



CRIME PROTECTION POLICY

Edition of April 1, 2012

Policy No. **POLICY SAMPLE ONLY**

The Ohio Casualty Insurance Company
(Herein called Company)

DECLARATIONS

Item 1. Name of Insured (herein called Insured):

Principal Address:

Item 2. Policy Period: from 12:01 a.m. on _____ to 12:01 a.m. on _____
(MONTH, DAY, YEAR) (MONTH, DAY, YEAR)

Item 3. INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES

<u>Insuring Agreement</u>	<u>Limit of Insurance Per Occurrence</u>	<u>Deductible Amount Per Occurrence</u>
1. Employee Dishonesty	\$	\$
2. Forgery or Alteration	\$	\$
3. Inside the Premises	\$	\$
4. Outside the Premises	\$	\$
5. Computer Fraud	\$	\$
6. Money Orders and Counterfeit Paper Currency	\$	\$
If added by Endorsement Insuring Agreement(s):		
_____	\$	\$
_____	\$	\$
_____	\$	\$

If "Not Covered" is inserted above opposite any specified Insuring Agreement, or if no amount is inserted, such Insuring Agreement and any other reference thereto in this Policy shall be deemed to be deleted.

Item 4. ENDORSEMENTS FORMING PART OF THIS POLICY WHEN ISSUED

SE 01 45 02 06, SE 00 92 04 12, SE 01 08 03 00

Item 5. CANCELLATION OF PRIOR INSURANCE

By acceptance of this Policy you give us notice canceling prior policy Nos. _____

Issue Date _____ At _____

By _____ Authorized Representative

CRIME PROTECTION POLICY

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**CRIME PROTECTION
POLICY**

Throughout this Policy the words "you" and "your" refer to the Insured(s) shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Read the entire Policy carefully to determine rights, duties and what is or is not covered. Words and phrases defined in the Policy are in **bold type**.

**A. CONSIDERATION
CLAUSE**

In return for the payment of the premium, and subject to the Declarations, Insuring Agreements, Definitions, Exclusions, Conditions and other terms of this Policy, we will pay for loss covered by an Insuring Agreement of this Policy that you sustain resulting directly from acts committed or events occurring at any time and discovered by you during the Policy Period shown in the Declarations or during the period of time provided in the Extended Period to Discover Loss, Condition E. 9.

**B. INSURING
AGREEMENTS**

1. Employee Dishonesty

We will pay for loss resulting directly from dishonest acts committed by an **employee**, whether identified or not, acting alone or in collusion with other persons, with the manifest intent to:

- a. Cause you to sustain loss; and
- b. Obtain an improper financial benefit for:
 - (1) The **employee**; or
 - (2) Any person or organization intended by the **employee** to receive that benefit.

As used in this Insuring Agreement, an improper financial benefit does not include any employee benefits received in the course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions.

2. Forgery or Alteration

- a. 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:
 - (1) Made or drawn by or drawn upon you;
 - (2) Made or drawn by one acting as your agent; or that purport to have been so made or drawn.
- b. If you are sued for refusing to pay any instrument covered in paragraph 2 a. 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 pay for such legal expenses is in addition to the Limit of Insurance applicable to this Insuring Agreement.

3. Inside the Premises

- a. We will pay for loss of **cash** and **securities** inside the **premises** or **banking premises** resulting directly from **theft**, disappearance or destruction. Provided, however, in the case of **theft**, the **theft** was committed by a person physically present in the **premises** or **banking premises** at the time of loss of such **cash** or **securities**.
- b. We will pay for loss of, and loss from damage to, **other property**:
 - (1) Inside the **premises** resulting directly from an actual or attempted **robbery** of a **custodian**; or
 - (2) Inside the **premises** in a safe or vault, resulting directly from an actual or attempted **safe burglary**.
- c. We will pay:
 - (1) For loss from damage to the **premises** or its exterior; or
 - (2) For loss of, and loss from damage to, a locked safe, vault, cash register, cash box or cash drawer located in the **premises**; resulting directly from an actual or attempted **theft**, robbery or **safe burglary**, if you are the owner of the **premises** or are liable for damage to it.

4. Outside the Premises

We will pay for loss of, and loss from damage to, **cash**, **securities** and **other property** outside the **premises** while in the care and custody of a **messenger** or armored motor vehicle company:

- a. For **cash** and **securities** resulting from **theft**, disappearance or destruction; and
- b. For **other property** resulting from actual or attempted **robbery**.

5. Computer Fraud

We will pay for loss resulting directly from the use of any computer to impersonate you, or your authorized officer or **employee**, to gain direct access to your computer system, or to the computer system of your financial institution, and thereby fraudulently cause the transfer of **money, securities or other property** from your **premises or banking premises** to a person, entity, place or account outside of your control.

6. Money Orders and Counterfeit Paper Currency

We will pay for loss resulting directly from your having accepted in good faith and in the regular course of business, in exchange for merchandise, **money** or services:

- a. Money orders issued by any post office, express company or bank in the United States or Canada that are not paid upon presentation; or
- b. **Counterfeit** United States or Canadian paper currency.

C. DEFINITIONS

1. **Banking premises** means the interior of that portion of any building occupied by a financial institution with which you have an account or which has custody of your **money or securities**.
2. **Cash** means United States or Canadian bills and coins in current use and having a face value that are accepted by the United States or by the government of Canada as legal tender for the payment of debts.
3. **Counterfeit** means an imitation of an actual valid original which is intended to deceive and to be taken as the original.
4. **Custodian** means you, any of your partners or any **employee** while having care and custody of property inside the **premises**, excluding any person while acting as a **watchperson** or janitor.
5. **Employee** means:
 - a. Any natural person:
 - (1) While in your service or for 30 days after termination of service; and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you.
 - b. Any natural person who is furnished temporarily to you to:
 - (1) Substitute for a permanent **employee** as defined in (a) above who is on leave; or
 - (2) Meet seasonal or short-term workload conditions;while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the **premises**.
 - c. Any natural person who is:
 - (1) 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 insurance; and
 - (2) Your director or trustee while that person is handling **funds or other property** of any **employee benefit plans(s)** insured under this insurance.
 - d. **Employee** does not mean any:
 - (1) Agent, broker, person leased to you by a labor leasing firm,(except when furnished on a temporary basis under the circumstances set forth in Definition 5.b), factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Director or trustee except while performing acts within the scope of the usual duties of an employee.
6. **Employee benefit plan(s)** means any welfare or pension benefit plan listed in the Declarations that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
7. **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.

- 8. Messenger** means you, any of your partners or **employees** while having care and custody of property outside the **premises**.
- 9. Money** means
- Cash**;
 - Demand and savings deposits at financial institutions; and
 - Travelers checks, register checks and money orders held for sale to the public.
- 10. Occurrence** means:
- As respects Insuring Agreement 1., all loss or losses caused by, or involving, any one **employee**, acting alone or in collusion with others.
 - As respects Insuring Agreement 2., all loss or losses caused by any person or in which that person is involved, whether the loss involves one or more instruments.
 - As respects all other Insuring Agreements, all loss or losses caused by:
 - Any number of acts, involving one person whether acting alone or in collusion with others;
 - Any number of acts involving a group of persons acting together; or
 - An act or event, or any number of related acts or events, not involving any identifiable person.
- 11. Other property** means any tangible property other than **money** and **securities** that has intrinsic value but does not include any property excluded under this insurance.
- 12. Payment order** means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a another person.
- 13. Premises** means the interior of that portion of any building you occupy in conducting your business.
- 14. Robbery** means the taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person bodily harm; or
 - In the presence of that person, caused or threaten to cause bodily harm to someone else.
- 15. Safe burglary** means the taking of:
- Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - A safe or vault on the **premises** by a person without your permission.
- 16. Securities** means negotiable and nonnegotiable instruments or contracts representing either **money** or property and includes:
- Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you; but does not include **money**.
- 17. Security procedure** means a procedure established by agreement of the Insured and its customer or financial institution for the purpose of (i) verifying that a **payment order** is that of the Insured, or (ii) detecting error in the transmission or the content of the **payment order** or communication. A **security procedure** may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices.
- 18. Theft** means any act of stealing.
- 19. Watchperson** means any person you retain specifically to have care and custody of property on the **premises** and who has no other duties.

D. EXCLUSIONS

Applicable to All Insuring Agreements, Except as Indicated

We will not pay for loss as specified below:

1. Acts Committed by You or Your Partners

Loss resulting from any dishonest act committed by you or any of your partners whether acting alone or in collusion with other persons.

2. Acts of Employees, Directors, Trustees or Representatives

We will not pay for loss resulting from any dishonest act committed by any of your **employees**, directors, trustees or authorized representatives;

a. Acting alone or in collusion with other persons; or

b. While performing services for you or otherwise;

except when covered under Insuring Agreement 1.

3. Fire

Loss from damage to the **premises** resulting from fire, however caused.

4. Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

5. Indirect Loss

Loss that is an indirect result of any act or **occurrence** covered by this Policy including but not limited to, loss resulting from:

(a) Your inability to realize income that you would have realized had there been no loss.

(b) Payment of damages of any type for which you are legally liable unless you establish that the act or acts that gave rise to the damages involved conduct which caused a loss of **money, securities or other property** which was in your custody and control and for which you were responsible prior to the loss; or

(c) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

6. Legal Expenses

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

7. Nuclear Chemical or Biological

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

8. War and Similar Actions

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

9. Confidential Information

Loss resulting from the theft, disappearance, destruction or disclosure of confidential information including, but not limited to, trade secrets, personal information, customer lists and intellectual property. For purposes of Insuring Agreement 5, confidential information cannot itself be the **other property** transferred, but a loss otherwise covered under Insuring Agreement 5 shall not be excluded by the fact that confidential information was used to gain access to your computer system or to the computer system of your financial institution in order to cause the fraudulent transfer.

10. Data Breach Costs

Expenses related to your obligations to comply with federal and state privacy laws and Payment Card Industry Data Security Standards (if applicable) arising from a data security breach, including, but not limited to, expenses related to notifying affected individuals when the affected individuals' personally identifiable financial or medical information was stolen, accessed, downloaded or misappropriated while in your care, custody or control, forensic audit expenses and fines and penalties.

Applicable to Specific Insuring Agreements

We will not pay for loss as specified below:

1. Under Insuring Agreement 1

Employee Canceled Under Prior Insurance

Loss caused by any **employee** of yours, or predecessor in interest of yours, for whom similar prior insurance has been canceled and not reinstated since the last such cancellation.

2. Under Insuring Agreements 1 and 5

Inventory Shortages

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. Under Insuring Agreements 3 and 4

a. **Accounting or Arithmetical Errors or Omissions**

Loss resulting from accounting or arithmetical errors or omissions.

b. **Money Operated Devices**

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.

c. **Transfer or Surrender of Property**

(1) Loss of 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; or
- (ii) As a result of a threat to do:
 - (a) Bodily harm to any person; or
 - (b) Damage to any property.

(2) But, this exclusion does not apply under Insuring Agreement 4. to loss of **money**, **securities** and **other property** while outside the **premises** or **banking premises** in the care and custody of a **messenger** if 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.

d. **Vandalism**

Loss from damage to any safe, vault, or **other property**, or to the **premises** or its exterior, by vandalism or malicious mischief.

4. Under Insuring Agreement 4

Motor Vehicles or Equipment and Accessories

Loss of motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

5. Under Insuring Agreements 3 and 4

a. **Exchanges or Purchases**

Loss resulting from the giving or surrendering of property in any exchange or purchase.

b. **Voluntary Parting of Title to or Possession of Property**

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to part voluntarily with title to or possession of any property.

6. Under Insuring Agreement 5

a. **Failure to Follow Security Procedures**

(1) Loss resulting from your failure to follow **security procedures** agreed to in writing with your customer or your financial institution:

(2) Loss that would have been avoided if you had accepted and followed commercially reasonable **security procedures** that your financial institution made available for your account or accounts involved in the loss; or

(3) Loss resulting from your failure to comply with **security procedures** that you represented to us you would follow.

b. **Debit and Credit Cards**

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, or other cards.

E. CONDITIONS

1. Cancellation

- a. The first named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to the first named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date.
- e. If this Policy is canceled, 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.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

2. 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 on behalf of all insureds to agree with us on changes in the terms of this Policy. If the terms are changed, the changes will be shown in an endorsement issued by us and made part of this Policy.

3. 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 any insured, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This insurance;
- b. The covered property;
- c. Your interest in the covered property; or
- d. A claim under this insurance.

4. Consolidation and 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**:

- a. You must give us written notice and obtain our written consent to extend this Policy to such additional **employees** or **premises**. We may condition our consent upon payment of an additional premium; but
- b. For the first 60 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 said 60 day period.

5. Deductible

- a. We will not pay for loss in any one **occurrence** unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We then will pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance. In the event more than one Deductible Amount could apply to the loss, only the highest Deductible Amount will be applied.
- b. For losses covered under Insuring Agreement 1, you must:
 - (1) Give us notice as soon as possible even though the loss falls entirely within the Deductible Amount; and
 - (2) Upon our request, give us a statement describing the loss.
- c. The deductible does not apply to loss sustained by any **employee benefit plan(s)**.

6. Discovery of Loss

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 the 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 insurance.

7. Duties in the Event of Loss

After you discover a loss or a situation that may result in a loss you must:

- a. Notify us as soon as possible;
- b. Submit to examination under oath at our request and give us a signed statement of your answers;
- c. Give us a detailed, sworn proof of loss within 120 days; and
- d. Cooperate with us in the investigation and settlement of any claim.

8. Employee Benefit Plan(s)

- a. If any **employee benefit plan(s)** is insured jointly with any other entity under this insurance, you or the plan administrator must select a Limit of Insurance for Insuring Agreement 1. that is sufficient to provide a limit of insurance for each plan that is at least equal to that required if each plan were separately insured.
- b. If the first named Insured is an entity other than a plan, any payment we make to that 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.
- c. If two or more plans are insured under this insurance, any payment we make for loss:
 - (1) Sustained by two or more plans; or
 - (2) Of commingled **funds** or **other property** of two or more plans;that 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 such plan bears to the total of those limits.

9. Extended Period to Discover Loss

- a. We will pay for loss that you sustained prior to the effective date of termination or cancellation of this insurance, which is discovered by you:
 - (1) Within 60 days following the date of termination or cancellation; and
 - (2) As respects any **employee benefit plan(s)**, within one year following the date of termination or cancellation.
- b. 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 insurance provides coverage for loss sustained prior to its effective date.

10. Joint Insured

- a. The first named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.
- b. 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 related to this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.
- c. If any Insured or partner or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- d. An **employee** of any Insured is considered to be an **employee** of every Insured.
- e. If this Policy or any of its coverage is canceled or terminated as to any Insured, Condition E.9. Extended Period to Discover Loss applies separately to that Insured.
- f. 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.

11. Legal Action Against Us

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

- a. Unless you have complied with all the terms of this Policy; and
- b. Until 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.

12. 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 insurance.

13. Limit of Insurance

The most we will pay for loss in any one **occurrence** is the applicable Limit of Insurance shown in the Declarations.

14. Loss Covered Under More Than One Coverage

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

- a. The actual amount of loss; or
- b. The highest single Limit of Insurance applicable to those coverages.

15. 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.

16. Other Insurance

- a. This Policy does not apply to loss recoverable or recovered under other insurance or indemnity. However, 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.
- b. Under Insuring Agreement 4., we will pay only for the amount of loss that you cannot recover:
 - (1) Under your contract with the armored motor vehicle company, and
 - (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

17. Ownership of Property, Interests Covered

The property covered under this Policy is limited to property:

- a. That you own or hold; or
- b. That is owned and held by someone else under circumstances that made you responsible for the property prior to, and independent of, the loss.

However, this Policy is for your benefit only. It provides no rights or benefits to any other person or organization.

18. Records

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

19. Recoveries

- a. Recoveries, whether effected by you or us, shall be applied, net of the expense of such recovery, in the following manner and order:
 - (1) To the satisfaction of your loss which would otherwise have been paid under this Policy but for the fact that it is in excess of the Limit of Insurance and the Deductible Amount, if any;
 - (2) Then to us, until we are reimbursed for the settlement made;
 - (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any;
 - (4) Then to you for any loss not covered by this Policy.
- b. Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for our benefit. If original securities are recovered after duplicates of such securities have been issued, the original securities shall be surrendered to us.

20. Territory

This Policy covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico or Canada. In addition, under Insuring Agreement 1., we will pay for loss caused by any **employee** while temporarily outside of said territories for a period of not more than 90 days.

21. 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.

22. 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 also must do everything necessary to secure those rights and do nothing after loss to impair our actual or potential rights of recovery.

23. Valuation—Settlement

- a. Subject to the applicable Limit of Insurance provision we will pay for:
 - (1) 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) At 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 on the day the loss was discovered.
 - (2) Loss of **securities** but only **up** to and including their value at the close of business on the day the loss was discovered. We may, at our option:
 - (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.
 - (3) Loss of, or loss from 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:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (iii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
 - (4) We will not pay on a replacement cost basis for any loss or damage:
 - (i) Until the lost or damaged property actually is 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.
- b. We may, at our option, pay for loss of, or loss from damage to, property other than **money**:
 - (1) In the **money** of the country in which the loss occurred; or
 - (2) 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 on the day the loss was discovered.
- c. Any property that we pay for or replace becomes our property.

Applicable to Specific Insuring Agreements

1. Insuring Agreement 1

Cancellation as to Any Employee

Coverage under this Policy is canceled as to any **employee**:

- a. Immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, officers or directors not in collusion with the employee; or
 - (3) As to **Employee benefit plan(s)**, any trustee, fiduciary or plan administrator not in collusion with the **employee**;
of any dishonest act committed by that **employee** whether before or after becoming employed by you. Whether such discovery occurs prior to or after commencement of this Policy, there is no coverage under Insuring Agreement 1. for loss or losses resulting from acts committed by that **employee** after the date of such discovery.
- b. On the date specified in a notice mailed to you. That date will be at least 30 days after the date of mailing. The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

2. Insuring Agreement 2

a. Deductible

The deductible does not apply to legal expenses paid under Insuring Agreement 2.

b. Facsimile Signatures

We will treat reproduction of a handwritten signature the same as a handwritten signature. An electronic or digital signature is not treated as a reproduction of a handwritten signature.

c. Proof of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and an explanation of the absence of the instrument.

d. Territory

We will cover loss you sustain anywhere in the world. The Territory Condition 20 does not apply to Insuring Agreement 2.

3. Insuring Agreements 3 and 4

a. Special Limit of Insurance for Specified Property

We only will pay up to \$5,000 for any one **occurrence** of loss of, and loss from damage to:

- (1) 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
- (2) Manuscripts, drawings, or records of any kind or the cost of reconstructing them or reproducing any information contained in them.

b. Duties in the Event of Loss

If you have reason to believe that any loss of, or loss from damage to, **money, securities** or **other property** involves a violation of law, you must notify the police.

4. Insuring Agreement 5

a. Special Limit of Insurance for Specified Property

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

b. Duties in the Event of Loss

If you have reason to believe that any loss of, or loss from damage to, **money, securities** or **other property** involves a violation of law, you must notify the police.

c. Territory

We will cover loss you sustain anywhere in the world. The Territory Condition 20 does not apply to Insuring Agreement 5.

5. Insuring Agreement 6

a. Duties in the Event of Loss

You must notify the police if you have reason to believe you have accepted a **counterfeit** money order or **counterfeit** paper currency.

IN WITNESS WHEREOF, we have caused this Policy to be executed on the Declarations page.



Secretary



President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OCCURRENCE ENDORSEMENT

This Endorsement modifies Crime Protection Policy No. POLICY SAMPLE ONLY.

1. Paragraph **10. Occurrence** of the **Definitions** of this Policy is deleted and replaced by the following:

10. Occurrence means:

- a. As respects Insuring Agreement 1., all loss or losses caused by or involving any **employee**, acting alone or in collusion with other persons, or any group of **employees** acting together, even if in collusion with other persons, whether the result of a single act or multiple acts and whether or not sustained only during the period of this Policy. All acts by one **employee**, acting alone or in collusion with other persons, or by any group of **employees** acting together, and whenever performed, can give rise to only one **occurrence**.
- b. As respects Insuring Agreement 2., all loss or losses caused, or contributed to, by any one person, acting alone or in collusion with others, or in which any such person is implicated, whether the loss or losses involves one or more instruments.
- c. As respects all other Insuring Agreements, all loss or losses caused by (1) a single act, or series of related acts, (2) any act or acts involving one person, or a group of persons acting together, or (3) an act or event, or a series of related acts or events, not involving any identifiable person.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**OKLAHOMA CHANGES - CANCELLATION AND
NONRENEWAL**

This Endorsement modifies Crime Protection Policy No. POLICY SAMPLE ONLY .

1. For all Insuring Agreements except Insuring Agreement 1., Paragraph b. of Condition 1. **Cancellation** of the Conditions Applicable to All Insuring Agreements is replaced by the following:

b. We may cancel this policy by mailing or delivering to the first named Insured written notice or cancellation at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.

After coverage has been in effect for more than 45 business days or after the effective date of a renewal of this policy, no notice of cancellation will be issued by us unless it is based on at least one of the following reasons:

- (1) Nonpayment of premium;
- (2) Discovery of fraud or material misrepresentation in the procurement of the insurance or with respect to any claims submitted under it;
- (3) Discovery of willful or reckless acts or omissions by you that increase any hazard insured against.
- (4) The occurrence of a change in the risk that substantially increases any hazard insured against after insurance coverage has been issued or renewed;
- (5) A violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to any covered property or its occupancy that substantially increases any hazard insured against;
- (6) A determination by the Insurance Commissioner that the continuation of the policy would place us in violation of the insurance laws of this state;
- (7) Your conviction of a crime having as one of its necessary elements an act increasing any hazard insured against; or
- (8) Loss of or substantial changes in applicable reinsurance.

2. For all Insuring Agreements except Insuring Agreement 1., the following Conditions are added to the Policy and supersede any provisions to the contrary:

Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal to the first named Insured at least 45 days before:
 - (1) The expiration date of this policy; or
 - (2) An anniversary date of this policy, if it is written for a term longer than one year or with no fixed expiration date.
- b. Any notice of nonrenewal will be mailed or delivered to the first named Insured at the last mailing address know to us.
- c. If notice is mailed:
 - (1) It will be considered to have been given to the first named Insured on the day it is mailed.
 - (2) Proof of mailing will be sufficient proof of notice.
- d. If notice of nonrenewal is **not** mailed or delivered at least 45 days before the expiration date or an anniversary date of this policy, coverage will remain in effect until 45 days after notice is given. Earned premium for such extended period of coverage will be calculated pro rata based on the rates applicable to the expiring policy.
- e. We will **not** provide notice of nonrenewal if:
 - (1) We, or another company within the same insurance group, have offered to issue a renewal policy; or
 - (2) You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
- f. If we have provided the required notice of nonrenewal as described in paragraph a. above, thereafter extend the policy for a period of 90 days or less, we will not provide an additional nonrenewal notice with respect to the period of extension.

Premium Or Coverage Changes At Renewal

- a. If we elect to renew this policy, we will give written notice of any premium increase, change in deductible, or reduction in limits or coverage, to the first named Insured, at the last mailing address know to us.
 - b. Any such notice will be mailed or delivered to the first named Insured at least 45 days before:
 - (1) The expiration date of this policy; or
 - (2) An anniversary date of this policy, if it is written for a term longer than one year or with no fixed expiration date.
 - c. If notice is mailed:
 - (1) It will be considered to have been give to the first named Insured on the day it is mailed.
 - (2) Proof of mailing will be sufficient proof of notice.
 - d. If the first named Insured accepts the renewal, the premium increase or coverage changes will be effective the day following the prior policy's expiration or anniversary date.
 - e. If notice is **not** mailed or delivered at least 45 days before the expiration date or anniversary date of this policy, the premium, deductible, limits and coverage in effect prior to the changes will remain in effect until:
 - (1) 45 days after notice is given; or
 - (2) The effective date of replacement coverage obtained by the Insured;whichever occurs first.

If the first name Insured then elects **not** to renew, any earned premium for the resulting extended period of coverage will be calculated pro rata at the lower of the new rates or rates applicable to the expiring policy.
 - f. We will **not** provide notice of the following:
 - (1) Changes in a rate, plan or policy form which are applicable to an entire class of business and:
 - (a) For a rate or plan, have been filed with or approved by the Insurance Commissioner or filed pursuant to the Property and Casualty Competitive Loss Cost Rating Act; or
 - (b) For a policy form, have been filed with or approved by the Insurance Commissioner; or
 - (2) Changes which are based upon the altered nature of extent of the risk insured.
3. The **Concealment, Misrepresentation or Fraud** condition of the Conditions Applicable to All Insuring Agreements is replaced by the following:
- Concealment, Misrepresentation or Fraud**
- We may rescind this Policy in any case of fraud by you as it relates to the Policy at any time. We also may rescind this Policy if any insured, at any time, intentionally conceals or misrepresents a material fact concerning:
- a. This insurance;
 - b. The covered property;
 - c. Your interest in the covered property; or
 - d. A claim under this insurance.
4. Notwithstanding any provision to the contrary, all references to the time of day in this Policy shall be standard time.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OKLAHOMA NOTICE

The following statement is added to Crime Protection Policy No. POLICY SAMPLE ONLY.

WARNING

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy, containing any false, incomplete or misleading information, is guilty of a felony.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE COVERAGE FOR FRAUDULENTLY INDUCED TRANSFERS

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- A. COVERAGE** We will pay for loss of **funds** resulting directly from a **fraudulently induced transfer** causing the **funds** to be transferred from your **premises** or **banking premises** to a person, entity, place or account outside of your control.
-
- B. LIMIT OF INSURANCE AND DEDUCTIBLE** The Limit of Insurance and Deductible Amount are shown in the Declarations.
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- C. DEFINITIONS** As used in this Insuring Agreement only:
- a. **Fraudulently induced transfer** means:

A transfer resulting from a **payment order** transmitted from you to a financial institution, or a check drawn by you, made in good faith reliance upon an electronic, telefacsimile, telephone or written instruction received by you from a person purporting to be an Employee, your customer, a **Vendor** or an **Owner** establishing or changing the method, destination or account for payments to such **Employee**, customer, **Vendor** or **Owner** that was in fact transmitted to you by someone impersonating the **Employee**, customer, **Vendor** or **Owner** without your knowledge or consent and without the knowledge or consent of the **Employee**, customer, **Vendor** or **Owner**.
 - b. **Vendor** means any entity or person that provides or has provided goods or services to you pursuant to a preexisting agreement.
 - c. **Funds** means **money** and **securities**.
 - d. **Employee** means any natural person:
 - (1) While in your service or for 30 days after termination of service; and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you.
 - d. **Owner** means a natural person having an ownership interest in you.
-

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INCLUDE COVERAGE FOR FUNDS TRANSFER FRAUD

- A. COVERAGE** 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**.
-
- B. LIMIT OF INSURANCE AND DEDUCTIBLE** The Limit of Insurance and Deductible Amount are shown in the Declarations.
-
- C. DEFINITIONS** As used in this Insuring Agreement:
- a. **Fraudulent instruction** means:
 - (1) A **payment order** transmitted to a financial institution which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent; or
 - (2) A written instruction (other than those described in Insuring Agreement 2.) which purports to have been issued by you and which was sent or transmitted to a financial institution to establish the conditions under which transfers are to be initiated by such financial institutions through an electronic funds transfer system and which was issued, forged or altered without your knowledge or consent.
 - b. **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 a **payment order** communicated directly to the financial institution or through an electronic funds transfer system, or
 - (2) By means of written instructions (other than those described in Insuring Agreement 2.) establishing the conditions under which such transfers are to be issued by such financial institution through an electronic funds transfer system.
 - c. **Funds** means **money** and **securities**.
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