

MG Skinner & Associates  
11030 Santa Monica Blvd  
2nd Floor  
LOS ANGELES, CA 90025  
Phone: (310) 478-5041



*Insured:*

Hialeah Club Villas Condominium Association, Inc.  
7900 Oak Lane  
400  
HIALEAH, FL 33016

*Agent:*

Option Insurance Solutions  
13831 SW 59th Street  
#200  
MIAMI, FL 33183  
(305) 225-9550

D&O/Crime Binder - New Business

*Policy Information:*

Binder #: 1-SKN-FL-01523660-00      Policy Effective from 6/25/2024 to 6/25/2025, 12:01 AM  
Physical Address: 2150 West 60th Street HIALEAH, FL 33017      Total Premium: \$3,766.05

*D&O:*

Carrier: Accredited Surety and Casualty Company  
Policy #: TBD

Coverage / Description	Coverage Limit
D&O	\$1,000,000
Retentions	\$2,500

*D&O Total:* \$2,990.01

*Crime:*

Carrier: Accredited Surety and Casualty Company  
Policy #: TBD

Coverage / Description	Coverage Limit
Employee Theft	\$100,000/\$500 Ded
Depositors Forgery or Alteration	\$100,000/\$500 Ded
Inside the Premises	\$100,000/\$500 Ded
Outside the Premises	\$100,000/\$500 Ded
Money Orders and Counterfeit Currency	\$100,000/\$500 Ded
Computer and Funds Transfer Fraud	\$100,000/\$500 Ded

*Crime Total:* \$776.04

## **CLAIMS REPORTING**

Whenever there is a circumstance that could reasonably give rise to a claim, it is important that you contact us as soon as possible.

Incidents or claims can be reported directly at [www.mgskinner.com](http://www.mgskinner.com). Click on the "Claims" Tab at the top of the page and you will be directed to the "File a Claim" tab. Once you have clicked on that the form will appear for you to complete. Once you get to the bottom of the screen you will have the ability to attach any relevant items and make sure you click the "Submit" button at the very bottom to ensure we receive the notice.

If you have any issues submitting a claim call MG Skinner at (310) 478-5071.

Once submitted you will receive an acknowledgement of receipt. At that point our TPA Western Litigation will be made aware of the notice and they will reach out with an assigned claim number and adjustor information.

Our TPA's Contact Information is below, should you have claims questions:

Western Litigation  
Rex Ramos  
rex\_ramos@gbtpa.com  
D: 214-265-4921  
M: 214-418-9270



## Accredited Surety and Casualty Company, Inc.

A Randall & Quilter Group Company  
P.O. Box 140854  
Orlando, FL 32814-0854

# COMMUNITY ASSOCIATION SELECT POLICY

## DECLARATIONS - D&O

**NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.**

**UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.**

**THE INSURER HAS THE DUTY TO DEFEND.**

**POLICY NUMBER:** 1-SKN-FL-01523660-00

**PRODUCER:** Option Insurance Solutions

### RENEWAL OF:

**ITEM I. NAME AND ADDRESS OF PARENT ORGANIZATION:** Hialeah Club Villas Condominium Association, Inc.  
Physical: 2150 West 60th Street, HIALEAH, FL 33017  
Mailing: 7900 Oak Lane 400, HIALEAH, FL 33016

**ITEM II. POLICY PERIOD:** Inception Date: 6/25/2024 Expiration Date: 6/25/2025  
(12:01 A.M. at the address set forth in Item I)

**ITEM III. LIMIT OF LIABILITY:** \$1,000,000 in the aggregate for the **Policy Year**

**ITEM IV. RETENTION:** \$2,500 in the aggregate each **Claim**

**ITEM V. PRIOR LITIGATION DATE:** 6/25/2024

**ITEM VI. PREMIUM:** \$2,990.01 **TRIA Premium:** \$0.00

**ITEM VII. ENDORSEMENTS FORMING PART OF THIS POLICY AT ISSUANCE:**  
Select Endorsement

This Declarations page, together with the **Application**, the attached Community Association Policy Form, and all endorsements thereto, shall constitute the contract between the Insurer and the **Insureds**. This Policy is valid only if signed below by a duly authorized representative of the Insurer.

**Authorized Representative**

# Privacy Notice

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Accredited Surety and Casualty Company, Inc. values your business and the trust you've placed in us. That's why we want to assure you that we are serious about keeping your personal information private before, during and after your business relationship with us. This notice describes our policy regarding the collection and disclosure of your personal information.

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## Collecting Information

We may collect, maintain and use personal information about you in order to conduct our business, to offer new products, to provide customer service and to satisfy legal and regulatory requirements. Such information may include:

- Information we receive from you directly or through your agent or broker (such as information on applications, questionnaires, claim forms or other documents)
  - Information about your transactions with us, our affiliates or others (such as products purchased, claims made, account balances and payment history)
  - Information we receive from a consumer reporting agency (such as motor vehicle reports and credit reports)
  - Information we receive from other third parties (such as prior loss information)
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## Disclosing Information

We may disclose the personal information we collect as required to conduct our business and as permitted by law. We may share information with our affiliates and non-affiliated third parties for the purpose of processing and servicing transactions, such as reinsurers, your insurance agent and brokers, property and casualty appraisers, auditors, claim adjusters, and third party administrators. Any such disclosure is required to be subject to an agreement with us that includes a confidentiality provision. We do not share your personal information with non-affiliated third parties that would use it to market products or services to you. Our standards for disclosure apply to your personal information whether you are a current or former customer.

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## Confidentiality and Security

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic, personal information.

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## Definitions

"Customer" means any individual who obtains or has obtained a product or service from a company of Accredited Surety and Casualty Company, Inc. that is to be used primarily for personal, family or household purposes. This notice applies to customers only.

"Personal information" means nonpublic personal information, which personally identifiable information provided by you to a company of Accredited Surety and Casualty Company, Inc., resulting from a transaction with or any service performed for you by a company of Accredited Surety and Casualty Company, Inc., or otherwise obtained by a company of Accredited Surety and Casualty Company, Inc.

Personal information does not include publicly available information as defined by law.

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Accredited Surety and Casualty  
Company, Inc.  
A Randall & Quilter Group Company  
4798 New Broad Street, Suite 200, Orlando,  
FL 32814  
Telephone: (800) 432-2799

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SELECT ENDORSEMENT**

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

### **I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS**

The following is a summary of Limits of Liability or Limits of Insurance and/or additional coverages provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

<b>COVERAGE</b>	<b>LIMITS OF INSURANCE</b>
Business Travel Accident Benefit	\$50,000
Conference Cancellation	\$25,000
Donation Assurance	\$50,000
Emergency Real Estate Consulting Fee	\$50,000
Fundraising Event Blackout	\$25,000
Identity Theft Expense	\$50,000
Image Restoration and Counseling	\$50,000
Key Individual Replacement Expenses	\$50,000

Kidnap Expense	\$50,000
Political Unrest	\$5,000 per employee: \$25,000 policy limit
Temporary Meeting Space Reimbursement	\$25,000
Terrorism Travel Reimbursement	\$50,000
Travel Delay Reimbursement	\$1,500
Workplace Violence Counseling	\$50,000

## **II. CONDITIONS**

### **A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable.

### **B. Limits of Liability or Limits of Insurance**

1. When coverage is provided by this endorsement and another coverage form or endorsement attached to this policy, the greater limits of liability or limits of insurance will apply. In no instance will multiple limits apply to coverages which may be duplicated within this policy. Additionally, if this policy and any other coverage part or policy issued to you by us, or any company affiliated with us, apply to the same occurrence, offense, wrongful act, accident or loss, the maximum limits of liability or limits of insurance under all such coverage parts or policies combined shall not exceed the highest applicable limits of liability or limits of insurance under any one coverage part or policy.
2. Limits of liability or limits of insurance identified in Section **I. SCHEDULE OF ADDITIONAL COVERAGES AND LIMITS** above are not excess of, but are in addition to the applicable Limits of Liability or Limits of Insurance stated in the Declarations.

### **C. Claim Expenses**

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

## **III. ADDITIONAL COVERAGES**

### **A. Business Travel Accident Benefit**

We will pay a Business Travel Accident Benefit to the insured if a director or officer suffers injury or death while traveling on a common carrier for your business during the policy period.

For the purpose of Business Travel Accident Benefit coverage, injury means:

1. Physical damage to the body caused by violence, fracture, or an accident that results in loss of life not later than one hundred eighty (180) days after the policy expiration, the date of cancellation or the date of non-renewal;
2. Accidental loss of limbs or multiple fingers;
3. Total loss of sight, speech or hearing.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

The Business Travel Accident Benefit shall not be payable if the cause of the injury was:

1. An intentional act by the insured;
2. An act of suicide or attempted suicide;
3. An act of war; or
4. A disease process.

## **B. Conference Cancellation**

We will reimburse the insured for any business-related conference expenses, paid by the insured and not otherwise reimbursed, for a canceled conference that an employee was scheduled to attend. The cancellation must be due directly to a "natural catastrophe" or a "communicable disease" outbreak that forces the cancellation of the conference.

With respect to a conference cancellation claim, it is further agreed as follows:

1. The insured employee must have registered for the conference at least thirty (30) days prior to the cancellation; and
2. The cancellation must be ordered by a local, state or federal Board of Health or other governmental authority having jurisdiction over the location of the conference.

The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

## **C. Donation Assurance**

If the insured is a 501(c)(3) status non-profit organization as defined in the United States Internal Revenue Code, we will reimburse the insured for "failed donation claim(s)."

With respect to any "failed donation claim," it is further agreed as follows:

1. The donor must not have been in bankruptcy, nor have filed for bankruptcy or reorganization in the past seven (7) years prior to the time said pledge was made to the insured;
2. For non-cash donations, our payment of a "failed donation claim" shall be based on the fair market value of said non-cash donation at the time of the "failed donation claim";
3. In the case of unemployment or incapacitation of a natural person donor and as a condition of payment of the "failed donation claim":
  - a. Neither the natural person donor nor the insured shall have had reason to believe the donor would become unemployed or incapacitated subsequent to the donation date; and
  - b. The donor shall be unemployed for at least sixty (60) days prior to a claim being submitted by the insured;
4. No coverage shall be afforded for a written pledge of funds or other measurable, tangible property to the insured dated prior to the policy period; and
5. A donation amount which is to be collected by the insured over more than a twelve (12) month period shall be deemed a single donation.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

## **D. Emergency Real Estate Consulting Fee**

We will reimburse the insured any realtor's fee or real estate consultant's fee necessitated by the insured's need to relocate due to the "unforeseeable destruction" of the insured's "principal location" listed in the Declarations during the policy period. The limit of insurance for this



coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**E. Fundraising Event Blackout**

We will reimburse the insured for “fundraising expenses” that are incurred due to the cancellation of a fundraising event caused by the lack of electric supply resulting in a power outage, provided the fundraising event is not re-scheduled. The fundraising event must have been planned at least thirty (30) days prior to the power outage. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

**F. Identity Theft Expense**

We will reimburse any present director or officer of the named insured for “identity theft expenses” incurred as the direct result of any “identity theft” first discovered and reported during the policy period; provided that it began to occur subsequent to the effective date of the insured’s first policy with us. The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**G. Image Restoration and Counseling**

We will reimburse the insured for expenses incurred for image restoration and counseling arising out of “improper acts” by any natural person.

Covered expenses are limited to:

1. The costs of rehabilitation and counseling for the accused natural person insured, provided the natural person insured is not ultimately found guilty of criminal conduct; this reimbursement to occur after acquittal of the natural person insured;
2. The costs charged by a recruiter or expended on advertising, for replacing an officer as a result of “improper acts”; and
3. The costs of restoring the named insured’s reputation and consumer confidence through image consulting.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

**H. Key Individual Replacement Expenses**

We will pay “key individual replacement expenses” if the Chief Executive Officer or Executive Director suffers an “injury” during the policy period which results in the loss of life during the policy period. The limit of insurance for this coverage is the lesser of \$50,000 or ten (10) times the annual premium paid for this policy. No deductible applies to this coverage.

**I. Kidnap Expense**

We will pay on behalf of any director or officer of the insured, reasonable fees incurred as a result of the kidnapping of them or their spouse, “domestic partner,” parent or child during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees will include:

1. Fees and costs of independent negotiators;
2. Interest costs for any loan from a financial institution taken by you to pay a ransom demand or extortion threat;
3. Travel costs and accommodations incurred by the named insured;
4. Reward money paid to an informant which leads to the arrest and conviction of parties responsible for loss covered under this insurance; and
5. Salary, commissions and other financial benefits paid by you to a director or officer. Such compensation applies at the level in effect on the date of the kidnap and ends upon the earliest of:
  - a. Up to thirty (30) days after their release, if the director or officer has not yet returned to work;
  - b. Discovery of their death;
  - c. One hundred twenty (120) days after the last credible evidence following abduction that they are still alive; or
  - d. Twelve (12) months after the date of the kidnapping.

The limit of insurance for this coverage is \$50,000 each policy period for all insureds combined. No deductible applies to this coverage.

#### **J. Political Unrest Coverage**

We will reimburse any present director, officer, employee or volunteer of the named insured while traveling outside the United States of America for "emergency evacuation expenses" that are incurred as a result of an incident of "political unrest." This "political unrest" must occur during the policy period. No coverage is granted for travel to countries in a state of "political unrest" at the time of departure of the travel. The limit of insurance for this coverage is \$5,000 per covered person, subject to a maximum of \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **K. Temporary Meeting Space Reimbursement**

We will reimburse the insured for rental of meeting space which is necessitated by the temporary unavailability of the insured's primary office space due to the failure of a climate control system, or leakage of a hot water heater during the policy period. Coverage will exist only for the renting of temporary meeting space required for meeting with parties who are not insured under this policy. The limit of insurance for this coverage is \$25,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **L. Terrorism Travel Reimbursement**

We will reimburse any present director or officer of the named insured in the event of a "certified act of terrorism" during the policy period which necessitates that he/she incurs "emergency travel expenses." The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

#### **M. Travel Delay Reimbursement**

We will reimburse any present director or officer of the named insured for any "non-reimbursable expenses" they incur as a result of the cancellation of any regularly scheduled business travel on a common carrier. The limit of insurance for this coverage is \$1,500 per policy period for all insureds combined. A seventy-two (72) hour waiting period deductible applies to this coverage.

#### **N. Workplace Violence Counseling**

We will reimburse the insured for emotional counseling expenses incurred directly as a result of a "workplace violence" incident at any of the insured's premises during the policy period. The emotional counseling expenses incurred must have been for:

1. Your employees who were victims of, or witnesses to the "workplace violence";
2. The spouse, "domestic partner," parents or children of your employees who were victims of, or witnesses to the "workplace violence"; and
3. Any other person or persons who directly witnessed the "workplace violence" incident.

The limit of insurance for this coverage is \$50,000 per policy period for all insureds combined. No deductible applies to this coverage.

### **IV. DEFINITIONS**

For the purpose of this endorsement, the following definitions apply:

- A. "Certified act of terrorism" means any act so defined under the Terrorism Risk Insurance Act, and its amendments or extensions.
- B. "Communicable disease" means an illness, sickness, condition or an interruption or disorder of body functions, systems or organs that is transmissible by an infection or a contagion directly or indirectly through human contact, or contact with human fluids, waste, or similar agent, such as, but not limited to Meningitis, Measles or Legionnaire's Disease.
- C. "Domestic partner" means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the named insured.
- D. "Emergency evacuation expenses" mean:
  1. Additional lodging expenses;
  2. Additional transportation costs;
  3. The cost of obtaining replacements of lost or stolen travel documents necessary for evacuation from the area of "political unrest"; and
  4. Translation services, message transmittals and other communication expenses.

provided that these expenses are not otherwise reimbursable.

- E. "Emergency travel expenses" mean:

1. Hotel expenses incurred which directly result from the cancellation of a scheduled transport by a commercial transportation carrier, resulting directly from and within forty-eight (48) hours of a "certified act of terrorism"; and
2. The increased amount incurred which may result from re-scheduling comparable transport, to replace a similarly scheduled transport canceled by a commercial transportation carrier in direct response to a "certified act of terrorism";

provided that these expenses are not otherwise reimbursable.

F. "Failed donation claim" means written notice to the insured during the policy period of:

1. The bankruptcy or reorganization of any donor whereby such bankruptcy or reorganization prevents the donor from honoring a prior written pledge of funds or other measurable, tangible property to the insured; or
2. The unemployment or incapacitation of a natural person donor preventing him/her from honoring a prior written pledge of funds or other measurable, tangible property to the insured.

G. "Fundraising expenses" mean deposits forfeited and other charges paid by you for catering services, property and equipment rentals and related transport, venue rentals, accommodations (including travel), and entertainment expenses less any deposits or other fees refunded or refundable to you.

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

I. "Identity theft expenses" mean:

1. Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies;
2. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors; and
3. Loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.

J. "Improper acts" means any actual or alleged act of:

1. Sexual abuse;
2. Sexual intimacy;
3. Sexual molestation; or
4. Sexual assault;

committed by an insured against any natural person who is not an insured. Such "improper acts" must have been committed by the insured while in his or her capacity as an insured.

K. "Injury" whenever used in this endorsement, other than in Section III. A. **Business Travel**,

means any physical damage to the body caused by violence, fracture or an accident.

**L.** “Key individual replacement expenses” mean the following necessary expenses:

1. Costs of advertising the employment position opening;
2. Travel, lodging, meal and entertainment expenses incurred in interviewing job applicants for the employment position opening; and
3. Miscellaneous extra expenses incurred in finding, interviewing and negotiating with the job applicants, including, but not limited to, overtime pay, costs to verify the background and references of the applicants and legal expenses incurred to draw up an employment contract.

**M.** “Natural catastrophe” means hurricane, tornado, earthquake or flood.

**N.** “Non-reimbursable expenses” means the following travel-related expenses incurred after a seventy-two (72) hour waiting period, beginning from the time documented on the proof of cancellation, and for which your director or officer produces a receipt:

1. Meals and lodging;
2. Alternative transportation;
3. Clothing and necessary toiletries; and
4. Emergency prescription and non-prescription drug expenses.

**O.** “Political unrest” means:

1. A short-term condition of disturbance, turmoil or agitation within a foreign country that poses imminent risks to the security of citizens of the United States;
2. A long-term condition of disturbance, turmoil or agitation that makes a foreign country dangerous or unstable for citizens of the United States; or
3. A condition of disturbance, turmoil or agitation in a foreign country that constrains the United States Government’s ability to assist citizens of the United States, due to the closure or inaccessibility of an embassy or consulate or because of a reduction of its staff

for which either an alert or travel warning has been issued by the United States Department of State.

**P.** “Principal location” means the headquarters, home office or main location where most business is substantially conducted.

**Q.** “Unforeseeable destruction” means damage resulting from a “certified act of terrorism,” fire, collision or collapse which renders all of the insured’s “principal locations” completely unusable.

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

## COMMUNITY ASSOCIATION SELECT POLICY

NOTICE: THIS IS A CLAIMS-MADE POLICY. THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE, AND REPORTED TO THE INSURER AS SOON AS PRACTICABLE BUT IN NO EVENT LATER THAN 90 DAYS AFTER THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

UNLESS AMENDED BY ENDORSEMENT, AMOUNTS INCURRED AS DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY AND SHALL NOT BE APPLIED AGAINST THE APPLICABLE RETENTION.

THE INSURER HAS THE DUTY TO DEFEND.

(Words and phrases printed in **bold**, other than in the headings, are defined in Section 23 below.)

In reliance upon the truthfulness and accuracy of the statements made in the **Application**, in consideration of, and subject to, the payment of premium when due, and subject to the terms, conditions, and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

1. **Insuring Agreement:** The Insurer shall pay on behalf of the **Insureds** all **Loss** which they shall become legally obligated to pay as a result of a **Claim** first made during the **Policy Period** or **Discovery Period**, if applicable, against the **Insureds** for a **Wrongful Act** which takes place before or during the **Policy Period**.
2. **Defense Costs and Settlements:**
  - 2.1 It shall be the right and duty of the Insurer to defend any **Claim**. The Insurer may investigate, as it deems appropriate, any **Claim**, circumstance, or **Wrongful Act** involving the **Insureds**.
  - 2.2 The **Insureds** shall not incur any **Defense Costs**, admit any liability, assume any obligation, agree to any settlement, or make any settlement offer with respect to any **Claim** without the Insurer's prior written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for any **Defense Costs** incurred or any admissions, obligations, agreements, or settlements made by the **Insureds** without the Insurer's prior written consent.
  - 2.3 The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient, but only with the **Insured's** consent. If the **Insureds** withhold consent to such settlement, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, plus **Defense Costs** covered by the Policy incurred prior to the date of such refusal to settle.
3. **Cooperation:** As a condition precedent to the **Insureds'** rights under this Policy, they shall give to the Insurer all information and cooperation as the Insurer reasonably may require and shall do nothing that may prejudice the Insurer's position or its rights of recovery.
4. **Claim Exclusions:** This Policy does not apply to any **Claim** made against any **Insured** for:

#### 4.1

- (a) bodily injury, sickness, disease, death; or
- (b) emotional distress, mental anguish, false arrest or imprisonment, abuse of process, malicious prosecution, libel, slander, defamation, violation or invasion of any right of privacy or private occupancy, trespass, nuisance or wrongful entry or eviction; or
- (c) damage to, destruction of, or loss of use of any tangible property;

provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

4.2 for any error, misstatement, misleading statement, act, omission, neglect or breach of duty by **Insured Persons** of any **Subsidiary** in such capacity or by the **Subsidiary** itself if such error, misstatement, misleading statement, act, omission, neglect or breach of duty actually or allegedly occurred, in whole or in part, when such entity was not a **Subsidiary**;

4.3 based upon, arising from, or in any way related to any error, misstatement, misleading statement, act, omission, neglect or breach of duty which has been reported or has been the subject of any notice under any insurance policy of which this Policy is a renewal or replacement or under any other policy which it may succeed in time;

4.4 for any actual or alleged violation of the Employee Retirement Income Security Act of 1974, amendments thereto or similar federal, state, local or common law;

4.5 based upon, arising from, or in any way related to:

- (a) any demand, suit, or other proceeding against any **Insured** which has been made, which existed, or was pending prior to the applicable Prior Litigation Date set forth in Item V of the Declarations; or
- (b) the same or substantially the same facts, circumstances or allegations involved in such demand, suit, or other proceeding;

4.6 brought or maintained by or on behalf of the **Insured Organization**;

4.7 based upon, arising from, or in any way related to the actual, alleged, or threatened discharge, dispersal, release or escape of **Pollutants, Fungi or Microbes**, or any direction, request or voluntary decision to test for, abate, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants, Fungi or Microbes**;

4.8 based upon, arising from, or in any way related to an **Insured Person** serving as a director, officer, trustee, regent, governor, volunteer, employee, or similar position of any entity other than the **Insured Organization**; or

4.9 based upon, arising from, or in any way related to:

- (a) any **Insureds** gaining in fact any personal profit, remuneration or advantage to which

they were not legally entitled; or

- (b) any deliberately dishonest, malicious or fraudulent act or omission or any willful violation of law by any **Insured**; provided, however, this exclusion shall only apply if it is finally adjudicated that such conduct in fact occurred.

For purposes of determining the applicability of Section 4.9, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**.

- 4.10 based upon, arising from, or in any way related to any **Employment Practices Wrongful Act** alleged by or on behalf of an employee of the **Property Manager**.
  - 4.11 based upon, arising from, or in any way related to any **Construction Defect**.
  - 4.12 based upon, arising from, or in any way related to any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self- dealing, or disputes concerning conversion, construction or development.
5. **Loss Exclusions:** The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:
- 5.1 for any obligation of the **Insured Organization** to modify any building or property in order to affect compliance with the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws; or
  - 5.2 for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral, except for employment related obligations which would have attached absent such contract or agreement;

Provided, however, that these exclusions shall not apply to the Insurer's duty to defend and to pay **Defense Costs**.

6. **Application Representations and Severability:**

- 6.1 The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.
- 6.2 The **Insureds** agree that if the **Application** contains any material statements or representations that are untrue, this Policy shall be void as to the **Insured Organization** and any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**.

7. **Reporting Requirements:**

- 7.1 The **Insureds**, as a condition precedent to their rights under this Policy, shall report every **Claim** to the Insurer as soon as practicable from the date any **Executive Officer** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.



- 7.2 Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded to **MG Skinner & Associates**, [www.mgskinner.com](http://www.mgskinner.com).
- 7.3 All notices under this Policy shall be sent in writing by mail, prepaid express courier, or facsimile and shall be effective upon receipt thereof by the addressee.
8. **Notice of Circumstance or Wrongful Act:** If during the **Policy Period** or the **Discovery Period** the **Insureds** become aware of any circumstance or **Wrongful Act** that reasonably may be expected to give rise to a **Claim**, and if such circumstance or **Wrongful Act** is reported to the Insurer during the **Policy Period** in writing with details as to the nature and date of such circumstance or **Wrongful Act**, the identity of any potential claimant, the identity of any **Insured Person** involved in such circumstance or **Wrongful Act**, and the manner in which the **Insureds** first became aware of such circumstance or **Wrongful Act**, then any **Claim** subsequently arising from such circumstance or **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which the circumstance or **Wrongful Act** was first duly reported to the Insurer.
9. **Limit of Liability:**
- 9.1 The Insurer's maximum aggregate Limit of Liability for all **Loss** under this Policy shall be the amount set forth in Item III of the Declarations. Amounts incurred as **Defense Costs** shall be in addition to the Limit of Liability.
- 9.2 All **Claims** arising from the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be deemed one **Claim** and subject to a single limit of liability. Such **Claim** shall be deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.
- 9.3 With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more of such **Claims**, the Insurer's duty to defend shall cease and any and all obligations of the Insurer hereunder shall be deemed to be completely fulfilled and extinguished and the Insurer shall have no further obligations hereunder of any kind or nature.
10. **Retention:** The Insurer shall be liable to pay only the amount of covered **Loss** in excess of the applicable Retention amount set forth in **Item IV** of the Declarations. Such applicable Retention shall be uninsured, shall not be applicable to **Defense Costs** and shall be borne by the **Insured Organization**.
11. **Allocation:** If a **Claim** gives rise to **Loss** covered under this Policy and loss not covered under this Policy, either because a **Claim** includes both covered and uncovered matters or both covered and uncovered parties, the **Insureds** and the Insurer shall allocate such amount between covered **Loss** and uncovered loss.
12. **Other Insurance:** If any **Loss** arising from any **Claim** is insured by other valid and collectible insurance, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are

stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to this Policy's Policy Number.

**13. Discovery Period:**

- 13.1** If the Insurer or the **Parent Organization** fails or refuses to renew this Policy or if the **Parent Organization** cancels this Policy, any **Insured** shall have the right to an extension of the coverage granted by this Policy following the effective date of such cancellation or non-renewal. Such extension of coverage shall apply solely with respect to **Wrongful Acts** taking place before the effective date of such cancellation or non-renewal.
- 13.2** If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discover Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period**. Such Discovery Period shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.
- 13.3** If the **Parent Organization** fails or refuses to renew or cancels this Policy, the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date.
- 13.4** The extension of coverage for the **Discovery Period** shall not in any way increase the Limit of Liability set forth in Item III of the Declarations. For purposes of the Limit of Liability, the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

**14. Conversion to Automatic Run-off:**

- 14.1** In the event of a **Change in Control** during the **Policy Period**, coverage under this Policy shall continue until the end of the **Policy Period**, but only with respect to **Claims for Wrongful Acts** taking place prior to the effective date of such **Change in Control**. The entire premium for this Policy shall be deemed fully earned as of the effective date of such **Change in Control**.
- 14.2** The **Parent Organization** shall give written notice of such **Change in Control** to the Insurer as soon as practicable, together with such information as the Insurer may reasonably require.
- 15. Subrogation:** If the Insurer pays any **Loss** under this Policy, the Insurer shall be subrogated to the extent of such payment to all rights of recovery thereof. The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Insurer effectively to bring suit in the name of the **Insureds**. The obligations of the **Insureds** pursuant to this Section 15 survive the termination of the **Policy Period**.

- 16. Parent Organization as Authorized Representative:** The **Insureds** agree that the **Parent Organization** shall act on their behalf with respect to all matters under this Policy,

including without limitation the giving and receiving of notices hereunder, the payment or return of premiums, and the negotiation and acceptance of endorsements.

**17. Amendment, Assignment and Headings:**

**17.1** Any amendment to this Policy or assignment of an interest in this Policy, in whole or in part, shall be effective only if made by endorsement to this Policy signed by an authorized representative of the Insurer.

**17.2** The headings to the provisions in this Policy, including those found in any endorsements attached hereto, are provided for convenience only and do not affect the construction hereof.

**18. Territory:** This Policy applies to **Wrongful Acts** occurring anywhere in the world, provided that a **Claim** is brought against the **Insured** within the United States of America, its territories or possessions or Canada.

**19. Spousal Benefit:** If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse where the claimant asserts such claim by reason of spousal status or seeks to obtain recovery against property in which such spouse has an interest, the amount which such spouse becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse.

**20. Estates and Legal Representatives:** In the event of the death, incapacity, or bankruptcy of an **Insured Person**, any **Claim** made against the estate, legal representatives, heirs, or the assigns of such **Insured Person** for a **Wrongful Act** by such **Insured Person** shall be deemed to be a **Claim** against such **Insured Person**.

**21. Termination:**

**21.1** The Insurer may not cancel this Policy except for non-payment of premium when due. Such cancellation shall be effective as of the inception date of the **Policy Period**.

**21.2** The **Parent Organization** may cancel this Policy by sending notice of cancellation to the Insurer. Such cancellation shall be effective on the date the Insurer receives such notice. The **Parent Organization** may not cancel this Policy in anticipation of or after the effective date of a **Change in Control**. In the event the **Parent Organization** cancels this Policy, the Insurer shall retain the customary short rate premium. Payment of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

**21.3** If the Insurer elects not to renew this Policy, the Insurer shall provide the **Parent Organization** with not less than sixty (60) days advance notice thereof.

**22. Action Against Insurer:**

**22.1** No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, or the amount of the **Insureds'**

obligation to pay shall have been finally determined either by judgment against the **Insureds** after actual trial, or by written agreement of the **Insureds**, the claimant and the Insurer.

**22.2** No person or organization shall have the right under this Policy to join the Insurer as a party to any action against the **Insureds**, nor shall the Insurer be impleaded by the **Insureds** or their legal representatives.

**23. Definitions:**

**23.1** "**Application**" means all signed applications, including attachments and materials submitted therewith or as a part thereof, or incorporated therein, for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer of which this Policy is a direct or indirect renewal or replacement. All such applications, attachments, and materials are deemed attached to and incorporated into this Policy.

**23.2** "**Change in Control**" means:

- (a) the acquisition by another entity of voting rights resulting in voting control by such other entity of more than 50% of the outstanding voting rights representing the present right to vote for election of directors or equivalent positions of the **Parent Organization**;
- (b) the merger of the **Parent Organization** into another entity such that the **Parent Organization** is not the surviving entity, or the consolidation of the **Parent Organization** with another entity; or
- (c) the loss of the **Parent Organization's** not-for-profit tax status.

**23.3** "**Claim**" means:

- (a) a written demand for monetary or non-monetary relief against an **Insured**;
- (b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured**;
- (c) the commencement of a formal criminal, administrative or regulatory proceeding or investigation against an **Insured**, including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ; or

including any appeal therefrom. A **Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

**23.4** "**Defense Costs**" means reasonable and necessary fees (including attorneys' fees and experts' fees) and expenses incurred in the defense of a **Claim** and cost of attachment or similar bonds, but shall not include the wages, salaries, benefits or expenses of any directors, officers or employees of the **Insured Organization**.

**23.5** "**Discovery Period**" means the period of time set forth in Section 13.

**23.6** "**Employment Practices Wrongful Act**" means:

- (a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;
- (b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation or disability;
- (d) sexual or other harassment in the workplace;
- (e) employment related misrepresentation;
- (f) violation of employment laws;
- (g) wrongful failure to employ, promote or grant tenure;
- {h} wrongful discipline; (i) negligent evaluation; (j) retaliation; and/or
- (k) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party, Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

**23.7 "Executive Officer"** means the president, chief executive officer, chief operating officer, chief financial officer, managing director, any executive vice president and any equivalent executive position of the **Insured Organization**.

**23.8 "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 fungi.

**23.9 "Insolvency"** means the status of the **Insured Organization** as a result of the appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage, or liquidate the **Insured Organization**, or the **Insured Organization** becoming an insolvent debtor-in-possession.

**23.10 "Insured(s)"** means the **Insured Persons** and the **Insured Organization**. Insured(s) also means any **Property Manager**, but only if the **Property Manager** is acting pursuant to the written authority granted by the **Parent Organization** or on behalf of and at the direction of the **Parent Organization** or any **Subsidiary**.

**23.11 "Insured Organization"** means any entity named in Item I of the Declarations and any **Subsidiary**, including any such entity operating as a debtor-in-possession.

**23.12 "Insured Person(s)"** means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of the **Insured Organization**, or, with respect to a **Subsidiary** operating outside the United States, their functional equivalent, regardless of title. It also means one or more natural persons who were, now are, or shall hereafter be duly elected or appointed directors, trustees, officers, employees, committee members or volunteers of any **Property Manager**, but only if

such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Parent Organization** or any **Subsidiary**.

**23.13 "Interrelated Wrongful Acts"** means **Wrongful Acts** that have as a common nexus anyfact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions, or causes.

**23.14 "Loss"** means:

- (a) sums which the **Insureds** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including damages, judgments, settlement amounts, legal fees and costs awarded pursuant to judgments, punitive or exemplary damages, and the multiple portion of any multiplied damage award; and
- (b) any excise tax equal to ten percent (10%) of an excess benefit which has been assessed by the Internal Revenue Service against any **Insured Person** pursuant to Section 4658 of the Internal Revenue Code for participation of an organization manager in an excess benefit transaction.

**Loss** shall not include any other taxes, fines, penalties, or matters uninsurable pursuant to any applicable law.

**23.15 "Microbes"** means any non-fungal microorganisms or non-fungal colony-form organisms 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 thecurrent or past presence of microbes.

**23.16 "Parent Organization"** means the **Insured Organization** first named in Item I of the Declarations.

**23.17 "Policy Period"** means the period from the inception date set forth in Item II of the Declarations to the expiration date set forth in Item II of the Declarations, or its earlier termination pursuant to Section 21.

**23.18 "Policy Year"** means the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period.

**23.19 "Pollutants"** means any substance exhibiting hazardous characteristics as is or may be identified on any list of hazardous substances issued by the United States Environmental Protection Agency, or any state, local, or foreign counterpart. This definition shall include, without limitation, any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, odors, noise, lead, oil or oil products, radiation, asbestos or asbestos-containing products, waste (including material to be recycled, reconditioned or reclaimed), and any electric, magnetic or electromagnetic field of any frequency, as well as any air emission, waste water, infectious medical waste, nuclear materials, or nuclear waste.

**23.20 "Subsidiary"** means any entity which qualifies as a not-for-profit organization under the Internal Revenue Code and for which the **Parent Organization** has or controls the right to elect or

appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity if such right exists:

- (a) prior to inception date of the **Policy Period**;
- (b) after the inception date of the **Policy Period** and the assets of such entity do not exceed thirty-five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement;
- (c) after the inception date of the **Policy Period** and the assets of such entity exceed thirty-five percent (35%) of the total consolidated assets of the **Insured Organization** as reflected in the **Parent Organization's** most recent audited consolidated financial statement but only upon the condition that the **Parent Organization**:
  - (i) give written notice of such transaction to the Insurer within 90 days after the effective date of such transaction;
  - (i) provide the Insurer with such information as the Insurer may require; and
  - (ii) pay any additional premium required by the Insurer.

**23.21 "Third Party"** means any natural person who is an active or current customer, supplier, vendor, applicant, business invitee or other client of the **Insured Organization**.

**23.22 "Wrongful Act"** means:

- (a) any actual or alleged error, misstatement, misleading statement, act, omission, neglect, or breach of duty, or **Employment Practices Wrongful Act** committed or attempted by the **Insured Persons** in their capacities as such or by the **Insured Organization**; or
- (b) any matter claimed against the **Insured Persons** solely by reason of their status as **Insured Persons**.

**23.23 "Construction Defect"** means any actual or alleged defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:

- (a) faulty or incorrect design or architectural plans;
- (b) improper soil testing;
- (c) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
- (d) the construction, manufacture or assembly of any tangible property;
- (e) the failure to provide construction related goods or services as represented or to pay for such goods or services; or
- (f) the supervision of such activities.

**23.24 "Property Manager"** means any entity providing real estate property management services to the **Insured Organization** pursuant to a written contract.



**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**ENHANCEMENT ENDORSEMENT FOR  
COMMUNITY ASSOCIATION RISKS**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION SELECT POLICY**

It is agreed that the Policy is hereby amended as follows:

- (1.) It is agreed that **Section 2.3** of the Policy is hereby deleted in its entirety and replaced with the following:

The Insurer has the right to negotiate the settlement of any **Claims** it deems expedient for any amount up to \$15,000. If the **Insureds** withhold consent to any negotiated settlement up to \$15,000, the Insurer shall waive payment of the Retention by the **Insured Organization** up to an amount of \$5,000. The Retention in excess of \$5,000 shall be borne by the **Insured Organization**. In addition, if the **Insureds** withhold consent to any such settlement in excess of \$15,000, the Insurer's liability for such **Claim** is limited to the amount in excess of the Retention which the Insurer would have contributed to the settlement had the **Insured** consented to the settlement, and 70 percent (70%) of any additional covered **Loss**, including **Defense Costs**, incurred subsequent to such refusal to settle.

- (2.) **Section 4.1** of the Policy is hereby deleted in its entirety and replaced with the following:

**4.1** based upon, arising from, or in any way related to:

- (a) bodily injury, sickness, disease, death; or
- (b) emotional distress, mental anguish; or
- (c) damage to, destruction of, or loss of use of any tangible property;

provided, however, that part (b) of this exclusion shall not apply to any **Claim** brought by or on behalf of any **Third Person** or past, present or prospective **Insured Person** for an **Employment Practices Wrongful Act**;

(3.) **Section 4.6** of the Policy is hereby deleted in its entirety and replaced with the following:

brought or maintained by or on behalf of the **Insured** against any **Property Manager**;

(4.) **Section 4** of the Policy is hereby amended as follows:

The last paragraph of **Section 4.9** is deleted and replaced with the following:

For purposes of determining the applicability of **Sections 4.1** through **4.9**, the **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person**.

(5.) **Section 6** of the Policy is hereby deleted in its entirety and replaced with the following:

## **6. Application Representations and Severability:**

**6.1** The **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of the risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such statements and representations.

**6.2** The **Insureds** agree that if the **Application** contains any statements or representations that are untrue, this Policy shall be void as to:

(a) any **Insured Person** who knew the facts that were not truthfully disclosed, provided that such knowledge shall not be imputed to any other **Insured Person**. This provision shall also apply to the **Insured Organization** to the extent that it indemnifies such **Insured Person**; and/or

(b) the **Insured Organization**, if it is established that any director or any executive officer of the **Insured Organization** knew the facts that were not truthfully disclosed;

whether or not such director or executive officer knew of such untruthful disclosure in the Application.

Except as set forth above, and solely with respect to **Loss** that is not indemnified due to the **Insured Organization's** financial insolvency or because indemnification

is not legally permissible, this Policy shall not be rescinded by the Insurer in whole or in part for any reason, however, such coverage will be subject to all other terms, conditions and exclusions of the Policy.

(6.) **Sections 7.2 and 7.3** of the Policy are hereby deleted in their entirety and replaced with the following:

**7.2** Notice of any **Claim**, circumstance, or **Wrongful Act** shall be forwarded **MG Skinner & Associates, [www.mgskinner.com](http://www.mgskinner.com)**.

**7.3** In addition to the website set forth in Section 7.2, such notice may also be given in writing to the Insurer by email at the following email address:

[claims@mgskinner.com](mailto:claims@mgskinner.com)

Your email must reference the policy number for this Policy. The date of the **Insurer's** receipt of the email notice shall constitute the date of notice.

(7.) **Section 9** of the Policy is hereby amended by the addition of the following:

**9.4** If **Loss** becomes due and payable, the Insurer shall pay such **Loss** in the following order of priority:

(a) The Insurer shall first pay such **Loss** on behalf of the **Insured Persons**; and

(b) whatever amount of the Limit of Liability remains after the payment of such **Loss**, the Insurer then shall pay such **Loss** on behalf of the **Insured Organization**.

(8.) **Sections 13.2 and 13.3** of the Policy are hereby deleted in their entirety and replaced with the following:

**13.2** If the Insurer refuses to renew this Policy the **Discovery Period** shall be the period of ninety (90) days from the end of the **Policy Period**, and there shall be no charge for this **Automatic Discovery Period** of ninety (90) days. If prior to the end of the **Automatic Discovery Period** the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy, the term of the **Discovery Period** shall be extended for an additional twelve (12) months from the end of the **Automatic Discovery Period**. The **Parent**

**Organization** shall also have the option of paying seventy percent (70%) of the annual premium for an additional twenty-four (24) months from the end of the **Automatic Discovery Period** or one hundred percent (100%) of the annual premium for an additional thirty-six (36) months from the end of the **Automatic Discovery Period**. Such Discovery Period Premium shall be deemed fully earned as of such date. This extension shall not apply if this Policy is terminated by the Insurer for failure to pay any premium when due.

- 13.3** If the **Parent Organization** fails or refuses to renew or cancels this Policy the **Parent Organization** may purchase a **Discovery Period** of twelve (12) month from the end of the **Policy Period**, provided that the **Parent Organization** pays the Insurer an additional amount equal to thirty-five percent (35%) of the annual premium of this Policy within thirty (30) days of the end of the **Policy Period**. The **Parent Organization** shall also have the option of paying seventy percent (70%) of the annual premium for an additional twenty-four (24) months from the end of the **Policy Period** or one hundred percent (100%) of the annual premium for an additional thirty-six (36) months from the end of the **Policy Period**. Such Discovery Period Premium shall be deemed fully earned as of such date

(9.) **Section 18** of the Policy is hereby deleted in its entirety and replaced with the following:

**18. Territory:** This Policy applies to **Wrongful Acts** occurring anywhere in the world.

(10.) **Section 19** of the Policy is hereby deleted in its entirety and replaced with the following:

- 19. Spousal Benefit:** If a **Claim** against an **Insured Person** for a **Wrongful Act** otherwise covered under this Policy includes a claim against his/her legal spouse or domestic partner where the claimant asserts such claim by reason of status as a spouse or domestic partner or seeks to obtain recovery against property in which such spouse or domestic partner has an interest, the amount which such spouse or domestic partner becomes legally obligated to pay in respect of such **Claim** (including defense costs) shall be deemed the **Loss** and **Defense Costs** of such **Insured Person**, and subject to this Policy's terms, conditions, and exclusions. In any event, this extension shall not cover any conduct or wrongful act committed by such legal spouse or domestic partner.

- (11.) The definition of **Claim** under **Section 23.3** of the Policy is hereby deleted in its entirety and replaced with the following:

**23.3 "Claim" means:**

- (a) a written demand for monetary or non-monetary relief against an **Insured**;
- (b) the commencement of a civil or criminal judicial proceeding or arbitration against an **Insured**;
- (c) the commencement of a formal criminal, administrative or regulatory proceeding or formal investigation against an **Insured**, including any brought before the Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency ;
- (d) a written request to any **Insured** by a prospective claimant to toll or waive any statute of limitation;

including any appeal therefrom. **A Claim** will be deemed first made on the date an **Insured** receives a written demand, complaint, indictment, notice of charges, or order of formal investigation.

- (12.) The definition of **Employment Practices Wrongful Act(s)** under **Section 23.6** of the Policy is hereby deleted in its entirety and replaced with the following:

**23.6 "Employment Practices Wrongful Act" means:**

- (a) wrongful dismissal or discharge or termination of employment, whether actual or constructive;
- (b) discrimination, whether based upon race, sex, age, national origin, religion, sexual orientation, marital status, gender identity or expression, disability, health status, military status or other protected status established under federal, state or local law;
- (c) sexual harassment, whether quid pro quo or hostile work environment, or other unlawful harassment or bullying in the workplace;
- (d) employment related misrepresentation;
- (e) violation of employment laws;

- (f) wrongful deprivation of career opportunity, wrongful demotion, or wrongful failure to employ, promote or grant tenure;
- (g) wrongful discipline;
- (h) wrongful evaluation, supervision, training or retention of employees;
- (i) retaliation; and/or
- (j) failure to provide adequate workplace or employment policies or procedures.

Solely with respect to any **Claim** brought by or on behalf of any **Third Party**, **Employment Practices Wrongful Act** means any actual or alleged, discrimination, sexual harassment or violation of such **Third Party's** civil rights in relation to such discrimination or sexual harassment, whether direct, indirect, or unintentional, committed by an **Insured Person** in his/her capacity as an **Insured Person** or by the **Insured Organization**.

- (13.) The definition of **Pollutants** under **Section 23.19** of the Policy is hereby amended as follows:

The word "noise" is deleted.

- (14.) The definition of **Third Party** under **Section 23.21** of the Policy is hereby deleted in its follows:

**23.21 "Third Party"** means any natural person who is not an employee or applicant for employment.

All other terms, conditions, and exclusions of this Policy remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY, PLEASE READ IT CAREFULLY.**

**WAGE AND HOUR ENDORSEMENT**

This endorsement modifies and is subject to the insurance provided under the following:

**Community Association Select Policy**

The policy is amended as follows:

In consideration of the premium paid, it is hereby understood and agreed that this Policy is amended as follows:

1. The following sublimated coverage shall be added to this Policy subject to all terms and conditions unless noted herein:

**WAGE AND HOUR EXPENSE SUBLIMIT**

The Insurer shall pay on behalf of the **Insureds for Wage and Hour Expense Costs** incurred by the **Insured Organization** with the Insurer's consent, resulting from a **Wage and Hour Wrongful Act** that is brought and maintained by or on behalf of any past or present full-time, part-time or leased employee of the **Insured Organization**. The **Wage and Hour Wrongful Act** must first be made against such **Insured Organization** during the **Policy Period** for a **Wrongful Act** taking place before or during the **Policy Period**.

2. As respects coverage afforded by this Endorsement, Section 7. REPORTING REQUIREMENTS is amended to include the following:

If an **Insured Organization** chooses to seek coverage for a **Wage and Hour Wrongful Act**, they must notify the Insurer in writing as soon as practicable after any **Executive Officer** becomes aware of such **Wage and Hour Wrongful Act**, but in no event later than 90 days after the end of the **Policy Period**, if applicable.

Notice of any Wage and Hour Wrongful Act shall be forwarded to:

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All notices under this **Policy** shall be sent in writing by mail, email, prepaid express courier or facsimile and shall be effective upon receipt thereof by the addressee.

3. For purposes of coverage provided by this Endorsement, the following exclusion shall apply:

The Insurer shall not be liable for **Loss** on account of any **Claim** made against any **Insured** for an actual or alleged violation of the responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act) or any other similar state or local law concerning wage and hour practices, including but not limited to any **Claim** for overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices; however, the Insurer shall provide an Aggregate Sublimit of Liability of \$150,000 and subject to a Retention of \$[...] for **Wage and Hour Expense Costs**.

Such Sublimit of Liability shall be part of, and not in addition to, the Limit of Liability applicable to this coverage part.

4. For purposes of this Endorsement, the following definitions shall apply:

**Wage and Hour Wrongful Act** means any actual or alleged violation of the responsibilities or

duties imposed by any federal, state or local statutory or common law (including, but not limited to, the Fair Labor Standards Act) governing wage, hour and payroll practices, including but not limited to any overtime, off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, failure to timely pay wages, conversion, unjust enrichment or unfair business practices (excluding the Equal Pay Act, as amended).

**Wage and Hour Expense Costs** means the reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization** or other overhead of the **Insured Organization**) incurred by the **Insureds** in defending a **Wage and Hour Wrongful Act** against such **Insured** and the premium for appeal, attachment or similar bonds although the Insurer has no obligation to apply for or secure such bond.

All other terms, conditions, and exclusions of this Policy remain unchanged.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**U.S. ECONOMIC AND TRADE SANCTIONS CLAUSE  
ENDORSEMENT**

This endorsement modifies and is subject to the insurance provided under the following:

**Community Association Select Policy**

The policy is amended as follows:

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

All other terms, conditions, and exclusions of this Policy remain unchanged.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CRISIS MANAGEMENT ENHANCEMENT ENDORSEMENT**

Unless otherwise stated herein, the terms, conditions, exclusions and other limitations set forth in this endorsement are solely applicable to coverage afforded by this endorsement, and the policy is amended as follows:

Solely for the purpose of this endorsement: 1) The words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. 2) The words "we," "us" and "our" refer to the company providing this insurance.

**I. SCHEDULE OF ADDITIONAL COVERAGE AND LIMITS**

The following is the Limit of Liability provided by this endorsement. This endorsement is subject to the provisions of the policy to which it is attached.

Crisis Management Expense	\$25,000
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**II. CONDITIONS**

**A. Applicability of Coverage**

Coverage provided by your policy and any endorsements attached thereto is amended by this endorsement where applicable. All other terms and conditions of the policy or coverage part to which this endorsement is attached remain unchanged.

**B. Limits of Liability or Limits of Insurance**

When coverage is provided by this endorsement and any other coverage form or endorsement attached to this policy, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Liability or Limit of Insurance.

**C. Claim Expenses**

Coverages provided herein are not applicable to the generation of claim adjustment costs by you; such as fees you may incur by retaining a public adjuster or appraiser.

**III. ADDITIONAL COVERAGES**

- A.** We will reimburse you for "crisis management emergency response expenses" incurred because of an "incident" giving rise to a "crisis" to which this insurance applies. The amount of such reimbursement is limited as described in Section II. **CONDITIONS, B. Limits of Liability or Limits of Insurance.** No other obligation or liability to pay sums or perform acts or services is covered.
- B.** We will reimburse only those "crisis management emergency response expenses" which are incurred during the policy period as shown in the Declarations of the policy to which this coverage is attached and reported to us within six (6) months of the date the "crisis" was initiated.

#### **IV. DEFINITIONS**

- A.** "Crisis" means the public announcement that an "incident" occurred on your premises or at an event sponsored by you.
- B.** "Crisis management emergency response expenses" mean those expenses incurred for services provided by a "crisis management firm." However, "crisis management emergency response expenses" shall not include compensation, fees, benefits, overhead, charges or expenses of any insured or any of your employees, nor shall "crisis management emergency response expenses" include any expenses that are payable on your behalf or reimbursable to you under any other valid and collectible insurance.
- C.** "Crisis management firm" means any service provider you hire that is acceptable to us. Our consent will not be unreasonably withheld.
- D.** "Incident" means an accident or other event, including the accidental discharge of pollutants, resulting in death or "serious bodily injury" to three or more persons.
- E.** "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**DIRECTORS AND OFFICERS LIABILITY**

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. 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.



**Accredited Surety and Casualty Company, Inc.**  
A Randall & Quilter Group Company  
P.O. Box 140854  
Orlando, FL 32814-0854

## Crime Select Declarations

Policy Number: 1-SKN-FL-01523660-00

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

### DECLARATIONS

#### ITEM

1. Named Insured: Hialeah Club Villas Condominium Association, Inc.
2. Mailing Address: 7900 Oak Lane 400 HIALEAH, FL 33016
3. Policy Period: From 6/25/2024 to 6/25/2025  
(12:01 A.M. Standard Time at Your Mailing Address)
4. Coverage, Limits of Insurance and Deductibles:

☐ Loss Sustained Option ☐ Discovery Option  
(If no box is checked, the Loss Sustained Option shall apply)

☐ Insuring Agreements, Limit of Insurance and Deductible Amounts shown below are subject to all of the terms of this policy that apply.

Insuring Agreements Forming Part of This Policy	Limit of Insurance	Deductible Amount
A1. EMPLOYEE THEFT AND CLIENT COVERAGE	\$100,000	\$500
A2. ERISA FIDELITY	\$100,000	NIL
B. FORGERY OR ALTERATION, including Credit, Debit, or Charge Card Extension (\$25,000 limit)	\$100,000	\$500
C. INSIDE THE PREMISES	\$100,000	\$500
D. OUTSIDE THE PREMISES	\$100,000	\$500
E. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY	\$100,000	\$500
F. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD	\$100,000	\$500

5. Form Numbers of Endorsements Forming Part of This Policy When Issued:

6. Cancellation of Prior Insurance: By acceptance of this Policy, you give us notice canceling prior policies or bonds numbered: the cancellations to be effective at the time this policy becomes effective.

This Policy has been signed by the Company's President and Secretary.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is or is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in **BOLD** have special meaning. Refer to the Definitions Section.

#### I. INSURING AGREEMENTS

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

##### A1. EMPLOYEE THEFT AND CLIENT PROPERTY

1. We will pay for loss of or damage to **MONEY, SECURITIES** and **OTHER PROPERTY** resulting directly from **THEFT** committed by an **EMPLOYEE**, whether identified or not, acting alone or in collusion with other persons.
2. We will pay for loss of or damage to **MONEY, SECURITIES** and **OTHER PROPERTY** sustained by your **CLIENT** resulting directly from **THEFT** committed by an identified **EMPLOYEE**, acting alone or in collusion with other persons.

##### A2. ERISA FIDELITY

We will pay for direct loss of and direct loss from damage to, **MONEY, SECURITIES** and **OTHER PROPERTY** of any **EMPLOYEE BENEFIT PLAN(S)** sponsored exclusively by the **INSURED** resulting from **THEFT** by an **EMPLOYEE**.

#### B. FORGERY OR ALTERATION

1. We will pay for loss resulting directly from **FORGERY** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **MONEY** that are:
  - a. Made or drawn by or drawn upon you; or
  - b. Made or drawn by one acting as your agent;or that are purported to have been so made or drawn.
2. If you are sued for refusing to pay any instrument covered in Paragraph a. above, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.
3. Credit, Debit, or Charge Card Extension.
  - a. Covered Instruments in 1. above, checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **MONEY** includes written instruments required in conjunction with any credit, debit or charge card issued to you or any **EMPLOYEE** for business purposes.

- b. The most we will pay in any one **OCCURRENCE** is \$25,000. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

#### C. INSIDE THE PREMISES

1. We will pay for loss of **MONEY** and **SECURITIES** inside the **PREMISES** or **BANKING PREMISES** resulting directly from **THEFT**, disappearance or destruction.
2. We 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**.
  - c. We will pay for loss from damage to the **PREMISES** or its exterior resulting from an actual or attempted
    - i. **THEFT** of **MONEY** or **SECURITIES**; or
    - ii. **ROBBERY** or **SAFE BURGLARY** of **OTHER PROPERTY** if the **INSURED** is the owner of the **PREMISES** or is liable for damage to it.
  - d. We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **PREMISES** resulting directly from an actual or attempted **THEFT** or unlawful entry into those containers.

#### D. OUTSIDE THE PREMISES

1. We will pay for loss of **MONEY** and **SECURITIES** outside the **PREMISES** in the care and custody of a **MESSENGER** or an armored motor vehicle company resulting directly from **THEFT**, disappearance or destruction.
2. We 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. MONEY ORDERS AND COUNTERFEIT PAPER CURRENCY

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

1. Money orders issued by any post office, express company or bank that are not paid upon presentation; and
2. **COUNTERFEIT** paper currency that is acquired during the regular course of business from any country in which you maintain a physical premises.

#### F. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

We will pay for loss of or loss from damage to:

- 1 **MONEY, SECURITIES** and other property resulting directly from **COMPUTER FRAUD**, and
- 2 **MONEY** and **SECURITIES** contained in a **TRANSFER ACCOUNT** on deposit at a **FINANCIAL INSTITUTION** resulting directly from **FUNDS TRANSFER FRAUD**.

We will pay for loss of **FUNDS** resulting directly from a **FRAUDULENT INSTRUCTION** directing a financial institution to transfer, pay, or deliver **FUNDS** from your **TRANSFER ACCOUNT**.

## II. LIMIT OF INSURANCE

The most we 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 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 may be applied.

## IV. EXCLUSIONS

This Policy Does Not Apply To:

- A. Loss resulting from **THEFT** or any other dishonest act committed by:
  - 1. You; or
  - 2. Any of your partners or **MEMBERS**; or
  - 3. Any officer or employee who has a 25% interest or greater ownership interest in any one or more of those entities named as **INSUREDS**whether acting alone or in collusion with other persons.
- B. Loss resulting from **THEFT** or any other dishonest act committed by any of your **EMPLOYEES, MANAGERS**, directors, trustees or authorized representatives:
  - 1. Whether acting alone or in collusion with other persons; or
  - 2. While performing services for you or otherwise;except when covered under Insuring Agreement A1 or A2.
- C. Loss resulting from seizure or destruction of property by order of governmental authority.
- D. Loss that is an indirect result of any act or **OCCURRENCE** covered by this policy including, but not limited to, loss resulting from:
  - 1. Your inability to realize income that you would have realized had there been no loss of or damage to **MONEY, SECURITIES** or **OTHER PROPERTY**.
  - 2. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this policy.
  - 3. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this policy.
- E. Expenses related to any legal action, except when covered under Insuring Agreement B.
- F. Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
- G. Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.
- H. Loss sustained by one **INSURED** to the advantage of any other **INSURED**.



- I. 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.
- J. Loss of trade secrets, confidential processing methods, confidential information or intangible property of any kind.
- K. Insuring Agreement A1 and A2 does not apply to:
  - 1. Loss caused by any **EMPLOYEE** of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation unless the amount of such loss is \$1,000 or less.
  - 2. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
    - a. An inventory computation; or
    - b. A profit and loss computation.However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and an actual physical count of inventory in support of the amount of loss claimed.
  - 3. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
  - 4. Loss resulting from the fraudulent or dishonest signing, issuing, canceling, or failing to cancel, a warehouse receipt or any papers connected with it.
- L. Insuring Agreement B does not apply to:
  - 1. Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.
- M. Insuring Agreements C and D do not apply to:
  - 1. Loss resulting from accounting or arithmetical errors or omissions.
  - 2. Loss resulting from the giving or surrendering of property in any exchange or purchase.
  - 3. Loss resulting from fire, however caused, except:
    - a. Loss of or damage to **MONEY** and **SECURITIES**; and
    - b. Loss from damage to a safe or vault.
  - 4. Loss of property contained in any money operated device unless the amount of **MONEY** deposited in it is recorded by a continuous recording instrument in the device.
  - 5. Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
  - 6. Transfer or Surrender of Property
    - a. Loss of or damage to property after it has been transferred or surrendered to a person or place outside the **PREMISES** or **BANKING PREMISES**:
      - i. On the basis of unauthorized instructions;
      - ii. As a result of a threat to do bodily harm to any person; or

- iii. As a result of a threat to do damage to any property.
- b. But, this Exclusion does not apply under Insuring Agreement D to loss of **MONEY**, **SECURITIES** or **OTHER PROPERTY** while outside the **PREMISES** in the care and custody of a **MESSENGER** if you:
  - i. Had no knowledge of any threat at the time the conveyance began; or
  - ii. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- 7. Loss from damage to the **PREMISES** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **OTHER PROPERTY** by vandalism or malicious mischief.
- 8. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

N. Insuring Agreement F. does not apply to:

- 1. Loss resulting from the giving or surrendering of property in any exchange or purchase.
- 2. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
  - a. An inventory computation; or
  - b. A profit and loss computation.
- 3. Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

## V. CONDITIONS

### A. Cancellation as to any **EMPLOYEE**

- 1. This policy is cancelled as to any **EMPLOYEE**:
  - a. Immediately upon discovery by:
    - i. You; or
    - ii. Any of your partners, **MEMBERS**, **MANAGERS**, officers, directors or trustees not in collusion with the **EMPLOYEE**:

of **THEFT** or any other dishonest act committed by the **EMPLOYEE** whether before or after becoming employed by you unless, the amount of such loss is \$1,000 or less.

- 2. On the date specified in a notice mailed to the first Named Insured. That date will be at least 60 days after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. Cancellation of Policy

- 1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium;  
or
  - b) 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

#### C. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

#### D. Concealment, Misrepresentation or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other **INSURED**, at any time, intentionally conceal or misrepresent a material fact concerning:

1. This policy;
2. The property covered under this policy;
3. Your interest in the property covered under this policy; or
4. A claim under this policy.

#### E. Consolidation – 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 you acquire the use and control of any additional **PREMISES**:

1. You must give us written notice and obtain our written consent to extend this insurance to such additional **EMPLOYEES** or **PREMISES**. We may condition our consent upon payment of an additional premium;
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 **EMPLOYEES** or **PREMISES** also applies to these additional **EMPLOYEES** or **PREMISES** for acts committed or events occurring within this 90-day period.

However, we agree to automatically extend such coverage, without the payment of an additional premium for the remainder of the Policy Period, as is afforded under this Policy to any consolidation or merger with, or purchase of assets of, some other entity which has less than 15% of your annual revenues, and a three year, loss free Employee Theft claims history.

#### F. Discovery Option

If the Discovery option in ITEM 4. of the Declarations page is executed, this general condition shall apply.

1. We will pay for loss that you sustain through acts committed or events occurring at any time and discovered by you:
  - a. During the policy period shown in the Declarations; or
  - b. During the period of time provided in V. CONDITION K. Extended Period To Discover Loss.
2. Discovery of loss occurs when you first become aware of facts, which would cause a reasonable person to assume that a loss covered by this policy has been or will be incurred, even though the exact amount or details of loss may not then be known.

Discovery also occurs when you receive notice of an actual or potential claim against you alleging facts that if true would constitute a covered loss under this policy.

#### G. Loss Sustained Option

If the Loss Sustained option in ITEM 4. of the Declarations page is executed, this general condition shall apply.

We will pay for loss sustained by You during the policy period stated in Item 3. of the Declarations Page.

1. If you, or a predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
  - a. This insurance became effective at the time of cancellation or termination of the prior insurance; and
  - b. The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
2. The insurance under this agreement is part of, and not in addition to, the Limits of Insurance applicable to this Insurance and is limited to the lesser of the amount recoverable under:
  - a. This insurance as of its effective date; or
  - b. The prior insurance had it remained in effect.

In the event that a loss is covered by this Policy and a preceding Policy, it is agreed that the Insuring Agreement deductible for this Policy shall be reduced by the applicable deductible of the preceding Policy.

If any loss is covered partly by this insurance and partly by any prior canceled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest, the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

#### H. Duties In The Event Of Loss

After you discover a loss or a situation that may result in loss of or damage to **MONEY, SECURITIES or OTHER PROPERTY** you must:

1. Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under Insuring Agreements A1, A2 or B.) involves a violation of law, you must also notify the local law enforcement authorities.
2. Submit to examination under oath at our request and give us a signed statement of your answers.
3. Give us a detailed, sworn proof of loss within 120 days.
4. Cooperate with us in the investigation and settlement of any claim.

#### I. Employee Benefit Plan(s)

1. If any one or more **EMPLOYEE BENEFIT PLANS** are insured jointly with any other entity under this Policy, you or the plan administrator must select a Limit of Insurance for Insuring Agreement A2. that is sufficient to provide a Limit of Insurance for each Plan, which is at least equal to that required if each Plan were separately insured.
2. If the first named Insured is an entity other than a Plan, any payments we make to the Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.
3. If two or more Plans are insured under this Policy, any payment which we make for loss sustained by two or more Plans, or of commingled **FUNDS** or **OTHER PROPERTY** of two or more Plans, which arises out of one **OCCURRENCE**, is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.
4. This Policy insures those Plans, which are named as additional Insureds in the Declarations or on any attached Schedule for loss through fraud or dishonesty as defined in Section 2580.412-9 of the Employee Retirement Income Security Act (ERISA) as amended. For any Plans not specifically named as Insureds, this Policy is deemed to be in compliance with, and satisfy the bonding requirements of Section 2580.412-11 of the Act. This insurance provides a Limit of Insurance which is equal to 10% of the amount of the funds handled or \$500,000., whichever is less, for each Plan bonded and the minimum Limit of Insurance for any Plan shall be \$1,000. The Limit of Insurance available for any Plan loss will be determined by the amount of funds handled on the date when any covered loss occurs subject to the foregoing limitations.
5. The Deductible provision which applies to Insuring Agreement A2. ERISA FIDELITY, shall not apply to loss which is sustained by any Plan subject to ERISA and which Plan is covered under this insurance.

#### J. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to 3 years afterward or until any claim made under this policy has been settled, whichever is later.

#### K. Extended Period to Discover Loss

1. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this policy, which is discovered by you:
  - a. No later than 120 days following termination or cancellation of the Insuring Agreement or termination of this policy as to an Insured; and
  - b. As respects, any **EMPLOYEE BENEFIT PLAN(S)**, no later than twelve months from the date of that termination or cancellation.
2. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance afforded by this policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

#### L. Inspections and Surveys

1. We have the right to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections nor do we undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs (1) and (2) above apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

M. 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 policy. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
2. If any **INSURED**, or partner, **MEMBER** or officer of that **INSURED** has knowledge of any information relevant to this policy, that knowledge is considered knowledge of every **INSURED**.
3. An **EMPLOYEE** of any **INSURED** is considered to be an **EMPLOYEE** of every **INSURED**.
4. If this policy or any of its coverages is cancelled or terminated as to any **INSURED**, loss sustained by that **INSURED** is covered only if discovered by you during the period of time provided in V. CONDITION K. Extended Period To Discover Loss.

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

5. We will not pay more for loss sustained by more than one **INSURED** than the amount we would pay if all the loss had been sustained by one **INSURED**.

N. Legal Action against Us

You may not bring any legal action against us involving loss:

1. Unless you have complied with all the terms of this policy;
2. Until 90 days after you have filed proof of loss with us; and
3. Unless brought within 2 years from the date you discover the loss.

If any limitation is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

O. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

P. Loss Covered Under More Than One Coverage of This Policy

If two or more coverages of this policy apply to the same loss, we will pay the lesser of:

1. The actual amount of loss; or

2. The sum of the Limits of Insurance applicable to those coverages.

Q. Non-Cumulation of Limit of Insurance

Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or policy period to policy period.

R. Other Insurance

This policy does not apply to loss recoverable or recovered under other insurance or indemnity. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this policy will apply to that part of the loss, other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity.

However, this policy will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the Declarations.

S. Ownership of Property; Interests Covered

The property covered under this policy is limited to property:

1. That you own or lease;
2. That you hold for others; or,
3. For which you are legally liable, except for property inside the premises of a **CLIENT** of yours.

However, this policy is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this policy must be presented by you.

T. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

U. Records

You must keep records of all property covered under this policy so we can verify the amount of any loss.

V. Recoveries

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this policy will be distributed as follows:
  - a. To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
  - b. Then to us, until we are reimbursed for the settlement made; and
  - c. Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.
2. Recoveries do not include any recovery:
  - a. From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
  - b. Of original **SECURITIES** after duplicates of them have been issued.

#### W. Territory

This Policy applies to loss occurring anywhere in the world.

#### X. Transfer of Your Rights and Duties under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

#### Y. Transfer of Your Rights of Recovery against Others to Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

#### Z. Valuation – Settlement

##### 1. Subject to Section II. Limit Of Insurance, we will pay for:

- a. Loss of **MONEY** but only up to and including its face value. We may, at our option, pay for loss of **MONEY** issued by any country other than the United States of America:
  - i. Its face value in the **MONEY** issued by that country; or
  - ii. In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.
- b. Loss of **SECURITIES** but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:
  - i. Pay the value of such **SECURITIES** or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those **SECURITIES**; or
  - ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **SECURITIES**. However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
    - a) Value of the **SECURITIES** at the close of business on the day the loss was discovered; or
    - b) 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. However, we will not pay more than the least of the following:
  - i. The Limit of Insurance applicable to the lost or damaged property;
  - 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 you actually spend that is necessary to repair or replace the lost or damaged property.



We will not pay on a replacement cost basis for any loss or damage:

- i. Until the lost or damaged property is actually repaired or replaced; and
- ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

2. We may, at our option, pay for loss of or damage to property other than **MONEY**:
  - a. In the **MONEY** of the country in which the loss occurred; or
  - b. In the United States of America dollar equivalent of the **MONEY** of the country in which the loss occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was discovered.
3. Any property that we pay for or replace becomes our property.

#### AA. Conditions Applicable To Insuring Agreement B.

1. Deductible

The Deductible Amount does not apply to legal expenses paid under Insuring Agreement B.

2. Electronic and Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

#### BB. Conditions Applicable To Insuring Agreement D.

1. Armored Motor Vehicle Companies

Under Insuring Agreement D, we will only pay for the amount of loss you cannot recover:

- a. Under your contract with the armored motor vehicle company; and
- b. From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.
- c. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to:

- a. Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- b. Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

#### CC. Conditions Applicable To Insuring Agreement F.

1. Special Limit of Insurance for Specified Property

We will only pay up to \$5,000 for any one **OCCURRENCE** of loss of or damage to manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

## VI. DEFINITIONS

- A. **BANKING PREMISES** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- B. **CLIENT** means any entity or individual for whom you perform services under a written agreement.
- C. **COMPUTER FRAUD** means **THEFT** of 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** to a person (other than a **MESSENGER**) outside those **PREMISES** or to a place outside those **PREMISES**.
- D. **COUNTERFEIT** means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
- E. **CUSTODIAN** means you, or any of your partners or **MEMBERS**, or any **EMPLOYEE** while having care and custody of property inside the **PREMISES**, excluding any person while acting as a **WATCHPERSON** or janitor.
- F. **EMPLOYEE:**

- 1 Any natural person:

- a. While in your service or for 60 days after termination of service;
- b. Whom you compensate directly by salary, wages or commissions; and
- c. Whom you have the right to direct and control while performing services for you;

- 2 Any natural person who is furnished temporarily to you:

- 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 your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the **PREMISES**.

- 3 Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;

- 4 Any natural person who is:

- a. A trustee, officer, employee, administrator or manager, except an administrator or manager who is an independent contractor, of any **EMPLOYEE BENEFIT PLAN(S)** insured under this policy; and
- b. Your director or trustee while that person is handling **FUNDS** or **OTHER PROPERTY** of any **EMPLOYEE BENEFIT PLAN(S)** insured under this policy.

- 5 Any natural person who is a former **EMPLOYEE**, director, partner, **MEMBER**, **MANAGER**, representative or trustee retained as a consultant while performing services for you; or

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

- 7 Any natural person who is a **VOLUNTEER** who is not compensated, other than one who is a fund solicitor, while performing services for you that are usual to the duties of an **EMPLOYEE**; or

- 8 Any natural person who is performing services for you as the chairman, or a member of any committee and whether compensated or not; or
- 9 Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees to perform on your behalf, specific, as distinguished from general directorial acts; or
- 10 Any natural person who is a non-compensated officer.

G. **EMPLOYEE** does not mean:

- 1 Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- 2 Any **MANAGER**, director, or trustee except while performing acts coming within the scope of the usual duties of an **EMPLOYEE**.

H. **EMPLOYEE BENEFIT PLAN(S)** means, any welfare, or pension Plan listed in the Declarations, on an attached schedule or for which automatic coverage is afforded, that is subject to the Employee Retirement Income Security Act (ERISA) of 1974, as amended.

I. **FINANCIAL INSTITUTION** means:

- 1 a banking, savings, or thrift institution, or
- 2 a stock brokerage firm, mutual fund, liquid assets fund or similar investment institution where the **INSURED** maintains a **TRANSFER ACCOUNT**.

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

K. **FRAUDULENT INSTRUCTION** means:

- 1 An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- 2 A written instruction (other than those described in Insuring Agreement B.) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- 3 An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an **EMPLOYEE** but which was in fact fraudulently transmitted by someone else without your or the **EMPLOYEE'S** knowledge or consent.

L. **FUNDS** means **MONEY** and **SECURITIES**

M. **FUNDS TRANSFER FRAUD** means:

- 1 electronic, telegraphic, cable, teletype or telephone instructions fraudulently transmitted to a **FINANCIAL INSTITUTION** directing such institution to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from such **TRANSFER ACCOUNT** which instructions purport to have been transmitted by the **INSURED** but were in fact fraudulently transmitted by someone other than the **INSURED** without its knowledge or consent; or
- 2 fraudulent written instructions (other than those covered under Insuring Agreement B) issued to a **FINANCIAL INSTITUTION** directing such institution to debit a **TRANSFER ACCOUNT** and to transfer, pay or deliver **MONEY** or **SECURITIES** from such **TRANSFER ACCOUNT** by use of an

electronic funds transfer system at specified intervals or under specified conditions which instructions purport to have been issued by the **INSURED** but were in fact fraudulently issued, forged or altered by someone other than the **INSURED** without its knowledge or consent.

- N. **INSURED** means the Named Insured as stated in the Declarations page and, with respect to Insuring Agreement A2 only, any Welfare Plan or Pension Plan sponsored exclusively by the Named Insured.
- 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. **MESSENGER** means you, or a relative of yours, or any of your partners or **MEMBERS**, or any **EMPLOYEE** while having care and custody of property outside the **PREMISES**.
- R. **MONEY** means:
- 1 Currency, coins and bank notes in current use and having a face value; and
  - 2 Travelers checks, register checks and money orders held for sale to the public.
- S. **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.
- T. **OTHER PROPERTY** means any tangible property other than **MONEY** and **SECURITIES** that has intrinsic value but does not include any property excluded under this policy.
- U. **PREMISES** means the interior of that portion of any building you occupy in conducting your business.
- V. **ROBBERY** means the unlawful taking of property from the care and custody of a person by one who has:
- 1 Caused or threatened to cause that person bodily harm; or
  - 2 Committed an obviously unlawful act witnessed by that person.
- W. **SAFE BURGLARY** means the unlawful taking of:
- 1 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
  - 2 A safe or vault from inside the **PREMISES**.
- X. **SECURITIES** means negotiable and nonnegotiable instruments or contracts representing either **MONEY** or property and includes:
- 1 Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
  - 2 Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include **MONEY**.

- Y. **THEFT** means the unlawful taking of **MONEY, SECURITIES** or **OTHER PROPERTY** to the deprivation of the **INSURED**.
- Z. **TRANSFER ACCOUNT** means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of **FUNDS**:
- 1 By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
  - 2 By means of written instructions (other than those described in Insuring Agreement B.) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- AA. **WATCHPERSON** means any person you retain specifically to have care and custody of property inside the **PREMISES** and who has no other duties.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**APPLICATION OF RETENTION TO DEFENSE COSTS  
ENDORSEMENT**

This endorsement modifies and is subject to the insurance provided under the following:

**Community Association Select**

The policy is amended as follows:

**I. Section 23.14 (a)** of the Policy is deleted and replaced as follows:

**23.14 (a)** sums which the **Insureds** are legally obligated to pay solely as a result of any **Claim** insured by this Policy, including **Defense Costs**, damages, judgments, settlement amounts, legal fees and costs awarded pursuant to judgments, punitive or exemplary damages, and the multiple portion of any multiplied damage award; and

**II.** It is further agreed that for such **Claims**, **Section 10.** is deleted and replaced with the following:

**10. Retention:** The Insurer shall be liable to pay only the amount of covered **Loss** in excess of the applicable Retention amount set forth in **Item IV.** of the Declarations. Such applicable Retention shall be uninsured, shall be applicable to **Defense Costs** and shall be borne by the **Insured Organization.**

All other terms, conditions, and exclusions of this Policy remain unchanged.