) **OSHA**; provided this exclusion (iii) will not apply to any **claim** on account of **retaliation**;
   (iv) **WARN**; provided this exclusion (iv) will not apply to any **claim** on account of **retaliation**;
   (v) **NLRA**; provided this exclusion (v) will not apply to any **claim** on account of **retaliation**;
   (vi) **insurance benefits**; provided this exclusion (vi) will not apply to **defense costs**;
   (vii) any breach of any written employment **contractual liability**, including any severance agreement or golden parachute agreement, or any compensation agreement payable upon the termination of any **employee**; provided, this exclusion (vii) will not apply to **defense costs**; or
   (viii) **wage and hour**; provided this exclusion (viii) will not apply to **defense costs**. Further provided that the most we will pay for all **defense costs** alleging **wage and hour** is the sublimit of liability set forth in item 6 of the Declarations.

C. against a **property manager** or **property manager employee** based upon or arising from or in any way involving any:
   (i) actual or alleged commingling, misappropriation or improper use of, or failure to pay, collect, or safeguard, funds;
   (ii) actual or alleged advice as to property value;

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(iii) actual or alleged transfer or failure to transfer funds;
(iv) actual or alleged notarization certification or acknowledgment of a signature;
(v) cease and desist order; or
(vi) actual or alleged failure to give timely notice of claim or loss under any insurance policy;

D. based upon or arising from or in any way involving any **claim** brought by, or on behalf of, the **insured entity** against a **property manager** or **property manager employee**;

E. based upon or arising from or in any way involving **property damage**; provided this exclusion E will not apply to decisions by a board, committee or other duly elected or appointed governing body of an **insured entity** to:
(i) grant or deny permission to a property owner for that owner to make modifications, additions or architectural changes to such owner's property; or
(ii) impose, charge or collect **assessments** as a result of **property damage**.

V. SPECIFIC LIMIT OF LIABILITY, SUBLIMITS AND RETENTIONS

A. Limit of Liability and Defense Costs Only Sublimit outside of the Aggregate Limit of Liability

The most we will pay for all **loss** arising from all **claims** is the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations; provided, however, and notwithstanding Section IV, Limit of Liability, Sublimits and Retentions of the General Terms and Conditions, **defense costs** will be in addition to the aggregate limit of liability up to the amount of the additional **defense costs** limit of liability stated in Item 6 of the Declarations. If and when such **defense costs** limit of liability is exhausted by payment of **defense costs**, then any remaining **defense costs** will be applied and erode the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

B. Immigration Claims Defense Costs Only Sublimit of Liability

The most we will pay for all **defense costs** from all **immigration claims** is the amount set forth in Item 6 of the Declarations, such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

Defense costs shall be applied in accordance with Section V A above.

C. Retentions and other Sublimits

A single Retention will apply to each **claim**, such Retention will apply only to **loss** other than **defense costs**. There will be no Retention applicable to liability for **non-indemnifiable loss**.

VI. INDEMNIFICATION

It is agreed that an **insured entity** will indemnify its **insured persons** to the fullest extent permitted by law.

VII. DEFENSE OF CLAIMS

We have the right and duty to defend any **claim** covered by this Coverage Part even if the allegations in the **claim** are groundless, false, or fraudulent. We will have the right to appoint counsel and to make such investigation and defense of a **claim** as it deems necessary. Our duty to defend any **claim** will end, and we will have no further obligation to defend any **claim**, upon the exhaustion of the applicable limit of liability.

VIII. ALLOCATION

If a **claim** incurs covered **loss** and uncovered loss because such **claim** includes covered and uncovered parties, or covered and uncovered matters, then the following will apply:
(i) one hundred percent (100%) of **defense costs** incurred by such **insured** will be considered covered **loss**; and
(ii) with respect to any loss other than **defense costs** you and we will use our best efforts to determine an allocation between covered **loss** and uncovered loss based on the relative legal and financial exposures of the parties to such matters.

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IX. OTHER INSURANCE

This Coverage Part will be excess of, and will not contribute with, any other insurance policy, coverage part, or risk transfer or indemnity agreement, including any deductible or retention obligation thereunder, that provides defense or indemnity coverage for any **loss** for which this Coverage Part also provides coverage, unless such other insurance or agreement is written specifically as excess of the limit of liability of this Coverage Part.

This Coverage Part will be specifically excess of any valid and collectible insurance policy: (i) for environmental liability, cyber liability, general liability, professional services liability or employment practices liability; or (ii) written on a duty to defend basis unless such other insurance is written specifically as excess of the limit of liability of this Coverage Part.

With respect to an **executive** serving in his/her capacity as such for an **outside entity**, this Coverage Part will be specifically excess of any insurance or indemnity available to such **insured person** by or on behalf of an **outside entity**.

Notwithstanding the above, this Coverage Part will apply as primary with respect to any personal umbrella or personal directorship liability insurance purchased by an **insured person**.

X. IMPUTATION

We will not impute:
(i) the conduct of any **insured person** with respect to **conduct** exclusion IV A(ii) of this Coverage Part; or
(ii) the failure to provide us with full cooperation, assistance, or information as required,
to any other **insured person**, nor will the above impair the rights of any other **insured person** under this Coverage Part.

XI. PRIORITY OF PAYMENT

The coverage under this Coverage Part is intended principally to benefit the **insured person**. In the event that **non-indemnifiable loss** and any **loss** or payments under a coverage extension are due simultaneously, then we will first pay **non-indemnifiable loss** on behalf of the **insured person**. In all other instances we will pay **loss** as it becomes due.

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PRIVACY EVENT EXPENSE ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part and the coverage provided by this endorsement, the policy is amended as follows:

I. The following insuring agreement is added to the Association Liability Coverage Part:

Privacy Event Response

We will pay or reimburse the **insured entity** for **privacy event response costs** resulting directly from a **privacy event** the **insured** first **discovered** during the **policy period**.

II. Solely with respect to the coverage afforded by this endorsement Section III, Definitions of the Association Liability Coverage Part is amended to add the following definitions:

Crisis management expenses mean the reasonable and necessary fees, costs, and expenses that are incurred by, or on behalf of, an **insured entity** to mitigate negative publicity concerning a **privacy event**. **Crisis management expenses** include fees, costs, and expenses incurred:
(i) by a **response vendor** law firm, public relations firm, or crisis management firm, to advise the **insured entity**;
(ii) to manage press coverage, publicity and press relationships, advertising and mailing of materials on behalf of the **insured entity**.

Cyber terrorism means any actual or threatened attack by individuals, or group of individuals, against a **network**, in furtherance of social, ideological, religious, or political objectives, with the intent, design, or purpose, in whole or in part, to: (i) cause harm to a **network**; or (ii) intimidate any person or entity in furtherance of such objectives.

Data breach means any: (i) unauthorized disclosure, modification, use, or access of **protected information**; (ii) loss, destruction or theft of **protected information**; or (iii) violation or failure to comply with any **data privacy law**.

Data privacy law means any law, rule, or regulation in any domestic or international jurisdiction that governs the: (i) use, confidentiality, collection, or control of **protected information**; (ii) implementation of policies or procedures with respect to **protected information**; or (iii) notification of an actual or suspected **data breach** to impacted, or potentially impacted, persons or entities or to the appropriate authorities.

Discovered or **discovery** means when a **responsible person** acquired knowledge that would lead a reasonable person to believe a covered loss or covered damage has occurred or will occur, whether or not the amount or details of such loss or damage are known.

Interrelated security breaches means all **privacy events** that are based upon, arising from or are logically or causally connected by the same or any related or common, or a series of related or common, facts, circumstances, transactions, or causes.

IT provider means any third party entity which provides:
(i) hosted computer resources including “cloud computing” to the **insured entity**; or
(ii) information technology services required by the **insured entity** to operate a **network** under such entity’s ownership, operation, or control,
pursuant to a written contract between such entity and such **insured entity**. **IT provider** does not include any **insured entity**, any public utility, internet service provider, or securities exchange.

Network means any computers, all peripheral or integrated storage, communications input or output devices (including mobile devices), or related network or operating systems, application software or website that are:
(i) owned, operated by, controlled by or leased by an **insured entity**;
(ii) owned or operated by the **property manager** entity on behalf of, or for the benefit of, an **insured entity** but solely in the course and scope of its provision of **property management services** to such **insured entity**; or
(iii) under the ownership, operation, or control of an **IT provider**, or operated on behalf of, or for the benefit of, an **insured entity** by an **IT provider**.

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Personal information means any private or confidential information in the care, custody, or control of an **insured entity** (or a third party provider acting on behalf of an **insured entity**), provided such information may be used alone or with other information to uniquely identify: (i) a natural person; (ii) any protected health information; or (iii) non-public personally identifiable information as defined in any **data privacy law**.

Privacy event means any **security breach** or **data breach**.

Privacy event response costs mean reasonable and necessary fees, costs, and expenses incurred by an **insured entity** for services rendered by **response vendors** to:

(i) retain legal counsel to investigate, respond, and negotiate compliance in response to a **privacy event**;
(ii) retain a computer forensics firm to investigate the cause of a **privacy event** and the extent of any **protected information** disclosure;
(iii) provide compulsory and/or voluntary notification to impacted or potentially impacted individuals or entities whose **protected information** may have been subject to a **data breach**;
(iv) provide notification to any other entity as required by law;
(v) set up a call center to respond to inquiries about the **privacy event**;
(vi) provide credit monitoring, identity monitoring, identity restoration or protection services, to impacted, or potentially impacted individuals, in response to the **data breach**; or
(vii) provide such other mitigation or remediation services in response to a **privacy event**, subject to Section VIII Cooperation and Consent of the General Terms and Conditions.

Privacy event response costs also include **crisis management expenses**. **Privacy event response costs** must be incurred within twenty four (24) months of the date you reported the **privacy event** to us, provided that solely with respect to (vi) above, such costs may exceed the twenty four (24) month limit if so required by law.

Protected information means: (i) **personal information**; or (ii) any other third party confidential business information in the care, custody, or control of an **insured entity** or a third party provider acting on behalf of an **insured entity**.

Response vendors mean: (i) the panel of pre-approved vendors provided by us; or (ii) a qualified vendor that has been approved by us prior to retention.

Responsible person also means the Chief Information Officer, Chief Technology Officer, Chief Content Officer, Chief Information Security Officer, Chief Privacy Officer, Data Protection Officer, or such functionally equivalent position of the **named insured**.

Security breach means: (i) access to a **network** by an unauthorized person; (ii) use of any **network** in an unauthorized manner; (iii) transmission of malicious code or virus to a **network**; or (iv) denial of service attack on a **network**.

III. Solely with respect to the coverage afforded by this endorsement, Section IV, of the Association Liability Coverage Part Exclusions is amended as follows:

A. Exclusion (v) cyber event is amended by adding the following:

Provided this **cyber event** exclusion will not apply to the coverage afforded by this endorsement.

B. The following exclusions are added:

We will not cover **privacy event response costs** in connection with any **privacy event** based upon or arising from:

- Defects in Data And Software and Network
  any defect of design, implementation, operation, incompatibility or any other fault of data and software or the **insured entity's network**, or any part thereof where such defect or fault is introduced by the **insured entity's**:
  (i) use of a third party product, including but not limited to software and equipment, in a manner inconsistent with the manufacturer's intended use;
  (ii) modification of a third party product or integration of components in violation of the manufacturer's warranty or other license terms;
  (iii) integration of components in a manner inconsistent with any of the components' intended use as established by its manufacturer;

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- Deliberate Acts
  any:
  (i) dishonest, fraudulent, criminal, or malicious act or omission;
  (ii) commingling, misappropriation, or misuse of funds;
  (iii) intentional wrongdoing; or
  (iv) knowing violation of any contract, agreement, statute or regulation,
  by or on behalf of an **insured**, provided such above conduct is established by a final non-appealable adjudication (excluding a declaratory action or proceeding by, or against us) in the underlying action;

- Force Majeure
  fire, earthquake, flood, smoke, explosion, volcanic eruption, lightning, wind, water, tidal wave, solar flare, landslide, hail, or act of God, regardless of cause;

- Goodwill
  any actual or alleged adverse impact on goodwill or change in value of shares, stock, or securities;

- Governmental Orders
  any actual or alleged requisition, nationalization, confiscation, destruction, or damage to property, by order of any federal, state, local, national, or foreign governmental authority or foreign political authority;

- Property Damage
  direct physical loss of or damage to property;

- Vendor Acts
  unauthorized and deliberate malicious act or omission by a vendor or other third party authorized by the **insured entity** to perform services on the **insured entity's network**;

- War
  any war (declared or otherwise), warlike operation, hostilities, invasion, popular or military uprising or activities, insurrection, rebellion, revolution, or terrorism (whether certified or not) by an individual or group or any action taken by governmental authorities in hindering or defending against any of these; provided this exclusion will not apply to **cyber terrorism**.

IV. Section V, Specific Limit of Liability, Sublimits and Retentions of the Association Liability Coverage Part is amended to include the following:

A. The most we will pay for all **privacy event response costs** resulting directly from a **privacy event** the **insured** first **discovered** during the **policy period** is $100,000; such sublimited coverage will be part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 6 of the Declarations.

B. No Retention will apply to **privacy event response costs**.

V. Section VI, Notice and Reporting of the General Terms and Conditions is amended to add the following:

As a condition precedent to our policy obligations, you must provide written notice of a **privacy event** as soon as practicable after **discovery**.

VI. The following Section is added to the Association Liability Coverage Part:

RELATED SECURITY BREACHES

All **interrelated security breaches** will be treated as one **security breach** first **discovered** on the date the first of such **interrelated security breaches** was first **discovered**.

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In the event the **Insured** has also purchased any other first or third party cyber coverage in the same **policy period**, all interrelated Cyber Incidents will be treated as one Cyber Incident first reported or **discovered** on the date the first of such Cyber Incidents was first **discovered**. A Cyber Incident will include a **privacy event,** extortion demand, electronic theft, network impairment, security breach, data breach, improper destruction or release of personal or confidential information.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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NETWORK SECURITY AND PRIVACY REGULATION PROCEEDING ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part, and the coverage provided by this endorsement, the policy is amended as follows:

I. The following insuring agreements are added to the Association Liability Coverage Part:

Network Security and Privacy

We will pay **loss** on behalf of an **insured** arising from a **network claim** first made during the **policy period**.

Privacy Regulation Proceeding

We will pay **privacy regulation fines and redress amounts** and **defense costs** on behalf of an **insured** arising from a **privacy regulation proceeding** first made during the **policy period**.

II. Section III, Definitions of the Association Liability Coverage Part is amended as follows:

A. Solely with respect to the coverage afforded by this endorsement:

(i) any reference to **claim** (except with respect to the Insuring Agreements and the definition of **claim** and **immigration clam**) in the Association Liability Coverage Part will mean a **network claim**.

(ii) the definition of **loss** is deleted and replaced with the following:

Loss means the amount you are legally obligated to pay as a result of a **network claim** including compensatory damages, settlements, judgments, pre-judgment and post-judgment interest, and **defense costs**.

Loss will also include:
(i) punitive, exemplary, or multiplied damages if such damages are insurable under the law in the jurisdiction which is most favorable to the **insured** provided that such jurisdiction has a substantial relationship to us, the **insured**, or to the **network claim** giving rise to such **loss**;
(ii) civil fines or penalties assessed against an **insured person** for an unintentional and non-willful violation of law that are insurable under the law to which this policy is construed (including **privacy regulation fines and redress amounts**); and

Loss does not include:
(a) costs to comply with any order or agreement to provide non-monetary or injunctive relief, provided this will not apply to **defense costs**;
(b) taxes, fines, or penalties (other than those referenced in (i) or (ii) above);
(c) fees, costs, and expenses paid, incurred, or charged by an **insured**, no matter whether claimed as restitution of specific funds, financial loss, mitigation expenses, set-off amounts or payments in the form of service credits or coupons or other non-cash consideration;
(d) amounts not insurable under the law to which this policy is construed;
(e) attorneys' fees or costs sought or awarded pursuant to any declarations, by-laws or other governing documents of an **insured entity**;
(f) any amount for which an **insured** is absolved from payment by reason of any covenant, agreement, or court order.

(iii) the definition of **prior notice** is deleted and replaced with the following:

Prior notice means any matter, fact, circumstance, situation, transaction, event, or **privacy wrongful act**, **security wrongful act**, that has been the subject of any notice accepted under any cyber policy or comparable policy, coverage section, or coverage part of which this Coverage Part is a direct or indirect renewal or replacement; or any related, same or essentially related or same matter, fact, circumstance, situation, transaction, event, **privacy wrongful act**, or **security wrongful act**.

B. Solely with respect to the coverage afforded by this endorsement the following definitions are added:

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Cryptocurrency means any virtual or digital currency in which cryptography or other encryption security techniques are used to regulate the generation of units of currency and/or verify the transfer of funds, operating independently of a central bank.

Cyber terrorism means any actual or threatened attack by individuals, or group of individuals, against a **network**, in furtherance of social, ideological, religious, or political objectives, with the intent, design, or purpose, in whole or in part, to: (i) cause harm to a **network**; or (ii) intimidate any person or entity in furtherance of such objectives.

Data breach means any: (i) unauthorized disclosure, modification, use, or access of **protected information**; (ii) loss, destruction or theft of **protected information**; or (iii) violation or failure to comply with any **data privacy law**.

Data privacy law means any law, rule, or regulation in any domestic or international jurisdiction that governs the: (i) use, confidentiality, collection, or control of **protected information**; (ii) implementation of policies or procedures with respect to **protected information**; or (iii) notification of an actual or suspected **data breach** to impacted, or potentially impacted, persons or entities or to the appropriate authorities.

IT provider means any third party entity which provides:
(i) hosted computer resources including "cloud computing" to the **insured entity**; or
(ii) information technology services required by the **insured entity** to operate a **network** under such entity's ownership, operation, or control,
pursuant to a written contract between such entity and such **insured entity**. **IT provider** does not include any **insured entity,** any public utility, internet service provider, or securities exchange.

Network means any computers, all peripheral or integrated storage, communications input or output devices (including mobile devices), or related network or operating systems, application software or website that are:
(i) owned, operated by, controlled by or leased by an **insured entity**;
(ii) owned or operated by the **property manager** entity on behalf of, or for the benefit of, an **insured entity** but solely in the course and scope of its provision of **property management services** to such **insured entity**; or
(iii) under the ownership, operation, or control of an **IT provider**, or operated on behalf of, or for the benefit of, an **insured entity** by an **IT provider**.

Network claim means any:
(i) written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution or request to toll or waive a statute of limitations;
(ii) civil or criminal proceeding commenced by the earlier of: (a) the return of service of a complaint or indictment upon an **insured**; (b) the filing of an indictment or information with respect to an **insured**; or (c) the arrest or detainment of an **insured**; or
(iii) solely with respect to Privacy Regulation Insuring Agreement above, a **privacy regulation proceeding**.
against an **insured** for a **privacy wrongful act** or **security wrongful act**, committed, attempted, or allegedly committed or attempted, by such **insured** before or during the **policy period** including any appeal therefrom.

Personal information means any private or confidential information in the care, custody, or control of an **insured entity**, provided such information may be used alone or with other information to uniquely identify: (i) a natural person; (ii) any protected health information; or (iii) non-public personally identifiable information as defined in any **data privacy law**.

Privacy regulation fines and redress amounts mean: (i) civil monetary fines or penalties assessed by the arbiter of a **privacy regulation proceeding**; or (ii) equitable amounts you are legally obligated to pay into a fund for the payment of consumer claims as a result of a **privacy regulation proceeding**. **Privacy regulation fines and redress amounts** do not include fines or penalties that are uninsurable under the law to which this policy is construed, or any amount constituting settlement to which we have not consented to in writing.

Privacy regulation proceeding means a civil investigative demand, administrative or regulatory investigation or proceeding, or a written request for information by a federal, state, local, or foreign governmental authority, or self-regulating organization, against an **insured** and pertaining to a **privacy wrongful act**.

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Privacy wrongful act means any actual or alleged:
(i) act, error or omission by an **insured** (or by a **rogue employee** or a third party provider for whose actions the **insured** is legally liable) that results in a **data breach** on a **network**; or
(ii) failure by an **insured** to destroy **protected information**.

Protected information means: (i) **personal information**; or (ii) any other third party confidential business information in the care, custody, or control of an **insured entity** or a third party provider acting on behalf of an **insured entity.**

Rogue employee means an **employee** or **executive** who intentionally acts outside of his/her capacity as such.

Security breach means: (i) access to a **network** by an unauthorized person; (ii) use of any **network** in an unauthorized manner; (iii) transmission of malicious code or virus to a **network**; or (iv) denial of service attack on a **network**.

Security wrongful act means any actual or alleged:
(i) act, error, or omission by an **insured** (or by a **rogue employee** or a third party provider for whose actions the **insured** is legally liable) that results in a **security breach**;
(ii) failure by an **insured** to timely disclose a **security breach**; or
(iii) act, error, or omission by an **insured** that results in an unscheduled or unplanned inability of an authorized third party user to gain authorized access to a **network**.

Unauthorized reprogramming means the unauthorized reprogramming of software (including firmware) which renders the **network** nonfunctional or useless.

III. Solely with respect to the coverage afforded by this endorsement, Section IV, of the Association Liability Coverage Part Exclusions is amended as follows:

A. Section A is amended as follows:

1. exclusion (i) bodily injury is amended to add the following:

   Provided this exclusion (i) will not apply to any actual or alleged mental anguish or humiliation made in connection with any **network claim** arising from a **privacy wrongful act**;

2. exclusion (v) cyber event is amended by adding the following:

   Provided this **cyber event** exclusion will not apply to the coverage afforded by this endorsement.

B. Section E is amended to add the following:

Provided further that this exclusion will not apply to **unauthorized reprogramming** or any transmission of malicious code or virus to a **network**.

C. The following exclusions are added:

We will not cover **loss** in connection with any **network claim** based upon or arising from:

- Critical Infrastructure Failure
  actual or alleged failure, interruption, disturbance, or outage of critical infrastructure including, but not limited to electrical, gas, water, telecommunications, internet, or any satellite, which is not under your operational control;
- Cryptocurrency
  cryptocurrency;
- Force Majeure
  fire, earthquake, flood, smoke, explosion, volcanic eruption, lightning, wind, water, tidal wave, solar flare, landslide, hail, or act of God, regardless of cause;
- Governmental Orders

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any actual or alleged requisition, nationalization, confiscation, destruction, or damage to property, by order of any federal, state, local, national, or foreign governmental authority or foreign political authority;

- War
  any war (declared or otherwise), warlike operation, hostilities, invasion, popular or military uprising or activities, insurrection, rebellion, revolution, or terrorism (whether certified or not) by an individual or group or any action taken by governmental authorities in hindering or defending against any of these; provided this exclusion will not apply to **cyber terrorism**.

IV. The coverage afforded by this endorsement does not increase the Maximum Aggregate limit of liability set forth in Item 6 of the Declarations.

All other terms and conditions of the Policy remain unchanged.

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DEFENSE COSTS OUTSIDE THE LIMITS ENDORSEMENT

In consideration the premium, the policy is amended as follows:

I. Section IV, Limit of Liability, Sublimits and Retentions of the General Terms and Conditions, is deleted and replaced with the following:

The maximum aggregate amount we will pay for all **loss** (other than **defense costs**) regardless of the number of **claims, insureds**, losses, parties or requests for coverage under each respective Coverage Part is set forth in Item 6 of the Declarations.

Defense costs are in addition to the applicable limits of liability, our payment of any **defense costs** will not erode or exhaust the applicable limit of liability.

Item 6 of the Declarations sets forth any applicable Retention. Any Retention will be uninsured and the responsibility of the **named insured to** pay regardless of the nature or form of the **claim**. We will be liable to pay only that amount of **loss** in excess of any applicable Retention. If there are two Retentions that apply to the same **claim**, we will only apply the higher Retention.

All premiums, limits, Retentions, **loss** and other amounts under this policy are expressed and payable in United States of America currency unless the parties agree in writing otherwise.

II. Paragraph (a) of Section VIII, Cooperation and Consent of the General Terms and Conditions is amended by adding the following sentence:

If an **insured**, other than any **property manager**, unreasonably refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this policy shall be reduced to the amount for which the **claim** could have been settled.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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PUBLIC RELATIONS EVENT EXPENSES ENDORSEMENT

In consideration of the premium, the Association Liability Coverage Part is amended as follows:

I. Section II, Coverage Extensions is amended by adding the following:

- Public Relations Event Expenses

  We will reimburse the **named insured** up to $15,000 per **public relations event**, subject to a maximum of $50,000 per **policy period**, for reasonable **public relations expenses** incurred by the **named insured** for advisory services provided by a public relations firm to the **named insured** as a result of a **public relations event** which occurs during the **policy period**.

II. Section III, Definitions is amended by the addition of the following new Definitions:

- **Public relations event** means:

  (i) the departure, incapacitation, illness or death of an **executive** or association board member of the **named insured**;
  (ii) the **named insured's** dissolution for any reason other than bankruptcy; or
  (iii) any violent act, kidnapping, sexual assault, criminal firearm use or workplace accident resulting in negative local or national media coverage of the **named insured**.

- **Public relations expenses** mean the reasonable and necessary fees and expenses incurred by the **named insured** for public relations firm advisory services provided to the **named insured** to minimize potential economic or reputational harm in response to a **public relations event**.

  Public relations expenses do not include **overhead expenses**, expenses incurred prior to any notice submitted to us, or expenses incurred after one hundred and eighty (180) days from the date the **public relations event** was noticed to us.

III. The following new section will be added to this Coverage Part:

Request for Coverage for Public Relations Expenses

If you choose to request coverage for **public relations expenses** you must submit a written notice at the address located in Item 3 of the Declarations. The notice must be sent within sixty (60) days of the **public relations event** and include the date the **public relations event** first occurred, the nature of the **public relations event** and the expenses requested or anticipated.

Should there be a subsequent **claim** that is based upon or arises out of this noticed **public relations event** we will consider that **claim** to have first been made during the **policy period** in which we accepted your first written notice.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

SCHEDULE

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Solely with respect to any Coverage Part set forth in the Schedule, it is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) "you" means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

A. Cap on Certified Terrorism Losses

"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 Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the 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.

If aggregate insured losses attributable to terrorist acts certified under the Act exceed $100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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WORKPLACE VIOLENCE ACT EXPENSES SUBLIMITED COVERAGE ENDORSEMENT

In consideration of the premium, solely with respect to the Association Liability Coverage Part, the policy is amended as follows:

I. Section I, Insuring Agreement is amended to add the following Insuring Agreement:

Workplace Violence Act Expenses

We will pay **workplace violence act expenses** on behalf of an **insured entity** resulting from any **workplace violence act** first occurring during the **policy period**. The total amount that we will pay for **workplace violence act expenses** will be the sublimit of liability set forth in paragraph IV of this endorsement.

II. Section III, Definitions is amended as follows:

A. The definition of **loss** is amended as follows:

Solely with respect to the coverage provided by this endorsement, **loss** will also include **workplace violence act expenses**.

B. The following definitions are added:

Premises means any buildings, facilities or properties occupied by the **named entity**, **subsidiary** or **property manager** and in which such **named entity**, **subsidiary** or **property manager** conducts its business operations.

Workplace violence act means any actual, alleged or threatened, intentional or unlawful deadly force or physical violence by use of a lethal weapon which: (i) occurs on or in the **premises**; and (ii) causes, or could cause, bodily injury or death to an **insured person**.

Workplace violence act expenses means the reasonable and necessary fees and expenses (other than **overhead expenses**) incurred by an **named entity**, **subsidiary** or **property manager** in connection with a **workplace violence act**. Such **workplace violence act expenses** include:

1. an independent security consultant for the first ninety (90) days after the **workplace violence act** occurred;
2. an independent public relations consultant for the first ninety (90) days after the **workplace violence act** occurred;
3. a counseling seminar for all **employees** of the **named entity**, **subsidiary** or **property manager** conducted by an independent consultant within the first ninety (90) after the **workplace violence act** occurred;
4. an independent security guard service for the first fifteen (15) days after the **workplace violence act** occurred; and
5. an independent forensic analyst for the first ninety (90) days after the **workplace violence act** occurred.

III. Section IV, Coverage Part Exclusions is amended to include the following exclusions:

A. We will not cover **loss** in connection with any **claim** based upon or arising from **workplace violence**.

B. We will not be liable to pay any **workplace act expenses** resulting from any **workplace violence act** which:

1. takes place in or at any location other than your workplace;
2. is based upon or arises out of declared or undeclared war, civil war, insurrection, civil commotion, insurrection, rebellion, revolution, military action, invasion, riot, government intervention, expropriation or nationalization; or
3. is based upon or arises out of the use or threat of force or violence occurring for the purpose of demanding money, securities or property.

IV. Section V, Specific Limit of Liability, Sublimits and Retentions is amended to include the following:

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Workplace Violence Act Expenses Sublimit of Liability

A. The most we will pay for all **workplace violence act expenses** for all **workplace violence acts** is $100,000, such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate Limit of Liability for the Liability Coverage Part set forth in Item 6 of the Declarations.

B. No Retention will apply to **workplace violence act expense**.

V. The following new section will be added to this Coverage Part:

Request for Coverage for Workplace Violence Act Expenses

If you choose to request coverage for **workplace violence act expense** you must submit a written notice at the address located in Item 3 of the General Terms and Conditions Declarations. The notice must be sent within sixty (60) days of the **workplace violence act** and include the nature and description of the act, and the date the act first occurred, and the expenses requested or anticipated.

Should there be a subsequent **claim** that is based upon or arises out of this noticed **workplace violence act** we will consider that **claim** to have first been made during the **policy period** in which we accepted your first written notice.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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SUBLIMITED BREACH OF CONTRACT DEFENSE COSTS ENDORSEMENT

In consideration of the premium, this Association Liability Coverage Part is amended as follows:

I. The most we will pay for all **defenses costs** afforded coverage pursuant to the **contractual liability** exclusion carveback in Exclusion A(iv) in Section IV Coverage Part Exclusions is $1,000,000 per **claim**. Provided however, in the event the **defense costs** erode the Limits of Liability, then such sublimited coverage will be part of, and not in addition to, the Maximum Aggregate Limit of Liability for the Liability Coverage Part set forth in Item 6 of the Declarations.

II. Such **defense costs** referenced in paragraph I above will be subject to a Retention of $1,000 per **claim**.

All other terms and conditions of the Policy remain unchanged.

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I. INSURING AGREEMENTS

Coverage provided under the following Insuring Agreements applies to loss or damage which is **discovered** during the **policy period** or during the period of time provided in Section XIII Discovery Period.

A. Fidelity Coverage

We will pay for loss of or damage to **money**, **securities**, or **property** of:

1. Employee Theft
an **insured entity** committed by an **employee**, whether identified or not, acting alone or in collusion with others, such loss or damage resulting directly from **theft** or **forgery**.

2. Client
a **client** committed by an **employee**, whether identified or not, provided the **employee** was not acting in collusion with the **client** or its employees, such loss or damage resulting directly from **theft** or **forgery**.

3. ERISA Plan
a **plan** committed by a **fiduciary**, whether identified or not, acting alone or in collusion with others, such loss or damage resulting directly from **theft** or **forgery**.

B. Forgery or Alteration Coverage

We will pay for direct loss resulting from **forgery** or **alteration** of any **payment instrument**.

C. Inside and Outside Premises Coverage

1. Money or Securities

We will pay for loss of **money** or **securities**:
(i) inside the **premises**; or
(ii) **outside the premises**,
resulting directly from **theft**, actual destruction, or physical disappearance.

2. Property

We will pay for loss of or damage to **property**:
(i) inside the **premises**; or
(ii) **outside the premises**,
resulting directly from an actual or attempted **robbery** or **safe burglary**.

3. Damage

We will pay for damage to the **premises** or its exterior resulting directly from an actual or attempted **robbery** or **safe burglary** provided you own such **premises** or are liable for damage to the **premises**.

D. Transfer Coverage

1. Computer

We will pay for loss of **money**, **securities**, or **property** resulting directly from **computer transfer fraud**.

2. Funds

We will pay for loss of **money** or **securities** resulting directly from **funds transfer fraud**.

3. Social Engineering Fraud

We will pay for loss of **money** or **securities** resulting directly from **social engineering fraud**.

E. Counterfeit Coverage

We will pay for direct loss resulting from **counterfeit fraud**.

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II. COVERAGE EXTENSIONS

The following coverage extensions, if subject to a sublimit, are part of and not in addition to, the applicable limit of liability set forth in Item 6 of the Declarations.

A. Sublimited Proof of Loss Costs Extension

We will pay **proof of loss costs** resulting directly from loss covered under any Insuring Agreement if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **proof of loss costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

B. Sublimited Computer Restoration Costs Extension

We will pay **computer restoration costs** resulting directly from loss covered under the Fidelity Coverage Insuring Agreements A or the Computer Transfer Coverage Insuring Agreement D1 if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **computer restoration costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

C. Sublimited Record Recovery Costs Extension

We will pay **record recovery costs** resulting directly from loss covered under the Fidelity Coverage Insuring Agreements A or the Inside and Outside Premises Coverage Insuring Agreements C if such covered loss is in excess of the Retention applicable to such Insuring Agreement. The total amount that we will pay for **record recovery costs** will be the sublimit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

D. Legal Expense Costs

In addition to the limit of liability set forth in the Declarations, we will pay **legal expense costs** resulting directly from loss covered under the Forgery or Alteration Insuring Agreement B.

III. DEFINITIONS

Any defined word not defined in this Coverage Part will have the meaning assigned to it in the General Terms and Conditions. When used in this Coverage Part, the terms “you”, “your”, and “yours” mean any **insured entity**.

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

Client means any unit owner of yours to whom you provide goods or for whom you perform services while under a written contract for a fee; provided such contract does not include the governing documents of an **insured entity** and such fee does not include a standard periodic association membership fee.

Computer breach means the unauthorized and intentional use of **corrupt code** by a **third party** without the knowledge, consent, or intervention of you or your **employees**.

Computer restoration costs mean reasonable expenses incurred by you to recover or restore your **data**, software or other computer programs from a **computer breach**. **Computer restoration costs** will not include any expenses for computer hardware, or expenses that develop, upgrade, or enhance your **data**, software, or other computer programs, or **overhead expenses**.

Computer system means:
(i) computer hardware,
(ii) software; and
(iii) all peripheral devices linked through a network,
that are operated by you and either owned or leased by you and are used to store, collect, transmit, process, maintain, or retrieve your **data**. **Computer system** will include off-line media libraries.

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Computer transfer fraud means the unlawful taking of **money**, **securities**, or **property** resulting directly from a **computer breach**.

Communication means an electronic, telephone or written instruction received by the **insured entity** that directs an **employee** to:
(i) pay, transfer, or deliver **money** or **securities**, or
(ii) establish or change the method, destination, or account for payment or delivery of **money** or **securities**;
provided such instruction:
(a) contains a misrepresentation of a material fact; and
(b) is relied upon by an **employee** believing it to be true.

Corrupt code means any virus, malware, Trojan horse, worm or other code or software script used for the purpose of: (i) gaining or enabling unauthorized access to a **computer system**; or (ii) entering, deleting, or otherwise changing the instructions, program logic, or **data** of such **computer system**.

Counterfeit Fraud means any:
(i) money order allegedly issued by a post office, express company or financial institution which has been exchanged by you in good faith for merchandise, **money**, or services and such money order is not honored or paid upon presentation; or
(ii) official paper currency of any country that is counterfeit.

Cryptocurrency means any virtual or digital currency in which cryptography or other encryption security techniques are used to regulate the generation of units of currency and/or verify the transfer of funds, operating independently of a central bank.

Custodian means any natural person or entity duly authorized by you to have physical custody of **money**, **securities**, or **property**.

Data means information contained, processed, or stored in a **computer system**.

Discovered or **discovery** means when a **responsible person** acquired knowledge that would lead a reasonable person to believe a covered loss has occurred or will occur, whether or not the amount or details of such loss are known. **Discovery** or **discovered** will not include acquired knowledge of an **executive** participating in a **theft** or **forgery**, whether acting alone or in collusion with an **employee**.

Employee means any natural person while in your service (or within the first ninety (90) days immediately following termination of such service):
(i) on a full-time, part-time, seasonal, leased, or temporary basis, whom you compensate directly by salary, wages, or commissions, and whose service you have the right to direct and control;
(ii) as an **executive** serving in the scope of the usual duties of an **employee** defined in (i) above; or
(iii) as a student, intern, or volunteer.

Employee will also include:
(a) former or retired **employees** defined in (i) or (ii) above retained as a consultant for an **insured entity** (as evidenced by written contract);
(b) any **employee** defined in (i) or (ii) above while on medical, military leave, or any other business leave granted by you;
(c) any **independent contractor**; provided with respect to the Fidelity Coverage Employee Theft Insuring Agreement A1 such **independent contract** does not include any **employee** listed in paragraph (d) below; or
(d) solely with respect to the Fidelity Coverage Employee Theft Insuring Agreement A1: (i) the **property manager**; (ii) a **property manager employee**; or (iii) a natural person or entity appointed in writing by an **insured entity** to act as its agent in the capacity as bookkeeper or accountant, while acting on behalf of such **insured entity** in such capacity.

Employee does not include any agent, broker, factor, commission merchant, consignee, contractor (other than an **independent contractor**), or other such representative of the same general character.

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ERISA means the Employee Retirement Income Security Act of 1974, (including the Consolidated Omnibus Budget Reconciliation Act of 1985)(COBRA).

Executive means your directors, officers, governors, or managing members of a management committee, in-house General Counsel, Risk Manager, or any such functionally equivalent position.

Forgery means the actual signing of another person or organization's name with intent to deceive, but does not mean a signature that includes, in whole or in part, one's own name, signed with or without authority, in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures will be treated the same as hand-written signatures.

Fiduciary means any natural person who is required to be bonded by the Employee Retirement Income Security Act of 1974 (ERISA).

Financial Institution means any bank, savings bank, credit union, or similar depository institution, trust company, stock brokerage firm, or investment firm in which a **transfer account** is maintained.

Funds transfer fraud means an unlawful instruction, other than **forgery**, purportedly issued by you, directing a **financial institution** to transfer, pay, or deliver **money** or **securities** from your **transfer account** without your knowledge or consent.

Insured means any **insured entity** or any **plan**.

Legal expense costs mean reasonable fees, costs, and expenses incurred by you in defending any civil proceeding seeking to enforce payment of any **payment instrument**. **Legal expense costs** do not include **overhead expenses**.

Money means currency, coins, bullion, or bank notes having a face value; or travelers' checks, register checks, or money orders held for sale to the public.

Outside the premises means being conveyed from one person or place to another by you within the custody of a **custodian**. Such conveyance will be deemed to begin immediately upon receipt by such **custodian** and cease immediately upon delivery.

Overhead expenses mean the salaries, wages, fees, overhead, or benefit expenses associated with any **insured**.

Owner means any natural person who has an ownership interest in an **insured entity**.

Partner means any natural person who:
(i) has an ownership interest of ten percent (10%) or more in any **insured entity**, or
(ii) is a partner of any **insured entity** formed as a partnership.

Payment instrument means any: (i) checks, drafts, or similar written promises, orders, or directions to pay a sum certain in **money**, that are made or drawn by or drawn upon by you, by anyone acting as your agent or purporting to have been so made or drawn; or (ii) written instrument required in connection with any credit or debit card issued to you or at your request to any **employee**.

Personal information means any nonpublic personal information relating to an identified or identifiable natural person.

Plan means any employee benefit plan, pension benefit plan, or welfare benefit plan, as each is defined under **ERISA**, sponsored solely by an **insured entity** or sponsored jointly by an **insured entity** and a labor organization, for the benefit of your employees. **Plan** does not include any multi-employer plan.

Policy period will not include any **extended reporting period**.

Premises means the interior portion of any: (i) building that you occupy in conducting your business; or (ii) building, including the night depository chute, occupied by a **financial institution**.

Proof of loss costs mean reasonable expenses, other than **overhead expenses**, incurred by you to establish the amount of a covered loss. **Proof of loss costs** do not include fees or expenses related to the filing of, defense of or proposed civil or criminal litigation or actions.

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Property means any tangible property, other than **money** or **securities** that has intrinsic value. **Property** does not include computer programs or **data**.

Property manager means the entity or natural person providing **property management services** to the **named insured** or any **subsidiary**, including any such entity as a debtor in possession under United States bankruptcy law.

Property manager employee means any natural person in the regular service of a **property manager** in the ordinary course of such **property manager's** business, provided such **property manager** governs and directs in the performance of such service. Such natural persons include any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **property management services** in such capacity.

Property management services mean the following services provided for a fee pursuant to a written contract in connection with the management of property under the ownership, management or control of the **insured entity**:
(i) development of management plans and budget;
(ii) oversight of physical maintenance of property;
(iii) solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
(iv) development, implementation and management of loss control and risk management plans for real property;
(v) solicitation and negotiation of contracts for sale and leasing of real property;
(vi) development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
(vii) personnel administration; or
(viii) record keeping.

Record recovery costs mean reasonable expenses, other than **overhead expenses**, incurred by you to reproduce information contained in any lost or damaged manuscripts, records, accounts, ledgers, or other similar recordkeeping methods that are lost or damaged for a reason other than a **computer breach**.

Responsible person will also mean the President, Director of Human Resources or such functionally equivalent positions of the **insured**, or the person responsible for the purchase and placement of your insurance.

Robbery means the unlawful taking of **money**, **securities**, or **property** from a **custodian** by a third party who: (i) causes or threatens physical harm to such **custodian**; or (ii) commits an unlawful act in the presence of such **custodian** or any other witness.

Safe burglary means the unlawful taking of **money**, **securities**, or **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. **Safe burglary** will also include the unlawful taking of a safe or vault from within the **premises**.

Securities mean negotiable and non-negotiable instruments or contracts representing either **money** or **property**. **Securities** include tokens, tickets, revenue, and other stamps in current use as well as evidences of debt issued in connection with credit or charge cards, which cards are not issued by you. **Securities** do not include **money**.

Social engineering fraud means the intentional misleading of an **employee** through the use of a **communication** by a person or entity who is not, but purports to be, an **owner**, **client**, **employee**, or **vendor**.

Theft means the unlawful taking of **money**, **securities**, or **property** to the deprivation of: (i) an **insured**; or (ii) solely with respect to the Client Fidelity Coverage Insuring Agreement A2, a **client**.

Third party means a natural person other than:
(i) an **employee**; or
(ii) a natural person acting in collusion with an **employee**.

Trading means any loss as a result of trading in a genuine or fictitious account.

Transfer account means an account you maintain at a **financial institution** from which you can initiate the transfer, payment, or delivery of **money** or **securities**.

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Vendor means any person or entity that has provided goods or services to you under a genuine, pre-existing arrangement or other written agreement. **Vendor** does not include any **financial institution**, asset manager, armored motor vehicle company, or such similar entity.

War means any: (i) war, including undeclared or civil war; (ii) 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 (iii) insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

IV. COVERAGE PART EXCLUSIONS

A. Exclusions applicable to all Insuring Agreements

1. This policy does not cover:

(a) Acts
loss or damage resulting from any fraudulent, dishonest or criminal act committed by:
(i) your **partners** whether acting alone or in collusion with others, provided this exclusion (i) will not apply to the ERISA Plan Fidelity Coverage Insuring Agreement A3;

(ii) an **employee**, whether acting alone or in collusion with others, except when covered under the Fidelity Coverage Insuring Agreements; or

(iii) an **employee** who had committed any criminal, fraudulent or dishonest act prior to his/her employment with the **insured entity** involving any property valued at $25,000 or more, provided that you, or any of your **executives**, had knowledge of such act prior to the inception of this policy.

(b) Advantage
loss by any **insured** to the advantage of any other **insured**.

(c) Authority
loss or damage resulting from seizure or destruction of property by order of governmental authority.

(d) Confidential Information
loss or unauthorized use of confidential information of any kind including trade secrets, patents, processing methods, or customer lists, whether such confidential information is yours or others.

(e) Cryptocurrency
loss of or damage to **cryptocurrency**.

(f) Custody
loss of or damage to **money**, **securities**, or **property** while in the custody of any **custodian**, unless the loss or damage is in excess of the amount you recover under any contract with or insurance carried by such **custodian**.

(g) Data Security Breach Expenses
loss arising from a data security breach including:
(i) forensic audit expenses;
(ii) fines, penalties, or expenses to comply with Payment Card Industry Data Security Standard or such similar federal and state laws, statutes, or standards;
(iii) notification expenses to individuals whose **personal information** may have been stolen, accessed, downloaded or misappropriated while in the **insured entity's** care, custody or control.

(h) Exchanges
loss or damage resulting from the giving or surrendering of **money**, **securities**, or **property** in any exchange or purchase with a **third party**, provided that this exclusion (h) will not apply to otherwise covered loss under the Fidelity Coverage Insuring Agreements A, the Counterfeit Coverage Insuring Agreement E, or otherwise covered loss of **property** under the Computer Transfer Coverage Insuring Agreement D1.

(i) Fire

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loss or damage resulting from fire, except loss of **money** or **securities**, or damage to any safe or vault in a **safe burglary**.

(j) Indirect Loss
loss that is indirect or consequential including:
(i) loss of income, profits or revenue;
(ii) fines or penalties;
(iii) payment of damages for which you are legally liable, except for compensatory damages arising directly from covered loss under this Coverage Part;
(iv) legal fees, costs or expenses incurred in defending or prosecuting any legal action, except for **legal expense costs**;
(v) fees, costs or expenses incurred in establishing the amount of a covered loss under this Coverage Part, except for **proof of loss costs**; or
(vi) costs to reproduce information contained in any lost or damaged property, except for **record recovery costs** or **computer restoration costs**.

(k) Kidnap/Ransom or Extortion
loss or damage as a result of kidnap, ransom or other extortion payment (except in a **robbery**) surrendered under threat of bodily harm, or damage to (including loss of use) property (including a **computer system**).

(l) Known Loss
loss or damage that an **insured discovered** prior to the inception of this policy.

(m) Nuclear
loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, regardless of cause.

(n) Trading
loss resulting from any authorized or unauthorized **trading**, whether or not in your name and whether or not in a genuine or fictitious account, provided this exclusion (n) will not apply to direct losses caused by **theft** or **forgery**, committed by an **employee**, which result in improper financial gain to such **employee**.

(o) War
loss or damage resulting from **war**.

B. Exclusions Applicable to Specific Insuring Agreements

1. This policy does not cover loss or damage under the Inside and Outside Premises Insuring Agreements C:

(a) Accounting
resulting from accounting or arithmetical errors or omissions.

(b) Mail
while the **money** or **securities** is in the mail.

(c) Other Coverages
due to **forgery**, **computer transfer fraud**, **funds transfer fraud**, **social engineering fraud**, or **counterfeit fraud**.

2. This policy does not cover loss under the Forgery or Alteration Coverage Insuring Agreement B caused by or attributable to **computer transfer fraud**, **funds transfer fraud** or **social engineering fraud**.

3. This policy does not cover loss under the Computer Transfer Coverage Insuring Agreement D1 caused by or attributable to **funds transfer fraud** or **social engineering fraud**.

4. This policy does not cover loss under the Funds Transfer Coverage Insuring Agreement D2 caused by or attributable to **computer transfer fraud** or **social engineering fraud**.

5. This policy does not cover loss under the Social Engineering Fraud Transfer Coverage Insuring Agreement D3:

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(a) Contract
due to the failure of any party to perform under any contract.

(b) Credit
due to the extension of any loan, credit, or similar promise to pay.

(c) Defect
due to failure, malfunction, inadequacy, or illegitimacy of any product or service.

(d) Gambling
due to any gambling, game of chance, lottery, or similar game.

(e) In Transit
or damage to **money** or **securities** while in the mail or in the custody of any carrier for hire including any armored vehicle company.

(f) Investment
due to investment in any **securities**, or ownership in any entity or real property or similar investment, whether or not such investment is genuine.

(g) Other Coverages
caused by or attributable to **computer transfer fraud**, **funds transfer fraud**, or **counterfeit fraud**.

(h) Payment Card
due to any party's use or acceptance of any credit card, debit card, or similar payment method, whether genuine or not.

V. LIMITS OF LIABILITY, SINGLE LOSS AND RETENTIONS

A. Maximum Limit

Subject to the following Section VI ERISA Plans:

(i) the most we will pay for each loss or damage regardless of the number of **insureds** or **plans** sustaining the loss or damage is the limit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part of the Declarations. In the event of more than one **insured** incurring loss or damage, the most we will pay will not exceed the amount we would be liable for if all losses or damages were incurred by one **insured**; and

(ii) if any loss or damage is covered under more than one Insuring Agreement or Coverage Extension (other than the Legal Expenses Costs Coverage Extension D), the most we will pay will not exceed the largest applicable limit of liability of any applicable Insuring Agreement.

(iii) if any loss is covered under the Forgery or Alteration Coverage Insuring Agreement B and the Legal Expenses Costs Coverage Extension D, the most we will pay for direct loss resulting from such **forgery** or **alteration** will not exceed the limit of liability set forth in Item 6B of the Declarations for the Commercial Crime Coverage Part.

B. Non-Accumulation of Limit

Our limit of liability will not be cumulative from **policy period** to **policy period** regardless of the number of years this coverage remains in effect or the premiums paid.

C. Single Loss

All loss resulting from any single act, a number of acts, or a series of acts by any **employee(s)** or any other party or parties, and all loss whether such acts occurred before or during the **policy period**, will be treated as a single loss.

D. Retention

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We will only be liable for that part of loss or damage which exceeds the applicable Retention set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

In the event an **insured** receives payment for loss or damage, after applying a retention or deductible, under another policy or bond ("other insurance"), for loss or damage also covered under this Coverage Part, then the applicable Retention for such loss or damage under this Coverage Part will be reduced by the amount of such other retention or deductible paid by you under the other insurance.

VI. ERISA PLANS

A. Conditions

Solely with respect to loss incurred by a **plan** that is covered under the ERISA Plan Fidelity Coverage Insuring Agreement A3:

(i) payment for all covered loss will be to the **plan** incurring such loss;
(ii) if two or more **plans** are insured under this policy, any payment made by us for loss:
  (a) sustained by two or more **plans**; or
  (b) of commingled **money**, **securities** or **property** of two or more **plans**,
  will be shared by each **plan** sustaining the loss in the proportion that the amount of insurance required for each such **plan** under **ERISA** bears to the total of such payments;
(iii) no Retention will apply to such loss;
(iv) if such payment is in excess of the amount of coverage required by **ERISA** for such **plan**, such excess will be held for the use and benefit of any other **plan** should such **plan** also discover loss recoverable under this Coverage Part; and
(v) the definition of **theft** set forth in Section II Definitions above is deleted and replaced with the following:

Theft means any fraudulent or dishonest act, including larceny, theft, embezzlement, misappropriation, wrongful abstraction, wrongful conversion, and willful misapplication.

B. Limit

If the limit of liability set forth in item 6 of the Declarations for the Commercial Crime Coverage Part is less than or equal to the limit of insurance required under **ERISA** then the limit of liability will be deemed increased to the lesser amount to meet such requirement or:
(i) $500,000 if the **plan** does not have any qualified employer securities; or
(ii) $1,000,000 if the **plan** includes qualified employer securities.

VII. NOTICE AND PROOF OF LOSS IN THE EVENT OF LOSS DISCOVERED

As a condition precedent to any obligation to you under this Coverage Part:

A. Requirements

upon **discovery** the **named insured** as soon as practicable but no later than one hundred and eighty (180) days after **discovery** must:
(i) provide written notice to us; and
(ii) provide written proof of loss or damage with full and sufficient details to establish the loss or damage.

B. Conditions

(i) upon our request the **insured** incurring the loss or damage will:
  (a) maintain and preserve all records relevant to the loss to allow for verification of and proof;
  (b) produce records relevant to the loss as reasonably requested by us;
  (c) submit to an examination under oath;
  (d) allow us access for examination and inspection of records or relevant other information.

(ii) you may offer an inventory computation in determining the value of loss claimed, but only where you have established, wholly apart from such computation, that you have sustained a covered loss, caused by an **employee**.

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VIII. OWNERSHIP INTERESTS AND PAYMENT OF LOSS

A. Covered loss or damage under this Coverage Part is limited to:
   (i) **money**, **securities**, **property**, or **premises** an **insured entity** owns, leases, or holds for others;
   (ii) **premises** an **insured entity** is legally liable for and was legally liable for prior to the date the loss or damage occurred; or
   (iii) solely for the purposes of the Client Fidelity Coverage Insuring Agreement A2, **money**, **securities**, or **property** owned or held by a **client** for which you or your **client** are legally liable.

B. Any coverage under this Coverage Part is for the benefit of the **named insured** only and provides no rights or benefits to any other person or organization.

C. Any payment of loss or damage, other than with respect to a **plan**, under this Coverage Part will be to the **named insured**, or jointly to the **named insured** and any payee as directed by the **named insured**.

D. In the event of payment of loss or damage by us, you agree to transfer to us all of your rights of recoveries against any person or entity.

IX. CHANGE OF CONTROL

In the event of a **change of control** coverage under this Coverage Part will continue until the expiration of the **policy period** unless otherwise cancelled or terminated as described herein.

X. SUBSIDIARY

A **subsidiary** and its **plans** acquired or created before or during the **policy period** will be afforded coverage for loss **discovered** during the **policy period**, subject to the following Section XI Liability for Prior Losses or Damages. There will be no acquisition threshold with respect to any **subsidiary**.

XI. LIABILITY FOR PRIOR LOSSES OR DAMAGES

Coverage for loss or damages incurred prior to the effective date:
(i) of this Coverage Part;
(ii) for any additional **insureds** (pursuant to Section X Subsidiary above); or
(iii) any coverage added by endorsement;

will be subject to the following:

(a) if you or any of your predecessor(s) in interest carried a prior bond or policy that afforded coverage for a loss or damage incurred during the period of such prior bond or policy (the “former policy”) and the former policy was not issued by us or any of our subsidiaries or affiliates and such loss or damage was first **discovered** before the expiration of the discovery period under the former policy, then no coverage will be available under this Coverage Part, unless the total amount of covered loss or damage exceeds the limit of liability of the former policy. Our limit of liability for any such loss or damage will be in excess of the limit of liability of the former policy and subject to all of the terms and conditions of this Coverage Part.

(b) if you or any of your predecessor(s) in interest carried a prior bond or policy that afforded coverage for a loss or damage incurred during the period of such prior bond or policy (the “prior policy”) and the prior policy was issued by us or any of our subsidiaries or affiliates, then the prior policy will terminate as of the inception of this policy and the prior policy will not cover any loss or damage not **discovered** and noticed to us prior to the inception of this policy. Our limit of liability for such loss or damage will be the applicable limit of liability set forth in Item 6 of the Declarations for the Commercial Crime Coverage Part.

(c) Section XVI Other Insurance will not apply in the event that paragraphs (a) or (b) directly above apply.

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XII. TERMINATION OF COVERAGE

A. Employee

Coverage under this Coverage Part will terminate immediately with respect to any **employee** upon **discovery** of any unlawful taking of property or any criminal, fraudulent, or dishonest act, in excess of ($1,000) one-thousand dollars, committed by such **employee** while employed by the **insured entity**.

B. Cessation of Subsidiary

Coverage under this Coverage Part will terminate immediately with respect to any **insured entity** on the date that such entity ceases to be a **subsidiary** of the **named insured**.

C. Liquidation or Dissolution of the Named Insured

Coverage under this Coverage Part will terminate immediately for any loss or damage occurring after the **named insured's** liquidation or dissolution.

D. Prior Bonds or Policies

Any prior bonds or policies issued by us or any of our subsidiaries or affiliates will terminate, if not already terminated, as of the inception of this policy.

XIII. DISCOVERY PERIOD

If this policy is cancelled or terminated for reason other than non-payment, we will pay:

(i) loss or damage to an **insured** if such loss or damage is **discovered** within ninety (90) days after the effective date of cancellation or termination;
(ii) loss to a **plan** if such loss is **discovered** within one (1) year after the effective date of cancellation or termination.

Provided, any discovery period referenced above will terminate immediately at the inception date of any other insurance policy replacing the insurance afforded under this Coverage Part, regardless of whether the replacement insurance policy provides coverage for such loss.

XIV. LEGAL PROCEEDINGS

It is agreed that no action may be taken against us earlier than ninety (90) days after a proof of loss has been provided to us or later than two (2) years after **discovery**.

XV. VALUATION

For purposes of determining valuation for covered loss or damages the following will apply:

A. **Securities** valuation will be based upon the lesser of the actual market value of the lost, damaged or destroyed **securities** on the day before the loss was **discovered**, or the cost of any lost instrument bond required to issue duplicate **securities**.

B. **Money** valuation will be based upon the actual face value of the **money** on the date the loss was **discovered**. United States of America currency value of foreign currency will be based on the exchange rate published by the *Wall Street Journal* on the date the loss was **discovered**.

C. **Property** valuation will be based upon the lesser of the following:
(i) actual cash value of the **property** on the date the loss was **discovered**;
(ii) cost to repair or replace the **property** (other than precious metals) with that of similar quality and value on the date the proof of loss was submitted;
(iii) purchase price paid by you for the **property**.

D. United States of America currency value of precious metals will be based on the rate published by the *Wall Street Journal* for precious metals on the date the loss was **discovered**.

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XVI. OTHER INSURANCE

This Coverage Part does not apply to loss or damage recoverable or recovered under any other bond, insurance or indemnity. However, if the limit of the other bond, insurance or indemnity is insufficient to cover the entire amount of the loss or damage, this Coverage Part, subject to all of its limits of liability, terms and conditions will apply to that part of the loss or damage in excess of the Retention, and the amount recoverable or received under such other bond, insurance or indemnity.

XVII. RECOVERIES

Notwithstanding Section XIII Subrogation and Recoupment of the General Terms and Conditions, in the event that we make any recovery of loss or damage paid by us, such recovery will be distributed as follows:

(i) to you, until you are fully reimbursed for any loss or damage that you sustain that exceeds the limit of liability and the Retention, if any;
(ii) then to us, until we are reimbursed for any loss or damage paid by us; and
(iii) then to you until you are reimbursed for that part of the loss or damage equal to the Retention, if any.

Any recovery to be distributed will not include amounts from:
(a) insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
(b) original **securities** after duplicates of the **securities** have been issued.

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TELEPHONE TOLL FRAUD ENDORSEMENT

In consideration of the premium, the Commercial Crime Coverage Part is amended as follows:

I. Item 6 of the Commercial Crime Coverage Part Declarations is amended to add the following:

TELEPHONE TOLL FRAUD

- Single Loss Limit of Liability: $100,000
- Single Loss Retention: $2,500

II. Section I, Insuring Agreements is amended to add the following Insuring Agreement

TELEPHONE TOLL FRAUD

We will pay for loss sustained by an **insured** resulting directly from **telephone toll fraud**.

It is a condition precedent to coverage under this Insuring Agreement that the **insured** provide written notice of the loss at the earliest practicable moment to us, but in no event later than sixty (60) days after the receipt of the first telephone service charge bill from the telephone carrier in which **telephone toll fraud** is documented.

III. Solely with respect to the coverage provided by this endorsement, Section III, Definitions is amended to add the following definitions:

- **Telephone toll fraud** means the fraudulent infiltration and manipulation of the **insured's telephone system** by a person other than an **employee** which results in the **insured entity** being liable for toll and line charges.
- **Telephone system** means a private branch exchange, voice mail processor, automated callback attendants or **computer system**, which operates in the same manner, and which is:
  (i) owned or leased by an **insured entity**; and
  (ii) used for the direction or routing of telephone calls in a voice communication **computer system**.

IV. Solely with respect to the coverage afforded by this endorsement, Section IV, Coverage Part Exclusions is amended to add the following exclusions:

This policy does not cover:

- loss as a result of a threat:
  (a) to do bodily harm to any person;
  (b) to do damage to the premises or **property** of an **insured**;
  (c) to do damage to a **computer system** operations, or
  (d) to do damage to a **telephone system**;
- resulting directly or indirectly from the use of a telephone credit, debit, charge, identification or similar card;
- resulting directly or indirectly from the input of **data** into a **computer system** terminal device either on the premises of a customer of the **insured** or under the control of such customer by a person who had authorized access to the customer's authentication mechanism;
- more than thirty (30) days after the last day of the billing cycle shown in the first telephone service charge bill from the telephone carrier in which **telephone toll fraud** is documented.

V. Solely with respect to the coverage provided by this endorsement, Section VII, Notice and Proof of Loss in the Event of Loss Discovered is amended to add of the following:

After the **insured** discovers an incident of **telephone toll fraud**, the **insured** must take all reasonable steps to curtail the unauthorized use of the **telephone system** and otherwise mitigate the loss by notifying the installer of the **telephone system** and the affected telephone carriers.

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All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CONDITIONAL RENEWAL ENDORSEMENT-WISCONSIN

Wherever used in this endorsement: 1) Insurer means “we”, “us”, “our” or the “Company” as those terms are defined in the policy; and 2) Named Insured means the first person or entity named on the declarations page; and 3) “Insured(s)” means all persons or entities afforded coverage under the policy.

Any cancellation, non-renewal or termination provision(s) in the policy are amended to add the following:

CONDITIONAL RENEWAL

I. If the Insurer offers to renew the policy on less favorable terms or at higher premiums, the new terms or premiums take effect on the renewal date if the Insurer mailed via first class mail or delivered to the Named Insured notice of the new terms or premiums at least sixty (60) days prior to the renewal date. If the Insurer notifies the Named Insured within sixty (60) days prior to the renewal date, the new terms or premiums do not take effect until sixty (60) days after the notice is mailed or delivered, in which case the Named Insured may elect to cancel the renewal policy at any time during the sixty (60) day period. The notice shall include a statement of the Named Insured’s right to cancel.

   If the Named Insured elects to cancel the renewal policy during the sixty (60) day period, return premiums or additional premium charges shall be calculated proportionately on the basis of the old premiums. If the Insurer does not notify the Named Insured of the new premiums or terms as required by this subsection prior to the renewal date, the Insurer shall continue the policy for an additional period of time equivalent to the expiring term and at the same premiums and terms of the expiring Policy

II. The above paragraph does not apply if the only change that is adverse to the Named Insured is a premium increase:

   A. less than 25% and is generally applicable to the class of business to which the policy belongs.

   B. the premium increase results from a change based on the action by the Insured that alters the nature of the risk insured against.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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