

**PRIVATE CHOICE ENCORE! POLICY  
CRIME COVERAGE PART DECLARATIONS**



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

**1. Coverages, Limits of Insurance and Deductibles:**

Insuring Agreements, Limits of Insurance and Deductible Amounts shown below are subject to all of the terms of this Coverage Part that apply.

Insuring Agreements Forming Part of This Coverage Part	Limit(s) of Insurance	Deductible Amount(s)
1. Employee Theft	\$	\$
2. Depositors Forgery or Alteration	\$	\$
3. Inside The Premises - <i>Money, Securities and Other Property</i>	\$	\$
4. Outside The Premises - <i>Money, Securities and Other Property</i>	\$	\$
5. Computer and Funds Transfer Fraud	\$	\$
6. Money Orders and Counterfeit Currency	\$	\$

**2. Cancellation of Prior Insurance:** By acceptance of this Coverage Part you give us notice canceling prior policies or bonds numbered \_\_\_\_\_. The cancellation(s) is effective at the time this Coverage Part becomes effective.

**3. Form Numbers of Endorsements Forming Part of This Coverage Part When Issued:**

## CRIME COVERAGE PART

### I. INSURING AGREEMENTS

Coverage is provided under the following Insuring Agreements for which there is a Limit of Insurance shown in the Declarations.

#### (A) INSURING AGREEMENT 1. - EMPLOYEE THEFT

The Insurer will pay for direct loss of or damage to **Money, Securities** and **Other Property** that results directly from **Theft** by an **Employee**, whether or not identifiable, while acting alone or in collusion with other persons.

#### (B) INSURING AGREEMENT 2. - DEPOSITORS FORGERY OR ALTERATION

- (1) The Insurer will pay for loss resulting directly from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are
  - (a) made or drawn upon the **Insured**; or
  - (b) made or drawn by one acting as the **Insured's** agent and drawn on the **Insured's** account or that are purported to have been so made or drawn.
- (2) The Insurer will treat mechanically reproduced facsimile signatures the same as handwritten signatures.
- (3) If the **Insured** is sued for refusing to pay any instrument in B.1. above, on the basis that it has been forged or altered and the **Insured** has the Insurer's written consent to defend against that suit, the Insurer will pay for any reasonable legal expenses that the **Insured** incurs and pays in such defense. The amount that the Insurer will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement. If a Deductible Amount applies to this Insuring Agreement, the Insurer will also apply it to the amount of legal expenses incurred in this Insuring Agreement.
- (4) The **Insured** must include with its proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss and describing both sides of said instrument.

#### (C) INSURING AGREEMENT 3. - INSIDE THE PREMISES

- (1) The Insurer will pay for loss of **Money** and **Securities** inside the **Premises** or **Banking Premises** resulting directly from **Theft**, disappearance or destruction.
- (2) The Insurer will pay for loss of or damage to **Other Property**
  - (a) inside the **Premises** resulting directly from an actual or attempted **Robbery** of a **Custodian**; or
  - (b) inside the **Premises** in a safe or vault resulting directly from an actual or attempted **Safe Burglary**.
- (3) The Insurer will pay for loss from damage to the **Premises** or its exterior resulting from an actual or attempted
  - (a) **Theft** of **Money** or **Securities**; or
  - (b) **Robbery** or **Safe Burglary** of **Other Property** if the **Insured** is the owner of the **Premises** or is liable for damage to it.
- (4) The Insurer will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft** or unlawful entry into those containers.

**(D) INSURING AGREEMENT 4. – OUTSIDE THE PREMISES**

- (1) The Insurer will pay for loss of **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from **Theft**, disappearance or destruction.
- (2) The Insurer will pay for loss of or damage to **Other Property** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from an actual or attempted **Robbery**.

**(E) INSURING AGREEMENT 5. - COMPUTER AND FUNDS TRANSFER FRAUD**

The Insurer will pay for loss of and loss from damage to **Money**, **Securities** and **Other Property** following and directly related to the use of any computer to fraudulently cause a transfer of that property from inside the **Premises** or **Banking Premises**

- (1) to a person (other than a **Messenger**) outside those **Premises**; or
- (2) to a place outside those **Premises**.

And, the Insurer will pay for loss of **Money** or **Securities** through **Funds Transfer Fraud** resulting directly from **Fraudulent Transfer Instructions** communicated to a **Financial Institution** and instructing such institution to pay, deliver, or transfer **Money** or **Securities** from the **Insured's Transfer Account**.

**(F) INSURING AGREEMENT 6. - MONEY ORDERS AND COUNTERFEIT CURRENCY**

The Insurer will pay for loss resulting directly from the **Insured's** having accepted in good faith and in the regular course of business, in exchange for merchandise, **Money** or services;

- (1) money orders issued by any post office, express company or bank in the United States of America or Canada that are not paid upon presentation; and
- (2) **Counterfeit** currency of the United States of America, Canada, or any other country in which the **Insured** maintains physical premises. Unless otherwise shown in the Declarations for this Coverage Part, the Limit of Insurance under this insuring agreement is \$50,000. There is no deductible applying to loss covered under this agreement unless otherwise shown in the Declarations for this Coverage Part.

**II. LIMIT OF INSURANCE**

The most that the Insurer will pay for loss in any one **Occurrence** is the applicable Limit of Insurance shown in the Declarations.

**III. DEDUCTIBLE**

We will not pay for loss in any one **Occurrence** unless the amount of the loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event that more than one Deductible Amount could apply to the same loss, only the highest Deductible Amount will be applied.

**IV. DEFINITIONS**

- (A) "**Banking Premises**" means the interior portion of that part of any building occupied by a banking institution or similar safe depository.

- (B) “**Counterfeit**” means an imitation of an actual valid original that is intended to deceive and to be taken as an original.
- (C) “**Custodian**” means the **Insured**, or any of the **Insured’s** partners, or members or any **Employee** while having the care and custody of property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.
- (D) “**Employee**” means:
- (1) any natural person:
    - (a) while in the **Insured’s** service or for 60 days after termination of service; and
    - (b) whom the **Insured** compensates directly by salary, wages, commissions; and
    - (c) whom the **Insured** has the right to direct and control while performing services for it; including one:
    - (d) who is a director or trustee while performing acts coming within the scope of the usual duties of an **Employee** or while acting as a member of any of the **Insured’s** elected or appointed committees to perform on the **Insured’s** behalf, specific, as distinguished from general directorial acts; or
    - (e) who is a non-compensated officer; or
    - (f) who is a volunteer who is not compensated, other than one who is a fund solicitor, while performing services for the **Insured** that are usual to the duties of an **Employee**; or
    - (g) who is a former employee, director, partner, member or trustee retained as a consultant while performing services for the **Insured**; or
    - (h) who is a student intern or guest student pursuing studies or duties in any of the **Insured’s** offices or **Premises**; or
    - (i) who is leased to the **Insured** under an agreement between the **Insured** and a labor leasing firm, while that person is subject to the direction and control of the **Insured** and performing services for the **Insured**; or
    - (j) who is the **Insured’s** partner or limited liability member, but the Insurer will not pay for loss caused by any partner or limited liability member, unless the amount of the loss exceeds the sum of
      - i. any amounts the **Insured** owes that partner or limited liability member; and
      - ii. the value of that partner’s partnership interest, or that limited liability member’s ownership interest determined by the closing of the **Insured’s** organization’s books on the date of discovery of the loss by the **Insured’s** organization by anyone not in collusion with the person causing the loss, and
      - iii. any applicable Deductible Amount; then the Insurer will pay the amount of loss excess of that sum, up to the Limit of Insurance applicable to Insuring Agreement 1.
  - (2) a natural person who is a trustee, officer, **Employee**, administrator or manager, except an administrator or a manager who is an independent contractor, of any **Employee Benefit Plan(s)** insured under this Coverage Part; and the **Insured’s** director or trustee while that person is handling **Money** or **Securities** or **Other Property** of **Employee Benefit Plan(s)** insured under this Coverage Part.
  - (3) a natural person who is furnished temporarily to the **Insured** to substitute for a permanent **Employee** to meet seasonal or short term work load conditions and while that temporary person is subject to the **Insured’s** direction and control and performing services for the **Insured**. However, such persons are excluded while having care and custody of property outside the **Premises**.
- Employee** does NOT mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character.
- (E) “**Employee Benefit Plan(s)**” means any welfare or pension plan(s) as defined in the Employee Retirement Income Security Act (ERISA) of 1974, including amendments thereto and regulations promulgated thereunder, and which is sponsored by one or more of the **Insured(s)**.
- (F) “**Financial Institution**” means a bank, savings bank, savings and loan association or similar thrift institution, a stockbroker, mutual fund, liquid assets fund, or similar investment institution in which the **Insured** maintains a **Transfer Account**.

- (G) **“Forgery”** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature that consists in whole or in part of one’s own name signed with or without authority, in any capacity, for any reason.
- (H) **“Fraudulent Transfer Instructions”** means
- (1) fraudulent electronic, telegraphic, facsimile, cable, teletype or telephone instructions to a **Financial Institution** to debit a **Transfer Account** and to pay, transfer or deliver **Money** or **Securities** from such account and which instructions purport to have been authorized by the **Insured** but which have been fraudulently transmitted by another; or
  - (2) fraudulent written instructions to a **Financial Institution** to debit a **Transfer Account** and to pay, transfer or deliver **Money** or **Securities** from such account through an electronic funds transfer system at specified times or under specified conditions and which instructions purport to have been duly authorized by the **Insured** but which have been fraudulently issued, forged or altered by another.
- (I) **“Funds Transfer Fraud”** means **Theft of Money** or **Securities** from any of the **Insured’s Transfer Accounts** at a **Financial Institution** and occurring through **Fraudulent Transfer Instructions** communicated to such **Financial Institution**.
- (J) **“Insured”** shall mean any **Insured Entity**.
- (K) **“Investigative Expenses”** means reasonable expenses incurred and paid by the **Insured** in establishing the existence and amount of any direct loss covered under an Insuring Agreement within this Coverage Part. The reasonableness of such expenses shall be determined by the Insurer and shall not include the **Insured’s** internal corporate obligations such as **Employee** wages or any other internal costs.
- (L) **“Messenger”** means the **Insured**, any of the **Insured’s** partners or members or any **Employee** while having care and custody of property outside the **Premises**.
- (M) **“Money”** means currency, coins and bank notes in current use and having a face value; and travelers checks, register checks and money orders held for sale to the general public.
- (N) **“Occurrence”** means
- (1) as respects the Employee Theft Insuring Agreement, all loss caused by, or involving, one or more **Employees**, whether the result of a single act or a series of acts.
  - (2) as respects the Forgery or Alteration Insuring Agreement, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.
  - (3) as respects all other Insuring Agreements, an act or series of related acts involving one or more persons; or an act or event or a series of related acts or events not involving any person.
- (O) **“Other Property”** or property means any tangible property other than **Money** or **Securities** that has intrinsic value but does not include any property excluded under this Coverage Part. **Other Property** does **not** include trade secrets, proprietary information, confidential information or any copyrights, patents, trademarks, proprietary manufacturing or processing procedures, or secret or confidential information, including but not limited to credit card numbers, bank account numbers or any similar information.
- (P) **“Premises”** means the interior of that portion of any building that the **Insured** occupies in conducting its business.
- (Q) **“Robbery”** means the unlawful taking of property from the care and custody of a person by one who has caused or threatened to cause that person bodily harm or committed an obviously unlawful act witnessed by that person.
- (R) **“Safe Burglary”** means the unlawful taking of property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior, or, the taking of a safe or vault from inside the **Premises**.
- (S) **“Securities”** means negotiable or non-negotiable instruments or contracts representing either **Money** or property and includes tokens, tickets, revenue and other stamps (whether represented by actual

stamps or unused value in a meter) in current use; and, evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**; but does not include **Money**.

- (T) **"Theft"** means the unlawful taking of **Money, Securities or Other Property** to the deprivation of the **Insured**.
- (U) **"Transfer Account"** means an account maintained by the **Insured** at a **Financial Institution** from which the **Insured** or its authorized representative may cause the payment, transfer or delivery of **Money or Securities** by any means described in the **Fraudulent Transfer Instructions** definition.
- (V) **"Watchperson"** means any person whom the **Insured** retains specifically to have the care and custody of property inside the **Premises** and who has no other duties.

## V. **EXCLUSIONS (Applying To All Insuring Agreements Unless Otherwise Specified)**

**This Coverage Part Does Not Apply To And The Insurer Will Not Pay For:**

- (A) **Accounting or Arithmetical Errors or Omissions**  
Loss resulting from accounting or arithmetical errors or omissions.
- (B) **Acts Committed By The Insured**  
Loss resulting from **Theft** or any other dishonest or criminal acts committed by the **Insured** whether acting alone or in collusion with others.
- (C) **Acts of Employees, Managers, Directors or Trustees**  
Loss resulting from **Theft** or any other dishonest or criminal act committed by any of the **Insured's Employees, managers, directors or trustees** whether acting alone or in collusion with other persons or while performing services for the **Insured** or otherwise except when covered under Insuring Agreement 1.
- (D) **Employee Cancelled Under Prior Insurance**  
Loss caused by any of the **Insured's Employees** or by any **Employee** of the **Insured's** predecessor in interest, for whom similar prior insurance has been cancelled and not reinstated since the last cancellation.
- (E) **Exchanges or Purchases**  
Loss resulting from the giving or surrendering of **Money, Securities or Other Property** in any exchange or purchase.
- (F) **Fire**  
Loss from damage to the premises resulting from fire, however caused, except for loss of or damage to **Money or Securities** and loss from damage to a safe or vault under Insuring Agreement 3.
- (G) **Governmental Action**  
Loss resulting from seizure or destruction of **Money, Securities or Other Property** by order of governmental authority.
- (H) **Indirect Loss**  
Loss that is an indirect result of any act or **Occurrence** covered by this Coverage Part including but not limited to loss resulting from
  - (1) the **Insured's** inability to realize income that it would have realized had there been no loss of or damage to **Money, Securities or Other Property**.
  - (2) payment of damages of any type for which the **Insured** is legally liable. But the Insurer will pay compensatory damages arising directly from a loss covered under this Coverage Part.
  - (3) payment of costs, fees or other expenses the **Insured** incurs in establishing either the existence of or the amount of loss under this Coverage Part, provided, however, that the Insurer will reimburse the **Insured** for **Investigative Expenses** up to \$5,000 (Five Thousand Dollars) it incurs per **Occurrence** with the Insurer's prior consent, to determine the amount of loss covered under this Coverage Part, provided that the amount of direct covered loss exceeds the Deductible Amount for the applicable Insuring Agreement. Such reimbursement is part of, and not in addition to, the Limit of Insurance for the applicable Insuring Agreement.

**(I) Inventory Shortages**

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon

- (1) an inventory computation; or
- (2) a profit and loss computation.

However, where the **Insured** establishes wholly apart from such inventory computations that it has sustained a loss covered under this Coverage Part, then the **Insured** may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed.

**(J) Legal Expenses**

Expenses related to any legal action except when covered under Insuring Agreement 2.

**(K) MONEY OPERATED DEVICES**

Loss of **Money** contained in any money operated device unless a continuous recording instrument in the device records the amount of any **Money** deposited in it.

**(L) Motor Vehicles or Equipment And Accessories**

Loss of or damage to motor vehicles, trailers, or semi-trailers or equipment or accessories attached to them. This exclusion shall apply only to Insuring Agreement 4.

**(M) Nuclear**

Loss resulting from nuclear reaction, nuclear radiation, radioactive contamination, chemical or biological contamination, or any related act or incident.

**(N) Risks Inherent in Insurance Operations**

Loss resulting directly or indirectly from contractual or extra contractual liability sustained by the **Insured** in connection with the issuance of contracts or purported contracts of insurance, indemnity or suretyship.

**(O) Trading Losses**

Loss resulting directly or indirectly from any authorized or unauthorized trading of **Money, Securities** or **Other Property**, whether in the **Insured's** name or in a genuine or fictitious account.

**(P) Transfer or Surrender of Property**

Loss of or damage to **Money, Securities** or **Other Property** after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises**

- (1) on the basis of unauthorized instructions, unless covered under Insuring Agreement 5.; or
- (2) as a result of a threat to do bodily harm to any person; or
- (3) as a result of a threat to do damage to any property.

But this Exclusion does not apply under Insuring Agreement 4. to loss of **Money, Securities** and **Other Property** while outside the **Premises** or **Banking Premises** in the care and custody of a **Messenger** if the **Insured**:

- (a) had no knowledge of any threat at the time that the conveyance began; or
- (b) had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

**(Q) Vandalism**

Loss from damages to the **Premises** or to the exterior of any safe, vault, cash box, cash drawer or cash register by vandalism or mischief.

**(R) Voluntary Parting of Title To or Possession of Property**

Loss resulting from the **Insured**, or anyone acting on its express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property. This exclusion shall apply only to Insuring Agreements 3. and 4.

**(S) War and Similar Actions**

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion, or revolution, or any related act or incident.

**(T) Warehouse Receipts Losses**

Loss resulting from fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

## VI. GENERAL conditions

### (A) ARMORED MOTOR VEHICLE COMPANIES

Under Insuring Agreement 4. the Insurer will pay only for the amount of loss the **Insured** cannot recover

- (1) under its contract with the armored motor vehicle company; and
- (2) from any insurance or indemnity carried by or for the benefit of customers of the armored motor vehicle company, or from the armored motor vehicle company.

### (B) CANCELLATION AS TO ANY EMPLOYEE

Insuring Agreement 1. is cancelled as to any **Employee**

- (1) immediately upon discovery by the **Insured** or any of its partners, members, managers, officers, directors or trustees not in collusion with the **Employee** of **Theft** or any other dishonest act in excess of \$1,000 committed by the **Employee** whether before or after becoming employed by the **Insured**; or
- (2) on the date specified in a notice mailed to the **Insured**. The date will be at least 30 days after the date of the mailing. And, the mailing of notice to the **Insured** at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

### (C) CONCEALMENT, MISREPRESENTATION OR FRAUD

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

- (1) this Coverage Part;
- (2) the property covered under this Coverage Part;
- (3) your interest in the property covered under this Coverage Part; or
- (4) a loss under this Coverage Part.

### (D) CONSOLIDATION OR MERGER

If through consolidation or merger with, or purchase or acquisition of assets or liabilities of, some other entity, any additional persons become **Employees** or the **Insured** acquires the use and control of any additional **Premises**

- (1) the **Insured** must give us written notice within 90 days after the effective date of such consolidation or merger, or purchase or acquisition of assets or liabilities, and obtain the Insurer's written consent to extend this insurance to such additional **Employees** or **Premises**. The Insurer may condition its consent upon payment of an additional premium; but there shall only be a premium charge if such merger or acquisition results in a 15%, or greater, increase in the number of **Employees**, assets or revenues acquired through the merger or acquisition.
- (2) For the first 90 days after the effective date of such consolidation or merger, or purchase or acquisition of assets or liabilities, any insurance afforded for **Employees** or **Premises** also applies to these additional **Employees** or **Premises** for acts committed within this 90-day period.

### (E) DISCOVERY

- (1) The Insurer will pay for loss which the **Insured** sustains through acts or events committed or occurring at any time and which are discovered by the **Insured** during the Policy Period or during the period provided in General Condition G., DISCOVERY – EXTENDED PERIOD TO DISCOVER LOSS.
- (2) Discovery of loss occurs when the **Insured** first becomes aware of facts which would cause a reasonable person to assume that a loss covered by this Coverage Part has been, or may be incurred even though the exact amount or the details of the loss may not then be known.
- (3) Discovery also occurs when the **Insured** receives notice of an actual or potential claim against it alleging facts, which if true, would constitute a covered loss under this policy.
- (4) No coverage will be available under this Coverage Part for any loss of which the **Insured** was aware prior to the inception date of this Coverage Part.

### (F) DISCOVERY SUPERSEDING LOSS SUSTAINED COVERAGE – LIABILITY FOR PRIOR LOSSES

- (1) If this Coverage Part has replaced similar prior insurance written by a company other than the Insurer, and such other insurance provided a period of time to discover loss occurring prior to the termination or cancellation of that coverage, and a loss is discovered within the period provided

by prior insurance to discover losses, the Insurer will not pay for such loss unless the amount exceeds the Limit of Insurance under said prior Policy. The Insurer will then only pay the **Insured** for any excess loss subject to the Insuring Agreements, Exclusions and General Conditions of this Coverage Part.

- (2) Any payment that the Insurer makes to the **Insured** under this insurance shall not exceed the difference between the amount of insurance under the **Insured's** prior Policy and the Limit of Insurance shown in the Declarations and the Insurer will not apply its **Deductible Amount** to any excess loss payment.

**(G) DISCOVERY – EXTENDED PERIOD TO DISCOVER LOSS**

The Insurer will pay for loss that the **Insured** sustained prior to the effective date of termination or cancellation of this Coverage Part, which is discovered by the **Insured**:

- (1) no later than 60 days from the date of the termination, cancellation or non-renewal; and
- (2) as respects any **Employee Benefit Plan(s)**, no later than 1 year from the date of that termination, cancellation or non-renewal.

However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** to replace, in whole or in part, the insurance afforded by this Coverage Part, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**(H) DUTIES IN THE EVENT OF LOSS**

After the **Insured** discovers a loss or a situation which may result in a loss of, or damage to, **Money, Securities or Other Property**, it must

- (1) notify the Insurer as soon as possible but no later than 90 days after discovery of loss;
- (2) submit to examination under oath at the Insurer's request and give it a signed statement;
- (3) give the Insurer a detailed, sworn proof of loss within 120 days;
- (4) cooperate with the Insurer in the investigation and settlement of any claim; and
- (5) with respect to Insuring Agreements 3. and 4., notify the police if the **Insured** has reason to believe that its loss involves a violation of law.

**(I) EMPLOYEE BENEFIT PLANS PROVISION**

- (1) The Insurer will pay for loss of or damage to **Money, Securities or Other Property** of any **Employee Benefit Plan(s)** sponsored exclusively by any **Insured** resulting directly from **Theft** by an **Employee**. The Limit of Insurance applicable to any **Employee Benefit Plan** shall equal the lesser of ten percent (10%) of the **Employee Benefit Plan** assets as of the beginning of such **Employee Benefit Plan** fiscal year or five hundred thousand dollars (\$500,000).
- (2) Any payments the Insurer makes to the **Insured** for loss sustained by any **Employee Benefit Plan** will be held by that **Insured** for the use and benefit of the **Employee Benefit Plan** sustaining the loss.
- (3) If two or more **Employee Benefit Plans** are insured under this Coverage Part, any payment which the Insurer makes for loss sustained by two or more **Employee Benefit Plans**, or of commingled **Funds or Other Property** of two or more **Employee Benefit Plans**, which arises out of one **Occurrence**, is to be shared by each **Employee Benefit Plan** sustaining loss in the proportion that the Limit of Insurance required for each **Employee Benefit Plan** bears to the total of those limits.

**(J) JOINT INSURED**

- (1) If more than one **Insured** is named in the Declarations, the first named **Insured** will act for itself and for every other **Insured** for all purposes of this Coverage Part. If the first named **Insured** ceases to be covered, then the next **Insured** will become the first named **Insured**.
- (2) If any **Insured**, partner, member or officer of an **Insured** has knowledge of any information relevant to this Coverage Part, that knowledge is considered to be knowledge of every **Insured**.
- (3) An **Employee** of any **Insured** is considered to be an **Employee** of every **Insured**.
- (4) If this Coverage Part or any of its Insuring Agreements is cancelled, terminated or non-renewed as to any **Insured**, loss sustained by that **Insured** is covered only if discovered by the **Insured** during the period of time provided in General Condition G., DISCOVERY – EXTENDED PERIOD TO DISCOVER LOSS. And this extended period to discover loss also terminates in accordance with paragraph 2 of that condition.
- (5) The Insurer will not pay a greater amount for loss sustained by more than one **Insured** than the Insurer would pay if all of the loss had been sustained by one **Insured**.

**(K) OWNERSHIP OF PROPERTY; INTERESTS COVERED**

- (1) The property covered under this Coverage Part is limited to **Money, Securities or Other Property**
- (a) that the **Insured** owns or leases; or
  - (b) owned by the **Insured's** client and which the **Insured** holds on its **Premises** or which is in the custody of one acting as the **Insured's Messenger** and while such **Money, Securities or Other Property** is in transit; or
  - (c) for which the **Insured** is legally liable excepting loss of client **Money, Securities or Other Property** occurring on such client's premises.
- (2) However, this Coverage Part is for the **Insured's** benefit alone and no other person or organization has any rights or benefits. Any claim for a loss of client **Money, Securities or Other Property** occurring on the **Insured's Premises** or while in transit in the custody of a **Messenger** may only be made by the **Insured** in its proof of loss.

**(L) VALUATION**

- (1) Subject to the applicable Limit of Insurance, the Insurer will pay for
- (a) loss of **Money** but only up to and including its face value. The Insurer may, at its option, pay for a loss of **Money** issued by any country other than the United States of America in either the face value in the **Money** issued in that country, or, in the United States of America dollar equivalent determined by the rate of exchange on the day that the loss occurred.
  - (b) loss of **Securities** but only up to and including their value at the close of business on the day that the loss was discovered. But, the Insurer may, at its option, 1) pay the value of such **Securities**, 2) replace them in kind in which event the **Insured** must assign to the Insurer all its rights, title and interest in and to those **Securities** or 3) pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**. However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of
    - i. the value of the **Securities** at the close of the business on the day the loss was discovered; or
    - ii. the Limit of Insurance.
  - (c) loss of or damage to **Other Property** or loss from damage to the **Premises** or its exterior for the replacement cost of the property without deduction for depreciation, subject to 2. below. However, the Insurer will not pay for more than the lesser of
    - i. the Limit of Insurance applicable to the lost or damaged property; or
    - ii. the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose; or
    - iii. the amount that the **Insured** actually spends that is necessary to repair or replace the lost or damaged property.
- (2) The Insurer will not pay on a replacement cost basis for any loss or damage
- (a) until the lost or damaged property is actually repaired or replaced; and
  - (b) unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- If the lost or damaged property is not repaired or replaced, the Insurer will pay based on actual cash value.
- (3) The Insurer may, at its option, pay for loss of or damage to property other than **Money** in the **Money** of the country in which the loss occurred; or in the United States of America dollar equivalent of the **Money** of the country where the loss occurred determined by the rate of exchange on the day the loss was discovered. Any property that the Insurer pays for or replaces becomes its property.
- (4) Loss of or loss from damage to any books or records of account or other records, tapes, disks, or electronic media used by the **Insured** in the business but only if such books, records, tapes or disks are actually reproduced and then only for not more than the blank books, pages, tapes and disks or other materials plus the cost of labor for the actual transcription or copying of data which the **Insured** shall furnish to reproduce such books, records, tapes or disks.

**(M) RECORDS**

The **Insured** must keep records of all property covered under this Coverage Part so that the Insurer can verify the amount of any loss.

**PRIVATE CHOICE ENCORE! POLICY  
KIDNAP AND RANSOM/EXTORTION COVERAGE PART  
DECLARATIONS**



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

**1. Coverages, Limits of Insurance and Deductibles:**

Insuring Agreements, Limits of Insurance and Deductible Amounts shown below are subject to all of the terms of this Coverage Part that apply.

	<b>Limit(s) of Insurance</b>	<b>Deductible Amount(s)</b>
Insuring Agreements Forming Part of This Coverage Part		
A. Kidnap/Ransom/Extortion	\$	\$
B. Expense	\$	\$
C. Custody/Delivery	\$	\$
D. Personal Accidental Death, Dismemberment & Disability Loss		
(i) Loss of Extremity	\$	\$
(ii) All Other Personal Accidental Death, Dismemberment & Disability Loss	\$	\$
Coverage Part Limit of Insurance (Maximum Limit of Insurance for all loss under this Coverage Part):	\$	

**2. Independent Security Consultant:** Control Risks Group

**3. Notice under Section IV. General Agreements, (B) Conditions Precedent to Liability must be addressed to the Insurer's Independent Security Consultant:**

Control Risks Group  
1600 K Street, NW  
Suite 1600  
Washington, DC 20006  
Telephone (202) 449-3330 (main number – 9:00am-5:00pm EST)  
011 44 20 7481 1851 (emergency number, London, England)  
011 44 20 7970 2100 (main number, London, England)

(All Control Risks Group phone numbers accept collect calls.)

and to:

The Hartford  
Attn: Joseph Coppola  
Hartford Financial Products  
Claims Department – Middle Market  
2 Park Ave., 5<sup>th</sup> Floor  
New York, New York 10016  
212-277-0970

**4. Form Numbers of Endorsements Forming Part of This Coverage Part When Issued:**

**5. Cancellation of Prior Insurance:** By acceptance of this Coverage Part you give us notice canceling prior policies or bonds numbered \_\_\_\_\_. The cancellation(s) is effective at the time this Coverage Part becomes effective.

## KIDNAP AND RANSOM/EXTORTION COVERAGE PART

### I. INSURING AGREEMENTS

#### (A) Kidnap/Ransom/Extortion

The Insurer shall reimburse **Ransom Monies** paid by the **Insured** or any **Insured Person** resulting from a covered **Kidnapping** or **Extortion Threat**.

#### (B) Expense

The Insurer shall reimburse **Expenses** paid by the **Insured** resulting from a covered **Kidnapping** or **Extortion Threat**, or resulting from a **Detention** or **Hijacking** of any **Insured Person**.

#### (C) Custody/Delivery

If, as a result of a covered **Kidnapping** or **Extortion Threat**, the **Insured** sustains a loss due to destruction, disappearance, confiscation or wrongful appropriation of **Ransom Monies** while being delivered to persons demanding the **Ransom Monies** by anyone who is authorized by the **Insured** or **Insured Person** to have custody thereof; the Insurer will reimburse the **Insured** for such loss.

#### (D) Personal Accidental Death, Dismemberment & Disability Loss

The Insurer shall pay the amount in Item 1 (D) of the Declarations of this Coverage Part for **Personal Accidental Death, Dismemberment & Disability Loss** from a covered **Kidnapping**, or resulting from a **Detention** or **Hijacking**.

### II. DEFINITIONS

The following terms, whether used in the singular or plural in this Coverage Part, shall have the meanings specified below:

(A) “**Detention**” means the involuntary confinement of an **Insured Person** for a period of not less than twenty four (24) hours, for whatever reason other than **Kidnapping**.

(B) “**Employee**” means:

(1) Any natural person:

(a) while in the service of the **Insured**;

(b) who is compensated directly by salary, wages or commissions by the **Insured**; and

(c) who the **Insured** has the right to direct and control while performing services for the **Insured**;

(2) Any natural person who is furnished temporarily to the **Insured**:

(a) to substitute for a permanent **Employee** as defined in paragraph (1) above, who is on leave; or;

(b) to meet seasonal or short-term work load conditions;

while that person is subject to the **Insured’s** direction and control and performing services for the **Insured**;

(3) Any natural person who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, to perform duties related to the conduct of the **Insured’s** business;

- (4) Any natural person who is a former official, **Employee**, director, partner, **Member**, **Manager**, representative or trustee retained as a consultant while performing services for the **Insured**; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties.

**Employee** shall not mean independent contractor.

(C) “**Expense**” means, solely in connection with **Kidnapping, Extortion Threat, Detention or Hijacking**, the reasonable fees and expenses for, or cost of:

- (1) the independent security consultant in Item 2 of the Coverage Part Declarations Page;
- (2) an independent negotiator;
- (3) an independent public relations consultant and/or interpreter;
- (4) reasonable fees and expenses for legal services necessary to secure the release of an **Insured Person**;
- (5) an independent forensic analyst;
- (6) communication equipment, recording equipment and advertising incurred solely and directly to obtain the release of an **Insured Person**;
- (7) “**Reward**”, which shall mean the amount paid by the **Insured** or an **Insured Person** to an **Informant** for information which directly leads to the arrest and conviction of the individual(s) responsible for **Kidnapping, Extortion Threat, Detention or Hijacking**;
- (8) interest for a loan taken by the **Insured** or **Insured Person** from a financial institution for the purpose of paying **Ransom Monies** as payment under Insuring Agreement (A);
- (9) travel and accommodations incurred by an **Insured Person**;
- (10) “**Salary**”, which shall mean the amounts of compensation paid by the **Insured** at an annual rate, including bonuses, commissions, incentive payments, health and welfare and pension benefits (at the level in effect on the date of the **Kidnapping, Detention or Hijacking**) which the **Insured** continues to pay an **Insured Person**. Payment of **Salary** ends at the earliest of:
  - (a) up to forty-five (45) days after such **Insured Person** is released, if the **Insured Person** is not yet back at work,
  - (b) when such **Insured Person** suffers **Loss of Life**,
  - (c) one hundred and twenty (120) days after the last credible evidence following abduction that the **Insured Person** is still alive; or
  - (d) solely with respect to **Detention or Hijacking**, for twenty-four (24) months after the commencement of such **Detention or Hijacking**, whichever is more recent;
- (11) the “**Salary**” of a replacement **Employee** to conduct the duties of the **Insured Person** following the **Kidnapping, Detention or Hijacking** of such **Insured Person**. Such coverage shall apply to the **Salary** in effect at the time of such **Kidnapping, Detention or Hijacking** and will end forty-five (45) days after such **Insured Person** is released or suffers **Loss of Life**;
- (12) reasonable defense costs incurred by an **Insured** and judgments or settlements which an **Insured** becomes legally obligated to pay as a result of a judgment or settlement in any suit brought by an **Insured Person** (or the estate, heirs, or legal representatives) alleging negligence or incompetence:

- (a) in the hostage retrieval operations or negotiations in a covered **Kidnapping, Extortion Threat, Detention or Hijacking** of such **Insured Person**; or
- (b) in the prevention of a covered **Kidnapping, Extortion Threat, Detention or Hijacking** of such **Insured Person**.

As additional conditions precedent to the Insurer's liability, the **Insured** shall (a) immediately notify the Insurer of any such claim or suit, (b) not admit liability in any such claim or suit. The Insurer shall have the right to investigate, negotiate or settle any such claim or suit or to take over the conduct of the defense thereof;

- (13) personal financial loss suffered by an **Insured Person** as a result of a **Kidnapping, Detention or Hijacking** and the result of the inability to attend to personal financial matters including, but not limited to, failure to renew insurance contracts and the failure to exercise stock options;
  - (14) independent security guard services for a period of up to thirty (30) days during a **Kidnapping, Extortion Threat, Detention or Hijacking**;
  - (15) any other direct expenses, reasonable in amount and reasonably incurred by the **Insured**, including (a) fees for related medical services (including psychiatric care, reasonable costs for cosmetic, dental or plastic surgery) which is medically required to correct any permanent disfigurement sustained by an **Insured Person** or guest directly as a result of a **Kidnapping, Detention or Hijacking** within twenty four (24) months following their release, and (b) reasonable expenses incurred for a period of not more than 30 days for rest and rehabilitation of an **Insured Person** and his/her spouse and children following the release of such **Insured Person** from a **Kidnapping, Detention or Hijacking**, provided such expenses are incurred within six (6) months following the release of such **Insured Person** and the maximum Limit of Insurance for this coverage shall not exceed \$25,000 per **Insured Person** per covered incident.
- (D) **"Extortion Threat"** means **Bodily Injury Extortion, Computer Virus Threat, Property Damage Extortion, Products Extortion or Trade Secrets Extortion** as herein defined:
- (1) **"Bodily Injury Extortion"** means any threat, for the purpose of demanding **Ransom Monies**, communicated to the **Insured** or an **Insured Person** to kill, physically injure or kidnap an **Insured Person**.
  - (2) **"Computer Virus Threat"** means any threat, for the purpose of demanding **Ransom Monies**, communicated to the **Insured** to alter, adulterate, or destroy any of the **Insured's** computer programs through the introduction into the **Insured's** computer systems, instructions or data which are not authorized by the **Insured**.
  - (3) **"Property Damage Extortion"** means any threat, for the purpose of demanding **Ransom Monies**, communicated to the **Insured** to physically damage, contaminate or pollute any buildings or **Premises**, (including, furniture, fixtures, fittings, machinery or equipment [fixed or mobile]), works of art and other contents, bloodstock and livestock, owned or leased by the **Insured**.
  - (4) **"Products Extortion"** means any threat, for the purpose of demanding **Ransom Monies**, communicated to the **Insured** that products of the **Insured**, or products that are to be passed off as such, or goods which the **Insured** handles, will be contaminated, polluted or rendered substandard.
  - (5) **"Trade Secrets Extortion"** means any threat, for the purpose of demanding **Ransom Monies**, communicated to the **Insured** to disseminate, utilize or divulge information including formulas, patterns, patents, compilations of data, programs, devices, methods, techniques or processes, or other proprietary information which is particular to the **Insured** in the conduct of business, provided the **Insured** makes constant and conscious efforts not to disclose such information to any third party.

All such threats related by a common committed, attempted or threatened wrongful act or made simultaneously against the same **Insured** or **Insured Person** will be deemed to constitute a single **Extortion Threat**.

- (E) “**Hijacking**” means the illegal holding under duress of an **Insured Person**, in excess of four (4) hours, while traveling in any motor vehicle, aircraft, or waterborne vessel for whatever reason other than **Kidnapping**.
- (F) “**Informant**” means any person, other than an **Insured Person**, providing information not otherwise obtainable, solely in return for a **Reward** offered by the **Insured**.
- (G) “**Insured**” means the named **Insured** or any **Subsidiary** of the named **Insured**, which existed prior to the inception date of the Policy and was disclosed in the Application for this insurance.
- (H) “**Insured Person**” means:
- (1) any **Employee**;
  - (2) any director, trustee, partner, **Member**, **Manager**, proprietor (if the **Insured** is a sole proprietorship) or officer of an **Insured**;
  - (3) any **Relative** of an **Employee**;
  - (4) any natural person who is employed in the household of an **Employee** while in the home of such **Employee**;
  - (5) any natural person who is a resident or a guest in the home of an **Employee**;
  - (6) any customer or guest of an **Insured** on the **Premises** of an **Insured**;
  - (7) any customer of an **Insured** or a guest traveling with an **Employee**; or
  - (8) any natural person who is temporarily retained by any **Insured** or an independent security consultant to deliver a **Ransom Monies** or **Extortion Threat** payment.
- (I) “**Kidnapping**” means any event or connected series of events of seizing, detaining, abducting or carrying away by fraudulent means, of the **Insured** or one or more **Insured Persons**, except a minor by a parent thereof (or by a person acting on behalf of a parent), for the purpose of demanding **Ransom Monies**.
- (J) “**Loss of Extremity**” means the permanent physical separation or the total irrecoverable loss of use of a digit or part thereof, or an ear, nose or genital organ or part thereof by deliberate mutilation.
- (K) “**Loss of Life**” means:
- (1) death, including clinical death, determined by a medical examiner or similar local governing medical authority; or
  - (2) the lack of communication from an **Insured Person** or those responsible for the **Kidnapping, Detention** or **Hijacking** of such **Insured Person** for a period of one (1) year following the later of:
    - (a) such **Kidnapping, Detention** or **Hijacking**;
    - (b) the last communication from such **Insured Person**; or
    - (c) the last communication from those responsible for such **Kidnapping, Detention** or **Hijacking**.

- (L) **“Loss of Sight”** means the loss of sight of one or both eyes that is certified as being entire and irrevocable to the extent of legal blindness by a qualified medical practitioner specializing in ophthalmology and approved by the Insurer.
- (M) **“Loss of Speech and/or Hearing”** means the permanent total loss of the capability of speech and/or hearing that is certified by a qualified medical practitioner specialist and approved by the Insurer.
- (N) **“Loss of Use”** means the permanent total loss of function of a foot, hand, or thumb and index finger that is certified by two qualified medical practitioners (approved by the Insurer) as being beyond hope of improvement.
- (O) **“Manager”** means a person serving in a directorial capacity for a limited liability company.
- (P) **“Member”** means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.
- (Q) **“Personal Accidental Death, Dismemberment & Disability Loss”** means **Loss of Life, Loss of Use, Loss of Sight, Loss of Speech and/or Hearing, or Loss of Extremity** of an **Insured Person** when such **Personal Accidental Death, Dismemberment & Disability Accidental Loss**:
  - (1) is unanticipated and independent of any illness, disease or other bodily malfunction of such **Insured Person**; and
  - (2) arises from a source outside of such **Insured Person**.
- (R) **“Premises”** means buildings, facilities or properties occupied by the **Insured** in conducting its business or a residence occupied by any director, officer or **Employee** of the **Insured**.
- (S) **“Ransom Monies”** shall mean cash and/or marketable goods or services that the **Insured** shall have surrendered to meet a **Kidnapping** or **Extortion Threat** demand. In the case of marketable goods or services, the Insurer shall pay the actual cash value thereof at the time of surrender.
- (T) **“Relative”** means a spouse, domestic partner, child, step-child, adopted child, adopted stepchild, foster child, spouse of married children, grandchild, sister, brother, parent, parent-in-law, step-parent, grandparent, grandparent-in-law.

### III. EXCLUSIONS

This Coverage Part does not apply:

- (A) to loss due to any fraudulent, dishonest or criminal acts of the **Insured**, its **Employees**, any **Insured Person** or any person authorized by the **Insured** to have custody of **Ransom Monies**;
- (B) to loss resulting from fraud by any **Insured Person** allegedly the subject of a **Kidnapping, Extortion Threat, Detention** or **Hijack** if the **Insured** had not, prior to payment, made reasonable efforts to determine that such **Kidnapping, Extortion Threat, Detention** or **Hijacking** was genuine;
- (C) to loss due to confiscation or expropriation of **Reward** or **Ransom Monies** by any governmental authority;
- (D) to loss of income not realized by the **Insured** as the result of a covered loss;
- (E) to loss due to the surrender of **Ransom Monies**;
  - (1) in any face to face encounter involving the use or threat of force or violence unless surrendered by a person who is in possession of such **Ransom Monies** at the time of

- such surrender for the sole purpose of conveying them to pay a previously communicated demand for **Ransom Monies**;
- (2) on the **Premises** unless brought onto the **Premises** after the receipt of the **Kidnapping** or **Extortion Threat** demand for the purpose of paying such demand;
- (F) under Insuring Agreement (B)
- (1) due to any act or alleged act of the **Insured** or **Insured Person** which would be a criminal offense if committed by the same party in a country where the **Insured** is headquartered or of which the **Insured Person** is a national, unless the Insurer determines that such allegations were intentionally false, fraudulent and malicious and made solely and directly to achieve political, propaganda or coercive effect upon or at the expense of the **Insured** or **Insured Person** who was subject to the **Detention** or **Hijacking**;
- (2) due to any actual or alleged violation of the laws of a foreign country by the **Insured** or **Insured Person**, unless the Insurer determines that such allegations were intentionally false, fraudulent and malicious and made solely and directly to achieve political, propaganda or coercive effect upon or at the expense of the **Insured** or **Insured Person** who was subject to the **Detention** or **Hijacking**;
- (3) due to the failure of the **Insured** or an **Insured Person** to properly procure or maintain immigration, work, travel, residence or similar visas, permits or other documentation;
- (4) due to an **Insured Person** taking part in any political activity or the operations of any security or armed forces;
- (5) due to an **Insured Person** traveling to a country after the U.S. Department of State issues a travel warning;
- (6) due to an **Insured Person** traveling to or remaining in a country after the U.S. Government provides a directive to leave the country in question.
- (G) loss sustained by one **Insured** to the advantage of any other **Insured**;
- (H) loss resulting from fraud by an **Insured Person** allegedly the subject of a **Personal Accidental Death, Dismemberment & Disability Loss**;
- (I) to any loss, including **Expenses** due to any **Kidnapping** and/or **Extortion Threat** that is part of a connected series of acts involving **Kidnapping** and/or **Extortion Threat** beginning prior to the **Policy Period**, or prior to the acquisition, consolidation or purchase of assets of another entity.
- (J) to any **Expenses** related to recalling a product.

#### IV. GENERAL AGREEMENTS

- (A) **Beneficiary:**  
The **Benefit Amount** for all other **Personal Accidental Death, Dismemberment & Disability Accidental Loss**, other than **Loss of Life**, will be paid to the **Insured Person**. The **Benefit Amount** for **Loss of Life** will be paid to the estate of the **Insured Person**
- (B) **Conditions Precedent to Liability:**  
As a condition precedent to the Insurer's liability under Insuring Agreement (A), the **Insured** shall have approved the payment of **Ransom Monies**. In the event of a **Kidnapping** or **Extortion Threat** of an **Insured Person** or guest during the **Policy Period**, and prior to the payment of **Ransom Monies**, the first named **Insured** shall make every reasonable effort to:
- (1) determine that the **Kidnapping** or **Extortion Threat** has actually occurred, and;
- (2) give immediate oral notice to the independent security consultant referenced in C (1) of II. DEFINITIONS and oral or written notice to the Insurer; and
- (3) notify the Federal Bureau of Investigation or other law enforcement agency having jurisdiction thereover of the demand for **Ransom Monies** and comply with their recommendations and instructions.

As additional conditions precedent to the Insurer's liability, the **Insured** shall:

- (1) use all due diligence and do all things reasonably practicable to avoid or diminish any loss; and
- (2) use all reasonable efforts not to disclose the existence of this Coverage Part.

**(C) Consolidation - Merger**

If through consolidation or merger with, purchase or acquisition of assets or liabilities of, some other entity, any additional persons become an **Insured** or **Insured Persons** or the Insured acquires the use and control of any additional **Premises**:

- (1) The **Insured** must give the Insurer written notice and obtain its written consent to extend this insurance to such additional **Insured Persons** or **Premises**. The Insurer may condition its consent upon payment of an additional premium; but
- (2) For the first 90 days after the effective date of such consolidation, merger, or purchase or acquisition of assets or liabilities, any insurance afforded for **Insured Persons** or **Premises** also applies to these additional **Insured Persons** or **Premises** for acts occurring within this 90-day period.

As respects the coverage provided by this Coverage Part, with respect to the consolidation, merger, purchase or acquisition of assets or liabilities, no coverage shall apply if there are known incidents or threats as of the date of the acquisition, if such incidents or threats are known to:

- (a) the **Insured**;
- (b) any **Insured Person**;
- (c) the entity from whom the **Insured** is consolidating, merging, purchasing or acquiring assets or liabilities; or
- (d) the employees, officers, directors, managers, members or partners of an entity described in (c) above.

**(D) Expense Coverage**

The Insurer shall indemnify the **Insured** for **Expenses** incurred by the **Insured** for the purpose of investigating a **Kidnapping** or **Extortion Threat**, paying **Ransom Monies**, negotiating or obtaining the release of any **Insured Person** or guest, or other **Expenses** directly related to a **Kidnapping, Extortion Threat, Detention** or **Hijacking**; provided such **Kidnapping, Extortion Threat, Detention** or **Hijacking** is insured hereunder. Indemnification for **Expenses** under Insuring Agreement (A) shall be in addition to the Limit of Insurance; provided that the amount payable hereunder for **Expenses** involved with any loss under Insuring Agreement (A) shall not exceed the Limit(s) of Insurance stated in Item 1 of the Declarations for that Insuring Agreement.

**(E) Joint Insured**

- (1) By acceptance of this Coverage Part, the first named **Insured** for itself and all other **Insureds** agree that this Coverage Part embodies all agreements existing between themselves and the Insurer or any of its agents relating to this insurance. The first named **Insured** will act for itself and for every other **Insured** for purposes of this insurance.
- (2) If any **Insured** or **Insured Person** has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every **Insured** and **Insured Person**.
- (3) An **Employee** of any **Insured** is considered to be an **Employee** of every **Insured**.
- (4) All losses and other payments, if any, payable by the Insurer shall be payable to the first named **Insured**, and the Insurer shall not be responsible for the proper application of any payment made. The Insurer shall not be liable for loss sustained by one **Insured** to the advantage of any other **Insured**. If the **Insured** shall agree to and shall make payment to any **Insured** other than the first named **Insured** or to any **Insured Person**, such payment shall be treated as though made to the first named **Insured**.
- (5) The **Insurer** will not pay more for loss sustained by more than one **Insured** than the amount it would pay if all the loss had been sustained by one **Insured**.

**(F) Limits of Insurance and Deductible**

- (1) The Insurer's Limit of Insurance shall apply only to that part of loss that is excess of the applicable Deductible Amount indicated in Item 1. of the Declarations of the Coverage Part.
- (2) Subject to (1) above, if a Coverage Part Limit of Insurance is shown in Item 1. of the Coverage Part Declarations, the Insurer's maximum liability for all loss during the **Policy Period** shall not exceed the Coverage Part Limit of Insurance stated in Item 1. of the Coverage Part Declarations.
- (3) Subject to (1) and (2) above, the Insurer's maximum liability for each loss shall not exceed the Limit(s) of Insurance set forth in Item 1 of the Declarations of this Coverage Part, regardless of the number of **Insureds** or **Insured Persons** sustaining the loss.
- (4) Payment of loss under this Coverage Part will not reduce the liability of the Insurer for other losses; provided that the maximum liability of the Insurer will not exceed the dollar amount as set forth in Item 1 in the Declarations of this Coverage Part:
  - (a) Applicable to Insuring Agreement (A): for all loss of property and other consideration actually surrendered as **Ransom Monies** and **Extortion Threat** payments arising from one **Kidnapping** or **Extortion Threat** or a series of related **Kidnappings** or **Extortion Threats**;
  - (b) Applicable to Insuring Agreement (B): for all **Expenses** arising from one **Kidnapping, Extortion Threat, Detention** or **Hijacking** or a series of related **Extortion Threats, Detentions** or **Hijackings**;
  - (c) Applicable to Insuring Agreement (C): for all loss of property and other consideration intended as **Ransom Monies** or **Extortion Threat** payments arising from one **Kidnapping** or **Extortion Threat** or a series of **Kidnappings** or **Extortion Threats**;
  - (d) Applicable to Insuring Agreement (D):
    - (i) If an **Insured Person** suffers more than one covered **Personal Accidental Death, Dismemberment & Disability Loss**, the Insurers maximum liability for all such **Personal Accidental Death, Dismemberment & Disability Loss** shall be the All Other **Personal Accidental Death, Dismemberment & Disability Loss** amount as set forth in 1. D. (ii) of the Declarations of this Coverage Part.
    - (ii) If more than one **Insured Person** suffers a covered **Personal Accidental Death, Dismemberment & Disability Loss** resulting from the same **Kidnapping, Extortion Threat, Detention** or **Hijacking** or a series of related **Extortion Threats, Detentions** or **Hijackings**, the Insurers maximum liability for all such **Personal Accidental Death, Dismemberment & Disability Loss** shall be All Other **Personal Accidental Death, Dismemberment & Disability Loss** amount as set forth in 1. D. (ii) of the Declarations of this Coverage Part, which shall be divided proportionately among such **Insured Persons**.

Loss includes the total of **Ransom Monies**, net of all recoveries, which the **Insured** shall have (a) paid by reason of any one **Kidnapping**, alleged **Kidnapping** or **Extortion Threat**, or (b) lost while being delivered by reason of any one **Kidnapping**, alleged **Kidnapping** or **Extortion Threat**. A connected series of acts, incidents or events of **Extortion Threat** by one person or collaborating persons shall constitute one loss.

In the event there are multiple **Insureds** or **Insured Persons**, the maximum liability of the Insurer for loss sustained by one or all **Insureds** or **Insured Persons** shall not exceed the amount for which the Insurer would be liable if all losses were sustained by one **Insured** or **Insured Person**. The Limit of Insurance applicable to any loss shall not be cumulative from **Policy Period** to **Policy Period**.

**(G) Loss Sustained**

A loss shall be deemed to have been sustained under:

- (1) Insuring Agreement (A), at the time of the surrender of the **Ransom Monies** or **Extortion Threat** payment;

- (2) Insuring Agreement (B), at the time of payment of incurred **Expenses**;
- (3) Insuring Agreement (C), at the time of the actual destruction, disappearance, confiscation or wrongful abstraction of **Ransom Monies**;
- (4) Insuring Agreement (D), at the time of the **Accidental Loss**.

**(H) Personal Assets**

In the event that a demand for **Ransom Monies** or a **Bodily Injury Extortion Threat** is directed against any **Insured Person** rather than against the **Insured**, **Ransom Monies** surrendered, or intended to be surrendered by or on behalf of such **Insured Person** and the following resulting **Expenses**: (C)(1) through (9) and (C)(13) through (15); incurred by or on behalf of such **Insured Person** shall at the option of the **Insured**, be considered property or other consideration surrendered on behalf of the **Insured** and **Expenses** incurred by the **Insured**. The **Insured** must approve the **Ransom Monies** or **Extortion Threat** payment made by the **Insured Person**.

**V. CONDITIONS AND LIMITATIONS:**

**(A) RECOVERIES**

In the event of any payment under this Policy, all recoveries, less the actual cost to the Company of recovery, shall be distributed in the following manner: the **Insured** shall be reimbursed for any loss and/or **Expense** which exceed the amount of insurance provided by this Policy; the balance, if any, shall be applied to reimbursement of the Company to the extent of its payment and any remainder paid to the **Insured**. If there is no excess payment, any such recoveries shall be distributed first in reimbursement to the Company to the extent of its payment and any remainder paid to the **Insured**.

**(B) POLICY PERIOD**

This Coverage Part applies to loss or **Expenses** sustained at any time, provided that they result from a **Kidnapping, Extortion Threat, Detention** or **Hijacking** which occurs during the **Policy Period** and provided that any claim for such loss or **Expenses** is reported to the Company no later than twelve (12) months after the expiration of the **Policy Period**.

**(C) VALUATION**

The Company shall not be liable for more than the actual cash value of any **Ransom Monies** paid at the time it is paid less any amounts which are recovered from the persons to whom the **Ransom Monies** were paid. If a loss or **Expense** involves currency other than that of the United States of America, the Company shall not be liable for more than the United States dollar equivalent of the foreign currency as of the day when the foreign currency is paid as **Ransom Monies**. The rate of the exchange will be at the rate published in the Wall Street Journal on the day when the **Ransom Monies** are paid.