

Coalition Executive Risks Coverage

PREPARED FOR

Coalition Testing

PRODUCED BY

Julia Thompson

Coalition Test Agency
julia.thompson@coalitioninc.com



Important Notice – In Witness Clause

In return for the payment of premium, and subject to the terms of this policy, coverage is provided as stated in this policy.

IN WITNESS WHEREOF, this Company has executed and attested these presents and, where required by law, has caused this policy to be countersigned by its duly Authorized Representative(s).

A handwritten signature in black ink that reads 'Mark G. Knipper'.

President

A handwritten signature in black ink that reads 'Dan J. Kanyo'.

Corporate Secretary

QUESTIONS ABOUT YOUR INSURANCE? Your agent or broker is best equipped to provide information about your insurance. Should you require additional information or assistance in resolving a complaint, call or write to the following (please have your policy or claim number ready):

Zurich in North America
Customer Inquiry Center
1299 Zurich Way
Schaumburg, Illinois 60196-1056
1-800-382-2150 (Business Hours: 8am - 4pm [CT])
Email: info.source@zurichna.com



Disclosure Statement

It is our pleasure to present the enclosed policy to you for presentation to your customer.

INSTRUCTION TO AGENT OR BROKER:

WE REQUIRE THAT YOU TRANSMIT THE ATTACHED/ENCLOSED DISCLOSURE STATEMENT TO THE CUSTOMER WITH THE POLICY.

Once again, thank you for your interest, and we look forward to meeting your needs and those of your customers.

SPECIMEN



Disclosure Statement

NOTICE OF DISCLOSURE FOR AGENT & BROKER COMPENSATION

If you want to learn more about the compensation Zurich pays agents and brokers visit:

<http://www.zurichproducercompensation.com>

or call the following toll-free number: (866) 903-1192.

This Notice is provided on behalf of Zurich American Insurance Company
and its underwriting subsidiaries.

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Insured Name: Coalition Testing
Policy Number:
Effective Date: January 31, 2023



THIS DISCLOSURE IS ATTACHED TO AND MADE PART OF YOUR POLICY.

**DISCLOSURE OF IMPORTANT INFORMATION
RELATING TO TERRORISM RISK INSURANCE ACT**

SCHEDULE*

Premium attributable to risk of loss from certified acts of terrorism for lines of insurance subject to TRIA: \$0.00

*Any information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act ("TRIA"), as amended, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to the risk of loss from terrorist acts certified under that Act for lines subject to TRIA. That portion of premium attributable is shown in the Schedule above. The premium shown in the Schedule above is subject to adjustment upon premium audit, if applicable.

B. Disclosure of Federal Participation in Payment of Terrorism Losses

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, the United States Government may pay up to 80% of insured losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

C. Disclosure of \$100 Billion Cap on All Insurer and Federal Obligations

If aggregate insured losses attributable to terrorist acts certified under TRIA exceed \$100 billion in a calendar year (January 1 through December 31) and an insurer has met its deductible under the program, that insurer 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 Treasury.

D. Availability

As required by TRIA, we have made available to you for lines subject to TRIA coverage for losses resulting from acts of terrorism certified under TRIA with terms, amounts and limitations that do not differ materially from those for losses arising from events other than acts of terrorism.

E. Definition of Act of Terrorism under TRIA

TRIA defines "act of terrorism" as any act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act ("TRIA"), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and

4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers' compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

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Zurich Select Plus Private Company Declarations



Insurance is provided by:

ZURICH AMERICAN INSURANCE COMPANY
1299 Zurich Way
Schaumburg, Illinois 60196-1056

THE LIABILITY COVERAGE PARTS, IF PURCHASED, ARE ON A CLAIMS MADE AND REPORTED BASIS AND COVER ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF EXERCISED, AND REPORTED TO THE INSURER AS REQUIRED BY THIS POLICY. ANY APPLICABLE LIMIT OF LIABILITY OR RETENTION SHALL BE REDUCED BY AMOUNTS INCURRED AS DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.

Policy Number:

Item 1. **Policyholder** and Mailing Address: Coalition Testing
123 Main street
Houston, US-TX 77001

Item 2. **Policy Period:** From: 12:01 A.M. on January 31, 2023 To: 12:01 A.M. on January 31, 2024
Local time at the address shown in Item 1.

Item 3. **Extended Reporting Period:** 1. Additional Premium: TBD% of Annual Premium
2. Additional Period: 1 year

Item 4. Combined Total Limit of Liability: \$4,000,000 All **Loss** under all Coverage Parts, combined, other than the Crime Coverage Part.

Item 5. Additional Limit of Liability for **Defense Costs:** \$1,000,000

Item 6. Coverage Summary

Coverage Part	Purchased/Granted	Coverage Part Aggregate Limit of Liability	Pending or Prior Date	Subject to Shared Limit of Liability
Management and Company Liability	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,000,000	January 31, 2023	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Employment Practices and Third Party Liability	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,000,000	January 31, 2023	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Fiduciary Liability	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,000,000	January 31, 2023	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Cyber	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	N/A	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Coverage Part	Purchased/Granted	Occurrence Limit of Liability	Pending or Prior Date	Subject to Shared Limit of Liability
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Crime	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	\$1,000,000	N/A	N/A
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Item 7. Coverage Schedule

Management and Company Liability		
Coverage Clauses	Limit of Liability	Retention
A. Insured Person Liability B. Company Reimbursement C. Company Liability	\$1,000,000	\$0 \$2,500 \$2,500
D. Retired Independent Directors Liability	\$50,000 Each Retired Independent Director \$250,000 Aggregate Limit of Liability for All Retired Independent Directors	\$2,500
Securityholder Derivative Demand Investigative Costs	\$250,000 Sublimit of Liability	\$2,500
Additional Limits of Liability		
Additional Limit of Liability for Insuring Clause A	\$1,000,000	N/A

Employment Practices and Third Party Liability		
Coverage Clauses	Limit of Liability	Retention
A. Employment Practices Liability	\$1,000,000	\$5,000
B. Third Party Liability	\$1,000,000	\$5,000

Fiduciary Liability		
Coverage Clauses	Limit of Liability	Retention
A. Fiduciary Liability	\$1,000,000	\$0
B. Voluntary Settlement and Defense Costs	\$250,000 Sublimit of Liability	\$0
Covered Civil Penalties		
Section 502(i) Penalties	\$250,000 Sublimit of Liability	\$0
Section 502(l) Penalties	\$250,000 Sublimit of Liability	\$0

Section 502(c) Penalties	\$250,000 Sublimit of Liability	\$0
Pension Protection Act Penalties	\$250,000 Sublimit of Liability	\$0
COBRA Penalties	\$250,000 Sublimit of Liability	\$0
HIPAA Penalties	\$1,000,000 Sublimit of Liability	\$0
Section 4975 Penalties	\$250,000 Sublimit of Liability	\$0
Health Care Reform Act Penalties	\$250,000 Sublimit of Liability	\$0
United Kingdom Pensions Penalties	\$250,000 Sublimit of Liability	\$0

Cyber			
Coverage Clauses	Limit of Liability	Retention	Retroactive Date
A.1 Security and Privacy Liability	N/A	N/A	
A.2 Regulatory Proceeding Sublimit	N/A	N/A	
A.3 Media Coverage Sublimit	N/A	N/A	
B.1 Privacy Breach Costs	N/A	N/A	N/A
B.2.a Business Income Loss and Extra Expense	N/A	N/A	N/A
B.2.b Dependent Business Income Loss and Extra Expense	N/A	N/A	N/A
B.3 Digital Asset Replacement Expenses	N/A	N/A	N/A
B.4.a Cyber Extortion Threat Coverage	N/A	N/A	N/A
B.4.b Reward Payments	N/A	N/A	N/A
Waiting Periods			
B.2.a Business Income Loss and Extra Expense	N/A		
B.2.b Dependent Business Income Loss and Extra Expense	N/A		

Crime		
Coverage Clauses	Limit of Liability	Deductible

A. Employee Theft	\$1,000,000	\$5,000
B. Client's Property	\$1,000,000	\$5,000
C. Forgery or Alteration	\$1,000,000	\$5,000
1. Checks Forgery		
2. Credit, Debit or Charge Card Forgery	\$1,000,000	\$5,000
D. On Premises	\$1,000,000	\$5,000
E. In Transit	\$1,000,000	\$5,000
F. Computer Fraud and Funds Transfer Fraud	\$1,000,000	\$5,000
G. Fraudulent Impersonation	\$100,000	\$60,000
H. Money Orders and Counterfeit Money	\$1,000,000	\$5,000
I. Electronic Data or Computer Programs Restoration Costs	\$150,000	\$25,000
J. Investigative Expenses	\$50,000	N/A

Item 8. Policy Premium: \$4,829

Item 9. Endorsements Effective at Inception: See attached Schedule

Item 10. Notice to Underwriter:

A. Address for Notice of **Claim**, Potential **Claim** or **Coverage Event**:

Attn: Zurich North America - Management Solutions Claims
P.O. Box 968041
Schaumburg, IL 60196-8041

Fax: (866) 255-2962
E-mail: msgclms@zurichna.com

B. Address for Notice of loss or situation under Crime Coverage Part:

Attn: Zurich North America - Fidelity and Crime Bonds Claims
P.O. Box 968036
Schaumburg, IL 60196

Fax: (877) 812-5754
E-mail: reportsfclaims@zurichna.com

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Zurich Select Plus

General Terms and Conditions



In consideration of payment of the premium and in reliance upon the statements made in the **Application**, the Insurer and the **Insureds** agree as follows:

I. TERMS AND CONDITIONS

This policy is comprised of these General Terms and Conditions, the Declarations, various Coverage Parts and endorsements, if applicable, and the **Application**. A Coverage Part is included within this policy only if that Coverage Part is included in the Coverage Summary and the Coverage Schedule of the Declarations.

Except for these General Terms and Conditions, the terms and conditions of each Coverage Part apply only to that Coverage Part and shall not apply to any other Coverage Part. Any term defined or referenced in the General Terms and Conditions but also defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning set forth in that Coverage Part.

II. GENERAL DEFINITIONS

When used in this policy, the following terms, whether in the singular or plural, are defined as follows:

A. **Application** means:

1. all materials and information, including all signed applications and any materials attached thereto or incorporated therein, submitted by or on behalf of the **Insureds** to the Insurer in connection with the underwriting of this policy or any policy issued by the Insurer of which this policy is a renewal or replacement; and
2. all publicly available documents prepared by the **Company** during the twelve (12) months preceding the inception of this policy which are reviewed by the Insurer in connection with the underwriting of this policy or any policy issued by the Insurer of which this policy is a renewal or replacement.

The **Application** is deemed attached to and incorporated into this policy.

B. **Claim** means the definition set forth in the applicable Coverage Part.

C. **Company** means, collectively, the **Policyholder** and its **Subsidiaries**, including any such organization as a debtor in possession under United States bankruptcy law or an equivalent status under the law of any other country.

D. **Coverage Event** means, with respect to a **Non-Liability Coverage Part**, the event or loss which must occur or be sustained or discovered in order to invoke coverage under such Coverage Part.

E. **Defense Costs** means reasonable costs, charges, fees (including but not limited to attorney's fees and expert's fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Company**) incurred by the **Insureds** (i) in defending or investigating **Claims**, including the premium for appeal, attachment or similar bonds, provided the Insurer shall have no obligation to apply for or furnish such bonds, or (ii) at the Insurer's request to assist the Insurer in investigating a **Claim**.

F. **Domestic Partner** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Company**.

G. **Employee** means the definition set forth in the applicable Coverage Part.

H. **Employment Practices Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty which results in a **Claim** brought and maintained by or on behalf of any past, present, future or prospective **Employee(s)** of the **Company** against any **Insured** alleging:

1. breach of any implied employment contract;
2. violation of any law or public policy concerning discrimination in employment, including violations based upon race, national origin, religion, sex, age, sexual orientation or preference, pregnancy, military status, marital status, disability, medical leave or genetic predisposition; or

3. employment-related torts including without limitation wrongful termination; failure or refusal to hire or promote; wrongful discipline; wrongful reference, deprivation of a career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment including through the use of social media and without limitation offensive, intimidating, coercive or unwelcome conduct, advances, contact or communications; bullying; negligent hiring, retention, supervision, training or performance evaluation; failure to adopt and/or enforce adequate employment-related workplace policies and procedures; and employment-related misrepresentation, defamation, invasion of privacy or infliction of emotional distress.
- I. **Environmental Event** means:
1. the actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or
 2. any direction or request that the **Company** or the **Insured Persons** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**, or any voluntary decision to do so.
- J. **ERISA** means the Employee Retirement Income Security Act of 1974, as amended, and any similar state or local common or statutory law, or any rules and regulations promulgated thereunder.
- K. **Executive Officer** means with respect to any **Company** its chief executive officer, chief financial officer, in-house general counsel, and solely with respect to the Employment Practices and Third Party Liability Coverage Part, if purchased, the human resource manager, or, if a **Company** does not have one of such positions, any equivalent executive position in such **Company**.
- L. **Extended Reporting Period** means the period of the extended coverage under the **Liability Coverage Part(s)**, as described in Item 3 of the Declarations.
- M. **Extradition** means any formal process by which an **Insured Person** located in any country is or is sought to be surrendered to any other country for trial, or otherwise to answer any criminal accusation, for a **Wrongful Act**.
- N. **Financial Impairment** means the status of the **Company** resulting from the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Company**, or the **Company** becoming a debtor in possession under the United States bankruptcy law or an equivalent under the laws of any other country.
- O. **Independent Contractor** means the definition set forth in the applicable Coverage Part.
- P. **Insured Persons** means the definition set forth in the applicable Coverage Part.
- Q. **Insureds** means the definition set forth in the applicable Coverage Part.
- R. **Interrelated Wrongful Acts** means all **Wrongful Acts** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes.
- S. **Liability Coverage Part** means any of the following: the Management and Company Liability Coverage Part, the Employment Practices and Third Party Liability Coverage Part, the Fiduciary Liability Coverage Part and Subsection I.A of the Cyber Coverage Part, if included in the Coverage Summary and the Coverage Schedule of the Declarations.
- T. **Loss** means the definition set forth in the applicable Coverage Part.
- U. **Managers** means any natural person who was, now is or shall become (i) a manager, member of the Board of Managers or equivalent executive of a **Company** and (ii) a general partner, managing partner or equivalent executive of a partnership or joint venture that is expressly included as a **Company** by endorsement to this policy.
- V. **Non-Liability Coverage Part** means the Crime Coverage Part and Subsection I.B FIRST PARTY COVERAGES of the Cyber Coverage Part, if included in the Coverage Summary and the Coverage Schedule in the Declarations.
- W. **Plans** means the definition set forth in the Fiduciary Liability Coverage Part, if purchased.
- X. **Policy Period** means the period set forth in Item 2 of the Declarations.
- Y. **Policyholder** means the organization designated in Item 1 of the Declarations.

Z. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including without limitation smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

AA. **Subsidiary** means:

1. any organization, other than a joint venture or partnership, in which more than fifty percent (50%) of the outstanding voting securities or voting rights representing the present right to vote for election of directors, trustees, **Managers** or equivalent executives is owned or controlled by one or more **Companies**;
2. any organization, other than a joint venture or partnership, in which one or more **Companies**, have the right, pursuant to a written contract with such organization or to the bylaws, charter, operating agreement or similar document of such organization, to elect or appoint a majority of the directors, **Managers** or equivalent executives of such organization; and
3. any foundation, charitable trust or political action committee controlled or exclusively sponsored by one or more **Companies**.

BB. **Third Party Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty, other than an **Employment Practices Wrongful Act**, which results in an allegation of violation of a law or public policy concerning discrimination or harassment brought and maintained by or on behalf of any natural person (including customers, vendors, service providers and other business invitees) other than an **Insured Person**.

CC. **Wrongful Act** means the definition set forth in the applicable Coverage Part.

III. EXCLUSIONS

In addition to the various exclusions and/or coverage limitations set forth therein, under the **Liability Coverage Parts** the Insurer shall not be liable for that portion of **Loss** on account of, and shall not be obligated to defend, any **Claim** made against any **Insured**:

A. **Prior Notice**

based upon, arising out of or attributable to any **Claim** reported, or any circumstance reported and accepted, under a policy replaced by this policy or any other similar policies;

B. **Pending or Prior Litigation**

based upon, arising out of, or attributable to any written demand, suit or proceeding pending, or order, decree or judgment entered against any **Insured** on or prior to the applicable Pending or Prior Date set forth in the Coverage Summary in Item 6 of the Declarations, or the same or substantially the same **Wrongful Act, Interrelated Wrongful Acts**, fact, circumstance or situation underlying or alleged therein; or

C. **Virtual Currency**

based upon, arising out of, in connection with, or attributable to virtual currency of any kind, by whatever name known, whether actual or fictitious, including but not limited to digital currency or crypto currency.

IV. LIMITS OF LIABILITY, RETENTION AND SINGLE CLAIMS

A. LIMITS OF LIABILITY FOR LIABILITY COVERAGE PART

1. Combined Aggregate Limit of Liability

The amount set forth in Item 4 of the Declarations shall be the Insurer's maximum aggregate liability for all **Loss** covered under all Coverage Parts, combined, other than the Crime Coverage Part.

2. Coverage Part Aggregate Limit of Liability

The respective Aggregate Limit of Liability for each **Liability Coverage Part**, as set forth in the Coverage Summary in Item 6 of the Declarations, shall be the Insurer's maximum aggregate liability for all **Loss** on account of all **Claims** under such **Liability Coverage Part**. The Aggregate Limit of Liability for each **Liability Coverage Part** shall be part of and not in addition to the Combined Aggregate Limit of Liability as set forth in Item 4 of the Declarations.

3. Coverage Clause and Any Applicable Sublimit Limit of Liability

The respective Limit of Liability or any applicable Sublimit of Liability for each Coverage Clause listed under each **Liability Coverage Part**, as set forth in the Coverage Schedule in Item 7 of the Declarations, shall be the Insurer's maximum liability for all **Loss** on account of all **Claims** under such Coverage Clause. The Limit of Liability and any applicable Sublimit of Liability for each Coverage Clause shall be part of and not in addition to the Coverage Part Aggregate Limit of Liability as set forth in Item 6 of the Declarations.

4. Shared Liability Coverage Part Limit of Liability

If a Limit of Liability for a **Liability Coverage Part** is designated in the Coverage Summary in Item 6 of the Declarations as a shared Limit of Liability, then the Insurer's maximum aggregate liability for all **Loss** covered under all such shared **Liability Coverage Parts** combined shall be the largest of such shared Limits of Liability. Such shared Limit of Liability shall be part of and not in addition to the Combined Aggregate Limit of Liability as set forth in Item 4 of the Declarations.

5. Defense Costs Within Limit of Liability

Defense Costs are part of and not in addition to the Limits of Liability applicable to the **Liability Coverage Parts**, and the payment by the Insurer of **Defense Costs** reduces such Limits of Liability. If the applicable Limit of Liability is exhausted by payment of **Loss**, the Insurer's obligations, including without limitation its duty to defend, shall be completely fulfilled and extinguished.

6. Additional Limit of Liability for Defense Costs

If the Limit of Liability applicable to **Loss** covered under a **Liability Coverage Part** is exhausted by payments by the Insurer, then the Insurer's liability for any **Defense Costs** which are covered under such **Liability Coverage Part** and which are incurred thereafter on account of a **Claim** separate from the **Claim(s)** which exhausted such Limit of Liability shall be subject to an additional Limit of Liability in an amount set forth in Item 5 of the Declarations.

7. Additional Limit of Liability for Insuring Clause A of the Management and Company Liability Coverage Part

If the Limit of Liability set forth in Item 7 of the Declarations applicable to **Loss** covered under Insuring Clause A of the Management and Company Liability Coverage Part is exhausted by payments by the Insurer, then the Insurer's liability for **Loss** under Insuring Clause A and incurred thereafter on account of a **Claim** separate from the **Claim(s)** which exhausted such Limit of Liability shall be subject to the Additional Limit of Liability for Insuring Clause A set forth in Item 7 of the Declarations.

B. RETENTION FOR LIABILITY COVERAGE PART

1. The Insurer's liability under the **Liability Coverage Parts** with respect to **Loss** on account of each **Claim** shall apply only to that part of **Loss** which is excess of the applicable Retention set forth in the Coverage Schedule in Item 7 of the Declarations, and such Retention shall be borne by the **Insureds** uninsured and at their own risk. No Retention shall apply to **Loss** incurred by an **Insured Person** for which the **Company** is not permitted by common or statutory law to indemnify, or is not financially able to indemnify by reason of **Financial Impairment**.
2. If for any reason (including but not limited to **Financial Impairment**) the **Company** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention, then the Insurer shall advance such amounts on behalf of the **Insured Person** until either (i) the **Company** has agreed to make such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the Insurer relieve the **Company** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**.

Advancement, payment or indemnification of an **Insured Person** by the **Company**: (i) is deemed failed only if and to the extent it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by the **Company** within sixty (60) days of such request; and (ii) is only deemed refused if and to the extent the **Company** gives written notice of refusal to the **Insured Person**. Any payment or advancement by the Insurer within an applicable Retention shall reduce the applicable Limit of Liability.

C. LIMITS OF LIABILITY AND DEDUCTIBLE FOR NON-LIABILITY COVERAGE PART

The Insurer's maximum liability and the applicable Deductible under the **Non-Liability Coverage Part** shall be the respective Limits of Liability and Deductible or Retention amounts as set forth in the Coverage Schedule in Item 7

of the Declarations, if any. Such Limits of Liability and Deductible or Retention amounts will be applied as described in the respective **Non-Liability Coverage Part**.

D. SINGLE CLAIMS

All **Claims** under the **Liability Coverage Parts** which arise out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** shall be deemed one **Claim**, and shall be deemed to be first made on the date the earliest of such **Claims** is first made against any **Insured**, regardless of whether such date is before or during the **Policy Period**.

E. SINGLE CLAIM COVERED BY MULTIPLE LIABILITY COVERAGE PARTS

If a single **Claim** (as described in Subsection IV.D above) is covered in whole or in part under more than one **Liability Coverage Part**:

1. only one Retention will be applied with respect to coverage for such **Claim** and the Insurer will decide which **Liability Coverage Part** Retention applies, except if applicable Retention amounts differ, the largest of such applicable Retentions will be applied; and
2. the remaining applicable Limits of Liability under each such **Liability Coverage Part** shall apply with respect to coverage for such **Claim** under such **Liability Coverage Part**, provided the Insurer's maximum aggregate liability for all **Loss** covered under all such **Liability Coverage Parts**, combined, on account of such **Claim** shall not exceed the largest of such remaining applicable Limits of Liability.

V. LIABILITY COVERAGE PART EXTENSIONS

A. ESTATES, LEGAL REPRESENTATIVES, SPOUSES AND DOMESTIC PARTNERS

The estates, heirs, legal representatives, assigns, spouses and **Domestic Partners** of **Insured Persons** shall be considered **Insured Persons** under the **Liability Coverage Parts** but only for a **Claim** arising solely out of their status as such and, in the case of a spouse or **Domestic Partner**, only to the extent such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse or **Domestic Partner**. No coverage is provided for any act or omission of an estate, heir, legal representative, assign, spouse or **Domestic Partner**.

B. EXTENDED REPORTING PERIOD

If the Insurer or **Policyholder** terminates or refuses to renew this policy other than for nonpayment of premium, the **Insureds** shall have the right, upon payment of the additional premium set forth in Item 3.1 of the Declarations, to an extension of the coverage granted by the **Liability Coverage Part(s)** for the **Extended Reporting Period** set forth in Item 3.2 of the Declarations, during which any **Claims** first made against an **Insured** shall be deemed to have been made during the **Policy Period**, but only with respect to a **Wrongful Act** taking place prior to the effective date of such termination or nonrenewal. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is given by the **Insureds** to the Insurer within sixty (60) days following the effective date of termination or nonrenewal.

The Limit of Liability for any **Extended Reporting Period** under the **Liability Coverage Part(s)** shall be part of and not in addition to the applicable Aggregate Limits of Liability for the **Liability Coverage Part(s)** as set forth in Items 4 and 6 of the Declarations. If more than one individual **Extended Reporting Period** is elected the Insurer's maximum aggregate liability under all such individual **Extended Reporting Periods**, combined, shall not exceed the Insurer's maximum aggregate liability for any one individual **Extended Reporting Period**.

The entire additional premium for the **Extended Reporting Period** shall be deemed fully earned at the inception of the **Extended Reporting Period**.

VI. ALLOCATION

If in any **Claim** under the **Liability Coverage Parts** the **Insureds** incur both **Loss** covered by this policy and loss not covered by this policy either because the **Claim** against the **Insureds** includes both covered and uncovered matters or because the **Claim** is made against both **Insureds** who are afforded coverage for such **Claim** and others who are not afforded coverage for such **Claim**, the **Insureds** and the Insurer shall use their best efforts to allocate such amount between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of the parties to covered and uncovered matters; provided however that one hundred percent (100%) of **Defense Costs** shall be allocated to covered **Loss** if and to the extent such **Defense Costs** are incurred by covered **Insureds** and are in part covered and in part not covered by this policy solely because the **Claim** against the **Insureds** includes both covered and uncovered matters.

Nothing in this Section VI shall limit, waive or remove the rights of any **Insured** or the Insurer to assert claims for indemnity or contribution against third parties pursuant to any statutory or common law or any provision of this policy.

In any arbitration, suit or other proceeding among the Insurer and the **Insureds** or the **Company**, no presumption shall exist concerning what is a fair and proper allocation between covered **Loss** and uncovered loss.

VII. CHANGES IN EXPOSURE

A. NEW ORGANIZATIONS

1. If before or during the **Policy Period** the **Company** acquires or creates a new **Subsidiary** or acquires an entity by merger or consolidation, coverage under any **Liability Coverage Part** automatically shall apply to the new organization and its **Insureds**, provided such coverage shall apply only with respect to **Claims for Wrongful Acts** taking place after such acquisition or creation.
2. However, if (i) such newly acquired organization is a financial institution, healthcare related entity, has publicly traded debt or is publicly owned, (ii) the total assets of such newly acquired organization exceeds fifty percent (50%) of the total assets of the **Policyholder** as reflected in their respective most recent audited consolidated financial statements, (iii) solely with respect to the Employment Practices and Third Party Discrimination Liability Coverage Part and the Crime Coverage Part, if purchased, the total number of **Employees** of all **Companies** increases by more than fifty percent (50%) as an immediate result of such acquisition, merger or consolidation, or (iv) solely with respect to the Fiduciary Liability Coverage Part, if purchased, the total assets of all **Plans** of such newly acquired organization exceeds fifty percent (50%) of the total assets of all other **Plans** of all **Companies** as reflected in their respective most recent financial statements, then coverage under this policy or such Coverage Part as provided in subsection 1 above shall apply only if the Insurer agrees to afford such coverage pursuant to subsection 3 below.
3. The Insurer may agree to extend the coverage described in subsection 1 above to the new organization described in subsection 2 above if, within ninety (90) days after the acquisition, the **Policyholder** provides any additional information, pays any additional premium and agrees to any additional terms and conditions reasonably required by the Insurer for such extension of coverage. In such event, the Insurer shall issue an endorsement to this policy confirming such coverage extension.

B. ACQUISITION OF POLICYHOLDER

If during the **Policy Period** the **Policyholder** merges into or consolidates with another organization such that the **Policyholder** is not the surviving entity, or another organization(s) or person(s) (i) acquires securities or voting rights which result in ownership or voting control by the other organization(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors, trustees or equivalent executives of the **Policyholder**, or (ii) if more than 50% of the assets of the **Policyholder** are acquired/purchased, then coverage under any **Liability Coverage Part** shall continue until the termination of this policy, unless the **Extended Reporting Period** is purchased, provided such coverage shall apply only with respect to **Claims for Wrongful Acts** taking place prior to such merger, consolidation or acquisition.

The right to exercise the **Extended Reporting Period** with respect to the **Liability Coverage Parts** shall lapse unless the **Policyholder** gives written notice of such exercise to the Insurer prior to expiration of the **Policy Period**, including the requested length of the **Extended Reporting Period** which shall not exceed six (6) years after such merger, consolidation or acquisition. If the **Policyholder** requests an **Extended Reporting Period** as described in Item 3.2 of the Declarations, then the additional premium for such **Extended Reporting Period** shall be as described in Item 3.1 of the Declarations. If the **Policyholder** requests another **Extended Reporting Period**, the Insurer shall then notify the **Policyholder** of the additional premium for the requested **Extended Reporting Period**. The **Policyholder** shall promptly pay such additional premium as a condition precedent to commencement of the **Extended Reporting Period**.

C. CESSATION OF SUBSIDIARIES

If before or during the **Policy Period** an organization ceases to be a **Subsidiary**, coverage with respect to such **Subsidiary** and its **Insureds** shall continue until termination of this policy or any renewal of this policy, provided such coverage shall apply (i) with respect to any **Liability Coverage Part**, only with respect to **Claims for Wrongful Acts** taking place prior to the date such organization ceased to be a **Subsidiary**, and (ii) with respect to any **Non-Liability Coverage Part**, only with respect to **Coverage Events** taking place prior to the date such organization ceased to be a **Subsidiary**.

D. CESSATION OF PLANS

If before or during the **Policy Period** a **Plan** is terminated, coverage for such **Plan** and its **Insureds** under the Fiduciary Liability Coverage Part, if purchased, shall continue until termination of such Coverage Part or any renewal of such Coverage Part, only with respect to **Wrongful Acts** taking place prior to such termination.

VIII. DEFENSE AND SETTLEMENT

A. LIABILITY COVERAGE PART DEFENSE AND SETTLEMENT

1. The Insurer shall have the right and duty to defend any **Claim** made against the **Insureds** which is covered by the **Liability Coverage Parts**. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Insurer's duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
2. Without limiting the Insurer's right to defend any **Claim**:
 - a. The **Insureds** agree not to offer to settle or to settle any **Claim**, incur any **Defense Costs**, assume any obligation, admit liability or stipulate to any judgment with respect to any **Claim** without the Insurer's written consent, which shall not be unreasonably withheld. The Insurer shall not be liable for or as a result of any offer to settle, settlement, **Defense Costs**, assumed obligation, admission or stipulated judgment to which it has not given prior consent.
 - b. The Insurer shall have the right and shall be given the opportunity to make any investigation it deems necessary and to effectively associate with the **Insureds** in the defense and settlement, including but not limited to the negotiation of a settlement, of any **Claim** that is or reasonably could be covered in whole or in part by the **Liability Coverage Parts**.
3. The Insurer may, with the consent of the **Insured**, make any settlement of any **Claim** covered under a **Liability Coverage Part** which the Insurer deems prudent. Solely with respect to the Employment Practices and Third Party Discrimination Liability Coverage Part, if purchased, if the **Insureds** consent to the first settlement opportunity which is recommended by the Insurer and which is acceptable to the claimant, (the first "Proposed Settlement") the applicable Retention Amount for all **Loss** on account of such **Claim** shall be retroactively reduced by ten percent (10%). The Insurer's obligation to reduce the applicable Retention Amount under this provision shall not apply if the Employment Practices and Third Party Discrimination Liability Coverage Part Limit of Liability is exhausted, and if the **Insured** against whom the **Claim** is made withholds consent to any settlement acceptable to the claimant and recommended by the Insurer (a "Proposed Settlement"), the Insurer's liability for all **Loss**, including **Defense Costs**, incurred by such **Insured** on account of such **Claim** shall not exceed:
 - a. the amount of the Proposed Settlement plus **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to Proposed Settlement of such **Claim**; and
 - b. eighty percent (80%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph a above, incurred in connection with such **Claim**; subject in all events to the applicable Retention and Limit of Liability. The remaining twenty percent (20%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph a above will be borne by the **Insured** uninsured and at its own risk, notwithstanding anything to the contrary contained in Section VI ALLOCATION.

B. COOPERATION

With respect to all Coverage Parts, the **Insureds** agree to provide the Insurer with all information, assistance and cooperation which the Insurer reasonably requests and agree that in the event of a **Claim** or **Coverage Event**, the **Insureds** will do nothing that shall prejudice the Insurer's position or its potential or actual rights of recovery. The failure of any **Insured Person** to cooperate and provide information in accordance with this subsection shall not impair the rights of any other **Insured Person** under this policy.

IX. REPORTING AND NOTICE

A. Solely with respect to any **Liability Coverage Part**:

1. As a condition precedent to their rights under any **Liability Coverage Part**, the **Insureds** shall give to the Insurer written notice of any **Claim** made against the **Insureds** as soon as practicable after an **Executive Officer** or the office of general counsel, risk management or functionally equivalent departments, if any, first

learns of such **Claim**, but in no event later than (i) ninety (90) days after expiration of the **Policy Period**, or (ii) the expiration of the **Extended Reporting Period**, if exercised.

2. If during the **Policy Period** the **Insureds** become aware of circumstances that could give rise to a **Claim** against the **Insureds** and give written notice of such circumstances to the Insurer then any **Claims** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period**. No coverage is afforded under any **Liability Coverage Part** for fees, expenses or other loss incurred in connection with such potential **Claim** prior to the time such circumstance results in a **Claim**.
 3. As a condition precedent to exercising their rights under any **Liability Coverage Part**, the **Insureds** shall (i) include within any notice of **Claim** or circumstance a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of actual or potential claimants, and the manner in which the **Insureds** first became aware of the **Claim** or circumstances; and (ii) give to the Insurer such information and cooperation as it may reasonably require.
 4. As a condition precedent to their rights under the Management and Company Liability Coverage Part, the **Insured Persons** or the **Company** shall give the Insurer written notice of any **Corporate Manslaughter Costs** incurred by the **Insured Persons** as soon as practicable after the **Insured Person** or an **Executive Officer** first becomes aware of such **Corporate Manslaughter Costs**, but in no event later than ninety (90) days after expiration of the **Policy Period**.
 5. All notices under this policy, including all required or otherwise provided supporting information, must be submitted in English. In the event any such information is not available as an original document in English, the **Insureds** shall supply, as a condition precedent to coverage, a complete copy of the original source material together with an English language translation certified by an independent expert. Any required translation costs shall be at the **Insureds'** expense.
- B. Solely with respect to any **Non-Liability Coverage Part**, as a condition precedent to their rights under such Coverage Part, the **Insureds** shall give to the Insurer written notice of any **Coverage Event** pursuant to the applicable notice provision in such **Non-Liability Coverage Part**.
- C. Except as otherwise provided in this policy, all notices under any provision of this policy shall be in writing and given by prepaid express courier, certified mail, or email. Notice to the **Insureds** may be given to the **Policyholder** at the address as shown in Item 1 of the Declarations. Notice to the Insurer shall be given to the respective address shown in Item 10 of the Declarations. Notice shall be deemed to be received upon actual receipt thereof by the addressee or in the case of courier or email, one day following the date such notice is sent, whichever is earlier, subject to proof of transmittal.
- X. REPRESENTATIONS, SEVERABILITY AND NON-RESCINDABLE COVERAGES
- A. REPRESENTATIONS
- The **Insureds** represent and acknowledge that the statements and information contained in the **Application** are true and complete, are the basis of this policy and are to be considered as incorporated into and constituting a part of this policy. This policy is issued in reliance upon the truth and completeness of such representations.
- B. SEVERABILITY
- The **Application** shall be construed as a separate application for coverage by each of the **Insured Persons**. In the event the **Application** contains any misrepresentation or omission (i) made with the intent to deceive, or (ii) which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under a **Liability Coverage Part**, then such **Liability Coverage Part** shall not provide coverage to:
1. any **Company** to the extent such **Company** indemnifies an **Insured Person** who knew the facts that were not truthfully disclosed in the **Application**; and
 2. any **Company** and its **Subsidiaries** and **Plans** if an **Executive Officer** of such **Company** knew the facts that were not truthfully disclosed in the **Application**,
- whether or not such **Executive Officer** or **Insured Person** knew the **Application** contained such misrepresentation or omission. Knowledge of one **Insured Person** shall not be imputed to any other **Insured Persons** for purposes of this Section X.
- C. NON-RESCINDABLE COVERAGES

The Insurer shall not have the right to rescind or void the coverage provided under any **Liability Coverage Part** for any **Loss** incurred by **Insured Persons** which is not indemnified by the **Company**.

XI. TERRITORY AND VALUATION

Coverage under any **Liability Coverage Part** shall extend to **Wrongful Acts** taking place, **Loss** incurred, or **Claims** made anywhere in the world, to the extent legally permitted.

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Loss** under this policy is stated in a currency other than United States dollars, payment under this policy shall be made in United States dollars at the rate of exchange on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **Loss** is due.

XII. OTHER INSURANCE

Solely with respect to any **Liability Coverage Part**, if any **Loss** is insured under any other valid and collectible policy(ies) issued to any **Insured**, then this policy shall act as an excess insurance policy and will cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the amount of such other insurance (including any self-insured retentions thereunder) whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written as specifically excess over this policy.

Provided however if any **Loss** is insured under any other valid and collectible personal umbrella policy issued to any **Insured Person**, then this policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, on a primary basis.

XIII. SUBROGATION

Solely with respect to any **Liability Coverage Part**, in the event of any payment under this policy, the Insurer shall be subrogated to the extent of such payment to all the **Insureds'** rights of recovery, including without limitation any right of recovery from the **Company** for **Loss** incurred by **Insured Persons** which is indemnifiable by the **Company**. The **Insureds** shall do everything 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**. In any subrogation claim against the **Company** to enforce the **Insured Persons'** right of indemnification, the shareholder and board of director resolutions of the **Company** shall be deemed to provide indemnification to the fullest extent permitted by law, and the Insurer's recovery from the **Company** for such **Loss** shall not exceed the Retention applicable to the **Company** for such **Loss**. The Insurer shall not exercise its right of subrogation against an **Insured Person** with respect to payments under any **Liability Coverage Part** unless and to the extent one of the following exclusions applies to such **Insured Person**:

Liability Coverage Part	Exclusions
Management and Company Liability	Section IV.F
Fiduciary Liability	Section IV.B

XIV. ALTERATION, ASSIGNMENT AND HEADINGS

No change in, modification of or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is issued by the Insurer.

The titles and headings to the various sections, subsections and endorsements of this policy, as well as the schedule of endorsements attached to this policy, are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions or existence of such sections, subsections or endorsements.

XV. PAYMENT PRIORITY

If **Loss** due and owing by the Insurer under a **Liability Coverage Part** exceeds the then-remaining Limit of Liability applicable to such **Loss**, the Insurer shall pay such **Loss**, subject to the applicable Limits of Liability, in the following priority:

- A. First, the Insurer shall pay **Loss** which is incurred by **Insured Persons** and which is not indemnified by the **Company**;
- B. Second, the Insurer shall pay **Loss** which is incurred by **Insured Persons** and which is indemnified by the **Company**; and
- C. Third, the Insurer shall pay other **Loss** covered under the **Liability Coverage Parts**.

Subject to the foregoing paragraph, the Insurer shall, upon receipt of a written request from the **Policyholder**, delay any payment of **Loss** due and owing to the **Company** until such time as the **Policyholder** designates, provided the Insurer's liability with respect to such delayed payment shall not be increased, and shall not include any interest, on account of such delay.

XVI. POLICY TERMINATION AND NONRENEWAL

This policy shall terminate at the earliest of the expiration date of the **Policy Period** shown in Item 2 of the Declarations or the effective date of cancellation, as described below.

A. CANCELLATION

1. The **Policyholder** may cancel this policy by surrender of this policy to the Insurer or by giving prior written notice to the Insurer stating when such cancellation shall take effect.
2. The Insurer may cancel this policy only for nonpayment of premium. In such event, the Insurer shall mail written notice of cancellation for nonpayment of premium to the **Policyholder**. Such notice shall state the effective date of cancellation, which shall not be less than fifteen (15) days after mailing such notice.
3. In the event of cancellation, the Insurer shall refund the unearned premium computed pro rata.
4. Notice of cancellation or nonrenewal shall be given to the **Policyholder** at the last known mailing address shown in our records.

B. NONRENEWAL

If the Insurer elects not to renew this policy, the Insurer shall mail to the **Policyholder** written notice thereof at least sixty (60) days prior to the expiration of the **Policy Period**. The Insurer's offer of renewal terms and conditions or premiums different from those in effect prior to renewal shall not constitute an election by the Insurer not to renew this policy.

C. NOTICE

The Insurer shall send all notices required under this Section XVI by certified mail to the **Policyholder** at the address in Item 1 of the Declarations, and by mail or electronic mail to the **Policyholder's** authorized agent, if any. Proof of mailing will be sufficient proof of notice.

XVII. AUTHORIZATION CLAUSE

By acceptance of this policy, the **Policyholder** agrees to act on behalf of the **Insureds** with respect to giving and receiving notices provided for in this policy, including notice of **Claim** and of termination, paying premiums, receiving any return premiums that may become due, and agreeing to endorsements. The **Insureds** agree that the **Policyholder** shall act on their behalf except for providing notice to purchase the **Extended Reporting Period**.

XVIII. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** or of the estate of any **Insured** shall not relieve the Insurer of its obligations nor deprive the Insurer of its rights or defenses under this policy.

In the event a liquidation or reorganization proceeding is commenced by or against a **Company** pursuant to the United States Bankruptcy Code, as amended, or any similar foreign, state or local law, the **Company** and the **Insureds** hereby agree not to oppose or object to any efforts by the Insurer, the **Company** or any **Insured** to obtain relief from any such stay or injunction.

XIX. ALTERNATIVE DISPUTE RESOLUTION

The **Insureds** and the Insurer shall submit any dispute or controversy arising out of or relating to this policy to non-binding mediation. Unless otherwise agreed by the parties, such non-binding mediation shall be administered by the American Arbitration Association in accordance with its then-prevailing Commercial Mediation Rules.

If the dispute is not resolved in the mediation, then either party to the mediation may thereafter commence a judicial proceeding against the other party with respect to such dispute, provided that neither party may commence such a judicial proceeding prior to ninety (90) days following termination of the mediation.

The parties to the mediation shall share equally the fees and expenses of the mediator as well as other common expenses of the mediation process.

XX. RECOVERY OF LIMITS

Solely with respect to the **Liability Coverage Parts**, in the event the Insurer recovers amounts it paid under this Policy, the Insurer will reinstate the applicable Limit of Liability of this Policy to the extent of such recovery, less its costs incurred in administering and obtaining such recovery. The Insurer assumes no duty to seek a recovery of any amounts paid under this Policy. The Insurer, in its sole discretion, shall determine the amounts to be credited, if any, toward a reinstatement of the Limit of Liability.

SPECIMEN

Zurich Select Plus Private Management and Company Liability Coverage Part



I. INSURING CLAUSES

A. INSURED PERSON LIABILITY COVERAGE

The Insurer shall pay, on behalf of an **Insured Person**, **Loss** on account of a **Claim** for **Wrongful Acts** first made against the **Insured Person** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, to the extent that such **Loss** has not been paid or indemnified by any **Company**. The Insurer will also pay **Loss** on account of a **Claim** as described in Subsection III.A.9, first made against the **Insured Person** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions.

B. COMPANY REIMBURSEMENT COVERAGE

The Insurer shall pay, on behalf of a **Company**, **Loss** on account of a **Claim** for **Wrongful Acts** first made against an **Insured Person** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, to the extent the **Company** pays or indemnifies an **Insured Person** for such **Loss**.

C. COMPANY LIABILITY COVERAGE

The Insurer shall pay, on behalf of a **Company**, **Loss** on account of a **Claim** for **Wrongful Acts** first made against the **Company** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions.

D. RETIRED INDEPENDENT DIRECTORS LIABILITY COVERAGE

If this Insuring Clause is granted pursuant to the Declarations, the Insurer shall pay on behalf of the **Retired Independent Directors** all **Loss** on account of a **Claim** for **Wrongful Acts** first made against the **Retired Independent Directors** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, to the extent that such **Loss** has not been paid or indemnified by any **Company** for such **Retired Independent Directors**. The Insurer will also pay **Loss** on account of a **Claim** as described in Subsection III.A.9. Such Limit of Liability shall be in addition to the Aggregate Limit of Liability set forth in Item 6 of the Declarations for this entire Coverage Part. Coverage under this Insuring Clause D shall apply only if (i) the **Retired Independent Director** is a **Retired Independent Director** when the **Claim** is first made, (ii) the Limit of Liability otherwise applicable to this Coverage Part is exhausted by reason of payment by the Insurer of **Loss**, and (iii) the **Claim** is first made against the **Retired Independent Directors** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions. Such coverage shall then be excess of all other insurance specifically excess of this policy as well as all other insurance described in Section XII of the General Terms and Conditions.

II. EXTENSIONS

A. ENVIRONMENTAL MISMANAGEMENT COVERAGE

Subject to this policy's other terms and conditions, coverage under Insuring Clauses A, B and D for **Claims** against **Insured Persons** includes coverage for any **Environmental Mismanagement Claim**.

B. OUTSIDE POSITION COVERAGE

Subject to the other terms and conditions applicable to this Coverage Part, Insuring Clause A and Insuring Clause B include coverage for **Insured Persons** while serving in an **Outside Position**. Such coverage shall be specifically excess of any indemnification and insurance available from or provided by the **Outside Entity** in which the **Insured Person** serves in the **Outside Position**. Payment by the Insurer or any affiliate of the Insurer under another policy as a result of a **Claim** against an **Insured Person** in an **Outside Position** shall reduce, by the amount of such payment, the Insurer's Limit of Liability under this policy with respect to such **Claim**.

C. SECURITYHOLDER DERIVATIVE DEMAND INVESTIGATIVE COST COVERAGE

Subject to this policy's other terms, conditions and exclusions, the Insurer shall pay on behalf of the **Company** all **Securityholder Derivative Demand Investigative Costs** which the **Company** incurs on account of any **Securityholder Derivative Demand** first made and reported against the **Company** during the **Policy Period** subject to the Sublimit of Liability and Retention set forth in Item 7 of the Declarations.

D. UK CORPORATE MANSLAUGHTER COSTS COVERAGE

Subject to this policy's other terms, conditions and exclusions, the Insurer shall pay on behalf of **Insured Persons** all **Corporate Manslaughter Costs** incurred by an **Insured Person** as result of a **Claim** first made and reported during the **Policy Period**.

Subsection V.B of the General Terms and Conditions and Subsection II.E of this Coverage Part shall not apply to **Corporate Manslaughter Costs**.

E. INDIVIDUAL INSURED PERSON EXTENDED COVERAGE

If the **Policyholder** is entitled to but does not exercise the **Extended Reporting Period**, pursuant to Section V.B of the General Terms and Conditions, any **Insured Person** shall have the right to elect an **Extended Reporting Period** for only such **Insured Person**, subject to the provisions of this policy. The extension of coverage pursuant to any such individual **Extended Reporting Period** shall apply only with respect to **Loss** which is incurred by the **Insured Person** who elected such extension of coverage and which is not indemnified by any **Company**, and shall not apply to any other coverage afforded under this policy.

This right of extension shall lapse unless written notice of such election is given by the **Insured Person** to the Insurer within thirty (30) days after the **Policyholder's** right to exercise the **Extended Reporting Period** has expired. If one or more **Insured Persons** give such written notice within such thirty (30) day period, then promptly after expiration of such thirty (30) day period the Insurer shall notify all the **Insured Persons** who elected such individual **Extended Reporting Period** of the additional premium payable by each such **Insured Person** for such extension. This extension of coverage for any such **Insured Person** is conditioned upon such **Insured Person** paying such additional premium within fifteen (15) days after being notified of the amount of the additional premium.

III. DEFINITIONS

When used in this Coverage Part, the following terms, whether in the singular or plural, are defined as follows:

A. **Claim** means:

1. a written demand against any **Insured** for monetary damages or non-monetary or injunctive relief commenced by the **Insured's** receipt of such demand, including a written demand that the **Insured** toll or waive a statute of limitations;
2. a civil proceeding against any **Insured** commenced by the service upon or other receipt of a complaint or similar pleading;
3. a criminal proceeding against any **Insured** commenced by a return of an indictment, information or similar document;
4. an administrative or regulatory proceeding against any **Insured** commenced by the filing or receipt of a notice of charges or similar document;
5. a civil, criminal, administrative or regulatory investigation of any **Insured Person** commenced by the service upon or other receipt by the **Insured Person** of a written notice, investigative order or subpoena from the investigating authority identifying by name the **Insured Person** as an individual against whom a proceeding may be commenced;
6. an official request for the **Extradition** of any **Insured Person** or the execution of a warrant for the arrest of any **Insured Person** where such execution is an element of **Extradition**;
7. an arbitration, mediation or other alternate dispute resolution proceeding against any **Insured**; or
8. a **Securityholder Derivative Demand**;
for a **Wrongful Act**, including any appeal therefrom;
9. solely with respect to Insuring Clause A and Insuring Clause D, any request, demand or subpoena by a regulatory, administrative, governmental or similar authority to interview or depose an **Insured Person**, or for the production of documents by an **Insured Person**, in his or her capacity as such.

B. **Corporate Manslaughter Costs** means reasonable and necessary fees, costs and expenses (other than regular or overtime wages, salaries, bonuses, stock options, or fees, or any other form of compensation, fees of **Insured Persons** or of the directors, officers or employees of the **Company**) consented to by the Insurer in writing and incurred by an **Insured Person** in the investigation, adjustment, defense and/or appeal of a **Claim** made against the **Company** for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007 or similar criminal statute.

C. **Employee** means the following:

1. any natural persons in the regular service of the **Company** in the ordinary course of the **Company's** business and whom the **Company** compensates by salary, wages and/or commissions and has the right to govern and direct in the performance of such service, including any such natural persons who are leased, temporary, part-time or seasonal employees of the **Company**
2. **Independent Contractor**; and
3. volunteers of the **Company**;

provided any coverage for any such leased employees or **Independent Contractors** shall be specifically excess of any indemnification or insurance otherwise available to such leased employees or **Independent Contractors** from the applicable leasing company or any source.

D. **Environmental Mismanagement Claim** means any **Claim** based upon, arising out of or attributable to an **Environmental Event** if and to the extent such **Claim**: (i) is against an **Insured Person** for **Wrongful Acts** in connection with misrepresenting or failing to disclose information related to actual or alleged global warming or climate changes, or (ii) results in **Loss** incurred by **Insured Persons** for which the **Company** does not indemnify the **Insured Persons** either because the **Company** is neither permitted nor required to grant such indemnification or because of **Financial Impairment**.

E. **Independent Contractor** means any natural person doing work pursuant to a written contract with the **Company** who is treated under applicable law as an employee of the **Company**.

F. **Insured Person** means:

1. any one or more natural persons who were, now are or shall become a duly elected or appointed director, trustee, governor, **Manager**, officer, advisory director, advisory board member, or member of a duly constituted committee or board of the **Company** or their functional equivalent, or one or more natural persons who are assigned titles or positions which are functionally equivalent to directors or officers with respect to wholly owned foreign operations of the **Company**;
2. any one or more natural persons not described in Subsection 1 above who were, now are or shall become **Employees** (including employed lawyers solely in their capacity as an **Employee**) of the **Company**; and
3. any one or more natural persons described in Subsection 1 above while serving in an **Outside Position**;

provided that **Employees** described in Subsection 2 above shall not be considered **Insured Persons** for purposes of Subsection II.B and Exclusions A or B in Section IV of this Coverage Part.

G. **Insureds** means the **Insured Persons** and, solely with respect to Insuring Clause B and Insuring Clause C, the **Company**.

H. **Loss** means the total amount the **Insureds** become legally obligated to pay on account of **Claims** made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, damages (including punitive, exemplary or multiple damages), judgments, any award of pre-judgment and post-judgment interest with respect to covered damages, settlements, **Corporate Manslaughter Costs**, **Defense Costs**, **Plaintiff Fees**, and civil money penalties assessed against an **Insured** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. §78dd-2(g)(2)(B) or for a violation of any federal, state, local or foreign election law if such election law violation is not knowing or willful.

Loss also includes, subject to the Sublimit of Liability as set forth in Item 7 of the Declarations, **Securityholder Derivative Demand Investigative Costs**.

The insurability of such punitive, exemplary or multiple damages and civil money penalties shall be determined under the laws of any applicable jurisdiction most favorable to the **Insureds**, including without limitation the jurisdiction in which the **Company**, the **Insured Persons**, the Insurer, this policy or such **Claim** is located.

Loss does not include any of the following:

1. any amount not indemnified by the **Company** for which the **Insureds** are absolved from payment by reason of any covenant, agreement or court order;
2. taxes, fines or penalties imposed by law, other than civil money penalties expressly referenced above in the first paragraph of this subsection III.H;
3. any amount incurred by the **Company** that represents or is substantially equivalent to an increase in the consideration paid or proposed to be paid by a **Company** in connection with its purchase of any securities or assets;
4. any amount incurred by the **Company** to comply with any injunctive or other equitable relief or any agreement to provide such relief; or
5. matters uninsurable under the law pursuant to which this policy is construed;

provided Subsections 1 through 4 above do not apply to **Defense Costs**.

I. **Outside Entity** means:

1. any organization chartered and operated as a not-for-profit organization, provided such organization is not a financial institution;
2. any for-profit organization, provided (i) the consolidated assets of such organization are less than the consolidated assets of the **Policyholder** or fifty million dollars (50,000,000), whichever is less, (ii) such organization is not a financial institution or healthcare entity, and (iii) the securities of such organization are not publicly owned or traded; or
3. any other organization specifically included as an **Outside Entity** by endorsement to this policy;

provided such organization is not included in the definition of **Company**.

J. **Outside Position** means the position of director, officer, manager, trustee, governor or other equivalent executive position in an **Outside Entity** held by an **Insured Person**, if service in such position is with the knowledge and consent of, at the direction or request of, or part of the duties regularly assigned to the **Insured Person** by, the **Company**.

K. **Personal Injury** means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel and slander, invasion of privacy or wrongful entry or eviction.

L. **Plaintiff Fees** means the plaintiff attorney's fees and/or costs that are awarded by the court in a final, non-appealable judgment.

M. **Retired Independent Director** means any **Insured Person** who (i) formerly served but no longer serves as a duly elected or appointed director, trustee, governor or functional equivalent executive of the **Policyholder**, (ii) never has been an officer of any **Company**, and (iii) no longer serves any **Company** or **Plan** in any insured capacity under this policy.

N. **Securities Claim** means a **Claim** (other than a criminal proceeding or formal administrative or regulatory proceeding) against any **Insured** for a **Wrongful Act** which in whole or in part is in connection with the purchase or sale of, or offer to purchase or sell, any securities issued by the **Company**, whether such purchase, sale or offer occurs with respect to the **Company's** issuance of securities or otherwise.

O. **Securityholder Derivative Demand** means any written demand, by one or more securityholder(s) of the **Company**, upon the Board of Directors or Board of Managers of such **Company**, to bring a civil proceeding in a court of law against any **Insured Person**.

P. **Securityholder Derivative Demand Investigative Costs** means reasonable and necessary costs, charges, fees (including but not limited to attorneys' fees and experts fees) and expenses (other than regular or overtime wages, salaries, fees or any other form of compensation of the **Insured Persons** or **Employees** of the **Company**) incurred by the **Company** (including its Board of Directors or any committee of the Board of Directors) in investigating or evaluating on behalf of the **Company** whether it is in the best interest of the **Company** to prosecute the claims alleged in a **Securityholder Derivative Demand**.

Q. **Wrongful Act** means:

1. any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any of the **Insured Persons**, individually or otherwise, in their capacity as such, or in an **Outside Position**, or with respect to Insuring Clause C, by the **Company**; or
2. any matter claimed against the **Insured Persons** solely by reason of their serving in such capacity or in an **Outside Position**.

IV. EXCLUSIONS

The Insurer shall not be liable under this Coverage Part for that portion of **Loss** on account of, and shall not be obligated to defend, any **Claim** made against any **Insured**:

A. **Insured vs. Insured**

brought or maintained by or on behalf of the **Company** or any **Insured Person** in any capacity, provided this exclusion shall not apply to:

1. a **Claim** that is a derivative action brought or maintained on behalf of the **Company** by one or more persons who are not **Insured Persons** if the **Claim** is brought and maintained without the solicitation or active assistance or participation of the **Company** or any **Insured Person** or if the only such solicitation, assistance or participation by the **Company** and **Insured Persons** is (i) solely pursuant to, or in compliance with, a subpoena or similar legal process, or (ii) protected pursuant to any whistleblower statute;
2. a **Claim** brought or maintained by any **Insured Person** for contribution or indemnity, if the **Claim** directly results from another **Claim** covered under this Coverage Part;
3. a **Claim** brought by an **Insured Person** who has not served as an **Insured Person** for at least two (2) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** without the solicitation or active assistance or participation of the **Company** or any other **Insured Person** who is serving or has served as an **Insured Person** within such two (2) year period;
4. a **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver, similar official or creditors committee for such **Company**, or any assignee of such trustee, examiner, receiver, or similar official or creditors committee; or
5. a **Claim** by or on behalf of the **Company** brought and maintained in any non-common law jurisdiction outside the United States;

B. **Outside Entity vs. Insured**

for a **Wrongful Act** by an **Insured Person** in an **Outside Position** if such **Claim** is brought or maintained by or on behalf of the **Outside Entity** in which the **Insured Person** serves, or by or on behalf of any past, present or future director, officer, manager, governor or trustee of such entity, except:

1. a **Claim** that is a derivative action brought or maintained on behalf of such **Outside Entity** by one or more persons who are not directors, officers, managers or trustees of the **Outside Entity** if the **Claim** is brought and maintained without the solicitation or active assistance or participation of the **Company**, any **Insured Person**, the **Outside Entity** or any director, officer, manager or trustee of the **Outside Entity** or if the only such solicitation, assistance or participation by the **Company**, any **Insured Person**, the **Outside Entity** or any director, officer, manager or trustee of the **Outside Entity** is (i) solely pursuant to or in compliance with a subpoena or similar legal process, or (ii) protected pursuant to any whistleblower statute;
2. a **Claim** brought by a director, officer, manager, governor or trustee of such **Outside Entity** who has not served as such for at least two (2) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** without the solicitation by, or active assistance or participation of, such **Outside Entity** or any other director, officer, manager, governor or trustee of such **Outside Entity** who is serving or has served as such within such two (2) year period;
3. a **Claim** brought or maintained by or on behalf of a bankruptcy or insolvency trustee, examiner, receiver, similar official or creditors committee for such **Outside Entity**, or any assignee of such trustee, examiner, receiver, similar official or creditors committee; or
4. a **Claim** by or on behalf of the **Outside Entity** brought and maintained in any non-common law jurisdiction outside the United States;

C. **ERISA**

for an actual or alleged violation of the responsibilities, obligations or duties imposed by **ERISA** or for any other matter claimed against an **Insured** in whole or in part in their capacity as a settlor of any benefit plan or trust;

D. Bodily Injury/Property Damage

for actual or alleged bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof whether or not such property is damaged or destroyed; however, this exclusion shall not apply to (i) any **Claim** under Insuring Clause A (ii) any **Securities Claim** or (iii) **Corporate Manslaughter Costs**;

E. Pollution (Environmental Event)

based upon, arising out of or attributable to an actual or alleged **Environmental Event**; however, this exclusion shall not apply to any **Environmental Mismanagement Claim**;

F. Conduct

based upon, arising out of or attributable to any **Insured's**:

1. deliberate fraud;
2. criminal act or willful violation of any statute or regulation; or
3. profit or remuneration to which such **Insured** was not legally entitled;

established by a final, non-appealable adjudication adverse to such **Insured** in any underlying proceeding; however, this exclusion shall not apply to **Defense Costs**;

G. General Partner

for service by the **Insured Person** in any position or capacity, or for service by the **Company** as a general partner, in any organization other than the **Company** even if the **Company** directed or requested the **Insured Person** to serve in such other position or capacity; however, this exclusion shall not apply to service by the **Insured Person** in an **Outside Position**;

H. Securities

based upon, arising out of or attributable to (i) the actual, alleged or attempted purchase or sale, or offer or solicitation of an offer to purchase or sell, any securities, or (ii) the actual or alleged violation of any federal, state, local or common or foreign law relating to any securities; however, this exclusion shall not apply to any **Claim**:

1. based upon, arising out of or attributable to the purchase or sale, or offer or solicitation of an offer to purchase or sell, any debt or equity securities in a private-placement transaction exempt from registration under the Securities Act of 1933, as amended;
2. based upon, arising out of or attributable to the failure of the **Company** to undertake or successfully complete a public offering of securities, including any "roadshow" disclosures or other activities in connection with such an unsuccessful public offering; or
3. if prior to such purchase or sale, or offer or solicitation of an offer to purchase or sell, securities (i) the Insurer agrees in writing to delete this exclusion with respect to such purchase, sale, offer or solicitation, and (ii) the **Company** pays any additional premium and agrees to any additional terms and conditions reasonably required by the Insurer for such deletion;

I. Employment Practices or Third Party

which alleges an **Employment Practices Wrongful Act** or **Third Party Wrongful Act**;

J. Labor Liability or Violation of Law

based upon, arising out of or attributable to any actual or alleged violation of:

1. any labor or employment-related law, rule, or regulation including:
 - a. the Occupational Safety and Health Act;
 - b. the Worker Adjustment and Retraining Notification Act;

- c. the Equal Pay Act or the Fair Labor Standards Act and any other law or rule concerning wage and hour practices, including but not limited to those regulating off-the-clock work, rest or meal periods, reimbursement of expenses, classification of employees including classification as exempt or non-exempt, timely payment of wages, conversions, unjust enrichment, or unfair business practices; and
2. any actual or alleged violation of the responsibilities, obligations or duties imposed by any law governing workers' compensation, unemployment insurance, social security, disability benefits or similar law;

K. Company Only

solely with respect to Insuring Clause C:

1. Breach of Contract

based upon, arising out of or attributable to any actual or alleged liability of the **Company** under any written, oral or implied contract or agreement, except to the extent that the **Company** would have been liable in the absence of such contract or agreement;

2. Personal Injury

for **Personal Injury**;

3. Taxes

for taxes;

4. Professional Services

for the rendering or failure to render any professional services or any errors or omissions alleged with respect to the rendering or failure to render any professional services for others; however, this exclusion shall not apply to any **Securities Claim**;

5. Anti-Trust

based upon, arising out of or attributable to any actual or alleged violation of the Interstate Commerce Act of 1887, the Sherman Anti-Trust Act of 1890, the Clayton Act of 1914, the Robinson-Patman Act of 1936, the Cellar-Kefauver Act of 1950, the Federal Trade Commission Act, all as amended, or any other foreign, federal, state, local common or statutory laws of any jurisdiction which is designed to prevent monopolistic or other anticompetitive practices, including but not limited to any form of price fixing, price discrimination, predatory pricing, restraint of trade, unfair trade practices or tortious interference with another's actual or prospective business or contractual relationships or opportunities;

6. Infringement of Copyright, Patent, Trademark, Trade Name, Trade Dress or Service Mark

based upon, arising out of or attributable to any actual or alleged infringement of copyright, patent, trademark, trade name, trade dress or service mark, or the actual or alleged misappropriation of ideas or trade secrets or the unauthorized disclosure of or access to confidential information; or

7. Advertising/Product Defect

based upon, arising out of or attributable to the actual or alleged:

- a. malfunction, defect, or failure of any goods or products manufactured, distributed, sold, installed, marketed, developed or processed by the **Company**;
- b. failure of goods, products, brands or services to conform with any statements, representations or any express or implied warranties made in advertising (including, but not limited to advertising via newspapers, magazines, journals, broadcast, radio, television, internet, social media, mailers, contests, sponsorships, endorsements and posters), promotions, marketing or labeling;
- c. incorrect, inadequate or misleading description of goods, products, brands or services in the advertising, marketing, promotions, broadcasting or labeling;
- d. failure to warn or to provide any warnings relating to any risks associated with the use of any goods, products, brands or services, whether required by statute, law, ordinance, regulation or by common law, including but not limited to California Proposition 65, or any other similar or substantially similar federal, state, or local statute; or

- e. manufacture or production of any goods, products, brands or services according to the design intended by the **Insured** which does not:
 - (1) contain any defect in manufacture or production; or
 - (2) have any unexpected or unintended results, consequences, outcomes or effects.

For the purpose of determining the applicability of any Exclusion set forth in this Section IV or Section III of the General Terms and Conditions, the **Wrongful Act** or knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**. Only the **Wrongful Act** or knowledge of an **Executive Officer** of a **Company** shall be imputed to such **Company** and its **Subsidiaries** under Insuring Clause C.

SPECIMEN

Zurich Select Plus Employment Practices and Third Party Liability Coverage Part



I. INSURING CLAUSES

A. EMPLOYMENT PRACTICES LIABILITY COVERAGE

The Insurer shall pay, on behalf of an **Insured, Loss** on account of a **Claim** for an **Employment Practices Wrongful Act** first made against the **Insured** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions.

B. THIRD PARTY LIABILITY COVERAGE

The Insurer shall pay, on behalf of an **Insured, Loss** on account of a **Claim** for a **Third Party Wrongful Act** first made against the **Insured** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions.

II. ENVIRONMENTAL MISMANAGEMENT COVERAGE EXTENSION

Subject to this policy's other terms and conditions, coverage under Insuring Clause A of this coverage part for **Claims** against **Insured Persons** includes coverage for any **Environmental Mismanagement Claim**.

III. DEFINITIONS

When used in this Coverage Part, the following terms, whether in the singular or plural, are defined as follows:

A. **Claim** means:

1. a written demand against any **Insured** for monetary or non-monetary damages or injunctive relief commenced by the **Insured's** receipt of such demand, including a written demand that the **Insured** toll or waive a statute of limitations;
2. a civil proceeding against any **Insured** commenced by the service upon or receipt of a complaint or similar pleading;
3. an administrative or regulatory proceeding against any **Insured**, including a proceeding before the Equal Employment Opportunity Commission or a similar state or local governmental body, commenced by the filing of a charge or similar document; and
4. an arbitration, mediation, or other alternative dispute resolution proceeding against any **Insured** commenced by the **Insured's** receipt of such a request;

alleging a **Wrongful Act**, including any appeal therefrom; provided, **Claim** does not include a labor or grievance proceeding pursuant to a collective bargaining agreement.

B. **Employee** means any natural person whose labor or service is directed by the **Company** in the ordinary course of its business, including any person who is:

1. employed by the **Company**, regardless of whether such person is a past, present, prospective, part-time, temporary, seasonal, contract or leased employee;
2. a volunteer or intern of the **Company**;
3. an **Independent Contractor**; and
4. an applicant for employment with the **Company**;

provided any coverage for leased employees or **Independent Contractors** shall be specifically excess of any indemnification or insurance otherwise available to such leased employees or **Independent Contractors**, from any source.

C. **Environmental Mismanagement Claim** means any **Claim** brought by an **Employee** alleging an **Employment Practices Wrongful Act** and based upon, arising out of or attributable to an **Environmental Event** if and to the

extent such **Claim**: (i) is against an **Insured Person** for retaliatory treatment, or (ii) results in **Loss** incurred by an **Insured Person** for which the **Company** does not indemnify the **Insured Person** either because the **Company** is neither permitted nor required to grant such indemnification or because of **Financial Impairment**.

- D. **Independent Contractor** means a natural person (a) who alleges to be an employee of the **Company**; or (b) to whom the **Company** provides indemnification in the same manner as its **Employees**.
- E. **Insured Person** means any one or more natural persons who were, now are or shall become a duly elected or appointed director, trustee, governor, **Manager**, officer, **Employee** (including employed lawyers solely in their capacity as an **Employee**), advisory director, or member of a duly constituted committee or board of the **Company**, or their functional equivalent, or one or more natural persons who are assigned titles or positions which are functionally equivalent to directors or officers with respect to wholly owned foreign operations of the **Company**.

However, an **Employee** who is an **Independent Contractor** is only an **Insured Person** if the **Company** agrees in writing within thirty (30) days after the **Claim** is made to provide indemnification to such **Independent Contractor** for any **Loss** arising out of such **Claim**, subject to other limitations noted in the definition of **Employee** set forth in this Coverage Part.

- F. **Insured** means the **Insured Persons** and the **Company**.
- G. **Loss** means the total amount the **Insured** becomes legally obligated to pay on account of **Claims** made against them for **Wrongful Acts** for which coverage applies, including, but not limited to, covered judgments and settlements and covered damages (including back pay, front pay, punitive, exemplary or multiple damages and associated pre-judgment and post-judgment interest), **Defense Costs**, prevailing plaintiff attorney's fees awarded as a result of a covered judgment, and liquidated damages awarded under the Age Discrimination in Employment Act, the Equal Pay Act or the Family Medical Leave Act.

The insurability of such punitive, exemplary, liquidated and multiple damages or attorneys' fees shall be determined under the laws of any applicable jurisdiction most favorable to the **Insureds**, including without limitation the jurisdiction in which the **Company**, the **Insured Persons**, the Insurer, this policy or such **Claim** is located.

Loss does not include any of the following:

1. any amount not indemnified by the **Company** for which the **Insured** is absolved from payment by reason of any covenant, agreement or court order;
 2. taxes, fines or penalties imposed by law;
 3. the cost of any non-monetary relief, including without limitation any costs associated with (i) compliance with an injunction, or (ii) providing reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans with Disabilities Act and any amendments thereto or any similar federal, state, local or foreign statute, regulation, or common law;
 4. compensation earned by the claimant in the course of employment but not paid by the **Company**, including any unpaid salary, bonus, hourly pay, overtime pay, severance pay, retirement benefits, vacation days, sick days, prerequisites, stock options or similar rights; provided this exclusion shall not apply to back pay or front pay or any additional compensation allegedly due as a result of alleged discrimination or wrongful dismissal, discharge or termination of employment;
 5. amounts owing under or assumed by the **Insured** pursuant to a written contract or written severance obligation of the **Company**; but this exclusion shall not apply if and to the extent that liability would have attached to the **Insured** in the absence of the written contract or severance obligation of the **Company**;
 6. medical, insurance or other benefits (or the equivalent value thereof) to which the claimant allegedly was entitled or would have been entitled had the **Company** provided the claimant with a continuation or conversion of insurance; or
 7. matters uninsurable under the law pursuant to which this policy is construed
- provided subsections 1 through 6 above do not apply to **Defense Costs**.

- H. **Wrongful Act** means an **Employment Practices Wrongful Act** or a **Third Party Wrongful Act**.

IV. EXCLUSIONS

The Insurer shall not be liable under this Coverage Part for that portion of **Loss** on account of, and shall not be obligated to defend, any **Claim** made against any **Insured**:

A. Violations of Law

for an actual or alleged violation of the responsibilities, obligations or duties imposed by:

1. Workers' Compensation, Unemployment Insurance, Social Security, Disability Benefits

any law governing workers' compensation, unemployment insurance, social security, disability benefits or similar law;

2. ERISA

ERISA (except Section 510 thereof);

3. Wage and Hour/ Misclassification

the Fair Labor Standards Act (except the Equal Pay Act) and any other law concerning wage and hour practices, including but not limited to any **Claim** for 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, conversions, unjust enrichment, or unfair business practices; or

4. National Labor Relations Act, WARN, COBRA, OSHA, RICO, FFCA

the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Consolidated Omnibus Budget Reconciliation Act of 1985; the Occupational Safety and Health Act; the Racketeer Influenced and Corrupt Organizations Act; the Federal False Claims Act; and rules or regulations promulgated under any of such statutes or laws, amendments thereto or similar provisions of any federal, state, local or foreign statutory law or common law.

However exclusions 1 - 4 above shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the claimant by the **Insured** on account of the claimant's exercise of rights pursuant to any such law, rule or regulation or for any other actual or alleged violation of any whistleblower statute or law;

B. Bodily Injury/Property Damage

for bodily injury, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof whether or not such property is damaged or destroyed; however this exclusion shall not apply to any **Claim** for emotional distress, mental anguish or humiliation;

C. Pollution (Environmental Event)

based upon, arising out of or attributable to an **Environmental Event**; however, this exclusion shall not apply to any **Environmental Mismanagement Claim**;

D. Breach of Contract for Independent Contractor

based upon, arising out of, or attributable to any actual or alleged breach of any contract or agreement specifying the terms of the **Company's** engagement of an **Independent Contractor**;

E. Failure to Reinstate

based upon, arising out of, or attributable to the employment reinstatement or continued employment of the claimant by the **Company** or, if the **Company** has the option pursuant to an adjudication or settlement to reinstate the claimant as an **Employee** but fails to do so, any **Loss** constituting front pay, future damages or other future economic relief or the equivalent thereof with respect to such claimant;

F. Misclassification of Independent Contractors

based upon, arising out of or attributable to the **Company's** actual or alleged misclassification of a natural person as an independent contractor; or

For the purpose of determining the applicability of any Exclusion set forth in this Section IV or Section III of the General Terms and Conditions, the **Wrongful Act** or knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**, and only the **Wrongful Act** or knowledge of an **Executive Officer** of a **Company** shall be imputed to such **Company** and its **Subsidiaries**.

Zurich Select Plus

Fiduciary Liability Coverage Part



I. INSURING CLAUSES

A. FIDUCIARY LIABILITY COVERAGE

The Insurer shall pay, on behalf of an **Insured**, **Loss** on account of a **Claim** for **Wrongful Acts** first made against the **Insured** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions.

B. VOLUNTARY SETTLEMENT PROGRAMS

The Insurer shall pay, on behalf of an **Insured**, **Voluntary Settlement** and **Defense Costs** which the **Insureds** become legally obligated to pay resulting from a **Settlement Program Notice** first given to the Insurer during the **Policy Period**, provided such **Voluntary Settlement** and **Defense Costs** are incurred after such **Settlement Program Notice** is first given to the Insurer. The Insurer's maximum aggregate liability for all covered **Voluntary Settlements** and **Defense Costs**, combined, shall be subject to the Sublimit of Liability set forth in Item 7 of the Declarations, which is part of, and not in addition to, the Fiduciary Liability Coverage Part Aggregate Limit of Liability set forth in Item 6 of the Declarations.

II. INDIVIDUAL INSURED PERSON EXTENDED COVERAGE EXTENSION

If the **Policyholder** is entitled to but does not exercise the **Extended Reporting Period** pursuant to Section V.B of the General Terms and Conditions, any **Insured Person** shall have the right to elect an **Extended Reporting Period** for only such **Insured Person**, subject to the provisions of this policy. The extension of coverage pursuant to any such individual **Extended Reporting Period** shall apply only with respect to **Loss** which is incurred by the **Insured Person** who elected such extension of coverage and which is not indemnified by any **Company**, and shall not apply to any other coverage afforded under this policy.

This right of extension shall lapse unless written notice of such election is given by the **Insured Person** to the Insurer within thirty (30) days after the **Policyholder's** right to exercise the **Extended Reporting Period** has expired. If one or more **Insured Persons** give such written notice within such thirty (30) day period, then promptly after expiration of such thirty (30) day period the Insurer shall notify all the **Insured Persons** who elected such individual **Extended Reporting Period** of the additional premium payable by each such **Insured Person** for such extension. This extension of coverage for any such **Insured Person** is conditioned upon such **Insured Person** paying such additional premium within fifteen (15) days after being notified of the amount of the additional premium.

III. DEFINITIONS

When used in this Coverage Part, the following terms, whether in the singular or plural, are defined as follows:

A. **Administration** means:

1. providing interpretations to or giving advice or notice to **Employees**, participants, or beneficiaries under any **Plan** and/or effecting enrollment, termination or cancellation of such **Employees**, participants, or beneficiaries;
2. counseling **Employees**, participants, or beneficiaries with respect to, and the handling of records in connection with, a **Plan**; and
3. determining and calculating benefits, preparing, distributing assets of (including distributing assets after the termination of **Plan**) or filing required notices or documents for a **Plan**.

B. **Claim** means:

1. a written demand against any **Insured** for monetary damages or non-monetary or injunctive relief commenced by the **Insured's** receipt of such demand, including a written demand that the **Insured** toll or waive a statute of limitations, or a demand for arbitration, mediation or other alternative dispute resolution;

2. a civil or criminal proceeding against any **Insured** commenced by the service upon or receipt of a complaint, or the return of an indictment or information, or of similar documents;
3. an administrative or regulatory proceeding against any **Insured** commenced by the filing of a notice of charges or similar document;
4. a civil, criminal, administrative or regulatory investigation (including a fact-finding investigation by the Department of Labor, Pension Benefit Guaranty Corporation or similar authority) of any **Insured** commenced by the service upon or other receipt by the **Insured** of a target letter or other written notice from the investigating authority identifying by name the **Insured Person** against whom a proceeding may be commenced; or
5. an official request for the **Extradition** of any **Insured Person** or the execution of a warrant for the arrest of any **Insured Person** where such execution is an element of **Extradition**;

for a **Wrongful Act**, including any appeal therefrom; or

6. solely with respect to Insuring Clause B, **Claim** means a **Settlement Program Notice**.

C. **Covered Civil Penalties** means those civil penalties imposed upon an **Insured**, subject to the Sublimit of Liability set forth in Item 7 of the Declarations, under the following statutes:

1. the five percent (5%) or less civil penalties imposed upon an **Insured** under §502(i) of **ERISA**, as amended (Section 502(i) Penalties);
2. §502(l) of **ERISA** (the twenty percent (20%) or less civil penalties) imposed upon an **Insured** under §502(l) of **ERISA**, and §502(c) of **ERISA**;
3. the Pension Protection Act of 2006, as amended;
4. the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended and the Health Insurance Portability and Accountability Act of 1996, as amended;
5. §4975 of the Internal Revenue Code of 1986, as amended (the fifteen percent (15%) or less excise tax penalty), with respect to a covered judgment;
6. the Patient Protection and Affordable Care Act and the Health Care and Education Act of 2010, as amended under rules and regulations, including interim final rules and regulations, provided by governmental agencies (Health Care Reform Act Penalties); and
7. civil penalties imposed upon an **Insured** by the United Kingdom Secretary of State for Social Services or by the United Kingdom Occupational Pensions Regulatory Authority, pursuant to the English Pension Scheme Act 1993, the English Pensions Act 1995, or rules or regulations thereunder (United Kingdom Pensions Penalties), provided any coverage for such civil penalties applies only if the funds or assets of the subject **Plan** are not used to fund, pay or reimburse the premium for this Coverage Part.

D. **Employee** means the following:

1. any natural persons in the regular service of the **Company** in the ordinary course of the **Company's** business and whom the **Company** compensates by salary, wages and/or commissions and has the right to govern and direct in the performance of such service, including any such natural persons who are leased, temporary, part-time or seasonal employees of the **Company**;
2. **Independent Contractor**; and
3. volunteers of the **Company**;

provided any coverage for any such leased employees or **Independent Contractors** shall be specifically excess of any indemnification or insurance otherwise available to such leased employees or **Independent Contractors** from the applicable leasing company or any source.

E. **Independent Contractor** means any natural person doing work pursuant to a written contract with the **Company** who is treated under applicable law as an employee of the **Company**.

F. **Insured Persons** means any one or more natural persons who were, now are or shall become duly elected or appointed directors, trustees, governors, **Managers**, officers, **Employees** (including employed lawyers solely in their capacity as an **Employee**), advisory directors or members of a duly constituted committee or board of any

Company or **Plan** or their functional equivalent, or one or more natural persons who are assigned titles or positions which are functionally equivalent to directors or officers with respect to wholly owned foreign operations of the **Company**.

G. **Insureds** means:

1. the **Insured Persons**;
2. the **Company**; and
3. the **Plans**.

H. **Loss** means the total amount the **Insureds** become legally obligated to pay on account of **Claims** made against them for **Wrongful Acts** for which coverage applies, including, but not limited to damages, an award of pre-judgment and post-judgment interest with respect to covered damages, judgments, settlements, and **Defense Costs**.

1. **Loss** includes:

- a. punitive, exemplary or multiple damages;
- b. **Covered Civil Penalties**; and
- c. solely with respect to Subsection I.B, **Voluntary Settlements**.

The insurability of such punitive, exemplary or multiple damages, **Covered Civil Penalties** and **Voluntary Settlements** shall be determined under the laws of any applicable jurisdiction most favorable to the **Insureds**, including without limitation the jurisdiction in which the **Company**, the **Insured Persons**, the Insurer, this Policy or such **Claim** is located.

2. **Loss** does not include any of the following:

- a. any amount not indemnified by the **Company** for which the **Insureds** are absolved from payment by reason of any covenant, agreement or court order;
 - b. taxes, fines or penalties imposed by law, regardless of whether such taxes, fines or penalties are paid or to be paid to a government entity or to natural persons, other than the civil penalties expressly referenced in (b) above;
 - c. any costs incurred by the **Company** or **Plan** to comply with any injunctive or other non-monetary relief or any agreement to provide such relief;
 - d. surcharge or other relief provided by Section 502(a)(3) of **ERISA**; or
 - e. matters uninsurable under the law pursuant to which this Policy is construed;
- provided Subsections a through d above do not apply to **Defense Costs**.

I. **Plan** means:

1. any Employee Benefit Plan, Pension Benefit Plan or Welfare Benefit Plan, as each is defined in **ERISA**, which was, is now, or hereafter becomes sponsored solely by the **Company**, or sponsored jointly by the **Company** and a labor organization, solely for the benefit of the employees of the **Company**;
2. any other employee benefit plan or program not subject to **ERISA** sponsored solely by the **Company** for the benefit of the employees of the **Company**, including any fringe benefit, excess benefit plan or voluntary employees' beneficiary association;
3. any employee benefit plan or program otherwise described in Subsections 1 or 2 above while such plan or program is being actively developed, formed or proposed by any **Company** prior to the formal creation of such plan or program; and
4. any government-mandated insurance program for workers' compensation, unemployment, social security or disability benefits for employees of the **Company**.

Plan shall not include any "multiemployer plan" or "employee stock ownership plan" as defined by **ERISA**, unless such plan is specifically included as a **Plan** by endorsement to this policy.

- J. **Settlement Program** means any voluntary compliance resolution program or similar voluntary settlement program administered by the United States Internal Revenue Service, United States Department of Labor or any other domestic or foreign governmental authority. Such programs include, without limitation, the Employee Plans Compliance Resolution System, Audit Closing Agreement Program, Voluntary Compliance Resolution Program, Walk-in Closing Agreement Program, Administrative Policy Regarding Self-Correction, Tax Sheltered Annuity Voluntary Correspondence Program, Delinquent Filer Voluntary Compliance Program, and Voluntary Fiduciary Correction Program.
- K. **Settlement Program Notice** means written notice to the Insurer by any **Insured** of the **Insured's** intent to enter into a **Settlement Program**.
- L. **Voluntary Settlement** means any fees, fines or penalties paid by an **Insured** to a governmental authority pursuant to a **Settlement Program** for the actual or alleged inadvertent non-compliance by a **Plan** with any statute, rule or regulation; provided **Voluntary Settlement** shall not include (i) any costs to correct the non-compliance, or any other charges, expenses, taxes or damages; or (ii) any fees, fines or penalties relating to a **Plan** which, as of the earlier of the inception date of this policy or the inception date of the first policy in an uninterrupted series of policies issued by the Insurer of which this policy is a direct or indirect renewal or replacement, any **Insured Person** knew to be actually or allegedly non-compliant.
- M. **Wrongful Act** means:
1. any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by the **Insureds** in the discharge of their duties as, or solely by reason of their status as, fiduciaries of any **Plan**;
 2. any negligent act, error or omission actually or allegedly committed or attempted by the **Insureds** in the **Administration** of a **Plan**; or
 3. any other matter claimed against an **Insured** in the capacity as a settlor of any **Plan**.

IV. EXCLUSIONS

The Insurer shall not be liable under this Coverage Part for that portion of **Loss** on account of, and shall not be obligated to defend, any **Claim** made against any **Insured**:

A. **Bodily Injury/Property Damage**

for bodily injury, mental anguish, emotional distress, humiliation, sickness, disease or death of any person or damage to or destruction of any tangible property, including loss of use thereof whether or not such property is damaged or destroyed; provided this exclusion shall not apply to any **Defense Costs** on account of a **Claim** for emotional distress or mental anguish;

B. **Conduct**

based upon, arising out of or attributable to any **Insured's**:

1. deliberate fraud;
2. criminal act or willful violation of any statute or regulation; or
3. profit or remuneration to which such **Insured** was not legally entitled;

established by a final, non-appealable adjudication adverse to such **Insured** in any underlying proceeding; however, this exclusion shall not apply to **Defense Costs**;

C. **Pollution (Environmental Event)**

based upon, arising out of or attributable to an **Environmental Event**; provided this exclusion shall not apply to any **Claim** by or on behalf of a beneficiary or participant in a **Plan** for diminution in value of any securities owned by the **Plan**;

D. **Breach of Contract**

for liability of others assumed by the **Insured** under any oral, written or implied contract or agreement, but this exclusion shall not apply to the extent (i) the **Insured** would have been liable in the absence of such contract or agreement; or (ii) the liability was assumed in accordance with or under the trust agreement or equivalent document pursuant to which the **Plan** was established;

E. Workers Compensation, Unemployment, Social Security, Disability

based upon, arising out of, or attributable to any actual or alleged obligation of any **Insured** pursuant to any government-mandated insurance for worker's compensation, unemployment, social security or disability benefits; provided this exclusion shall not apply to any actual or alleged obligation of any **Insured** pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 or Health Insurance Portability and Accountability Act of 1996, as amended;

F. Discrimination

for discrimination in violation of any law other than **ERISA**;

G. Benefits Due, Contributions Owed

if such **Loss** constitutes:

1. (i) benefits due or to become due under any **Plan**, or (ii) benefits which would be due under any **Plan** if such **Plan** complied with all applicable law, or (iii) that portion of any settlement or judgment which constitutes such benefits; provided this Exclusion (G)(1) shall not apply to the extent that recovery for such benefits is based upon a covered **Wrongful Act** by an **Insured Person** and such benefits are payable as a personal obligation of such **Insured Person**; or
2. contributions owed by the **Company** to any **Plan** which any of the **Insureds** failed to collect from the **Company** unless the failure is because of the negligence of an **Insured**;

provided this exclusion shall not apply to (i) **Defense Costs**, or (ii) that portion of a settlement or judgment attributable to **Wrongful Acts** which actually or allegedly cause or contribute to a reduction or loss in the value of a **Plan's** assets or a participant's account in a **Plan** due to investment losses, lost investment opportunities, excessive costs or failure to comply with the participant's investment directions;

H. Fair Labor Standards Act, National Labor Relations Act, WARN, OSHA

based upon, arising out of or attributable to, whether directly or indirectly related to, in whole or in part, any actual or alleged violation of responsibilities, obligations or duties imposed by the:

1. Fair Labor Standards Act or any other law concerning wage and hour practices, including but not limited to any **Claim** for 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 (including overtime pay), benefits, improper payroll deductions, failure to maintain accurate time records, conversions, unjust enrichment, or unfair business practices; or
2. National Labor Relations Act, the Worker Adjustment and Retraining Notification (WARN) Act or the Occupational Safety and Health Act (OSHA); or

For the purpose of determining the applicability of any Exclusion set forth in this Section IV, the **Wrongful Act** or knowledge of any **Insured Person** shall not be imputed to any other **Insured Person**, and only the **Wrongful Act** or knowledge of an **Executive Officer** (i) of a **Company** shall be imputed to such **Company** and its **Subsidiaries**, and (ii) of a **Plan** shall be imputed to such **Plan**.

Zurich Select Plus Crime Coverage Part



I. INSURING CLAUSES

Coverage is provided under Insuring Clauses A through H of this coverage part for loss sustained, or under Insuring Clause I and J of this coverage part for costs incurred, by the **Insured** resulting directly from an **Occurrence** taking place during the **Policy Period**, except as provided in Subsections V.A.13 and V.A.14, that is **Discovered** during the **Policy Period** or the Extended Period To Discover Loss as provided under Subsection V.A.5.

A. EMPLOYEE THEFT

The Insurer will pay for loss of or damage to **Money, Securities or Property** sustained by the **Insured** resulting directly from **Theft or Forgery** committed by an **Employee** acting alone or in collusion with other persons.

B. CLIENT'S PROPERTY

The Insurer will pay for loss of or damage to **Money, Securities or Property** sustained by a **Client** of the **Insured** resulting directly from **Theft or Forgery** committed by an **Employee** not in collusion with such **Client's** employees.

C. FORGERY OR ALTERATION

The Insurer will pay for loss resulting directly from **Forgery** or alteration of:

1. checks (including substitute checks as defined in the Check Clearing for the 21st Century Act), drafts, promissory notes or similar written promises, orders or directions to pay a sum certain in **Money** that are made or drawn by or drawn upon the **Insured**; or made or drawn by one acting as the **Insured's** agent; or that are purported to have been so made or drawn.

If the **Insured** is sued for refusing to pay any such instrument on the basis that it has been forged or altered, and the **Insured** has the Insurer's written consent to defend against the suit, the Insurer will pay any reasonable legal expenses that the **Insured** incurs and pays in that defense. The amount that the Insurer will pay for such legal expenses is in addition to the Limit of Liability applicable to this Insuring Clause; or

2. any written instrument required in conjunction with any credit, debit or charge card issued to the **Insured** or any **Employee** for business purposes.

D. ON PREMISES

1. Theft of Money or Securities

- a. The Insurer will pay for loss resulting directly from the **Theft of Money or Securities** inside the **Premises** or **Banking Premises** committed by a person present inside such premises, or resulting directly from the actual disappearance or destruction of **Money or Securities**.
- b. The Insurer will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft of Money or Securities**, if the **Insured** is the owner of the **Premises** or is liable for damage to it.
- c. The Insurer will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft** of or unlawful entry into those containers.

2. Robbery or Safe Burglary of Property

- a. The Insurer will pay for loss of or damage to **Property** inside the **Premises**, resulting directly from an actual or attempted **Robbery** of a **Custodian** or to **Property** which is in a safe or vault resulting directly from an actual or attempted **Safe Burglary**.
- b. The Insurer will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Robbery** or **Safe Burglary of Property** if the **Insured** is the owner of the **Premises** or is liable for damage to it.

- c. The Insurer will pay for loss of or damage to a locked safe or vault located inside the **Premises** resulting directly from an actual or attempted **Robbery** or **Safe Burglary**.

E. IN TRANSIT

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

F. COMPUTER FRAUD AND FUNDS TRANSFER FRAUD

The Insurer will pay:

1. for loss of or damage to **Money**, **Securities** or **Property** resulting directly from the use of any computer to fraudulently cause a transfer of **Money**, **Securities** or **Property** from inside the **Premises** or **Banking Premises** to either a person (other than a **Messenger**) outside those **Premises** or a place outside those **Premises**; and
2. for loss of **Money** or **Securities** resulting directly from a **Funds Transfer Fraud** directing a **Financial Institution** to transfer, pay or deliver such **Money** or **Securities** from the **Insured's Transfer Account**.

G. FRAUDULENT IMPERSONATION

The Insurer will pay for loss resulting directly from the **Insured** having, in good faith, transferred **Money**, **Securities** or **Property** in reliance upon a **Transfer Instruction** purportedly issued by the **Insured** or by an **Employee**, **Customer** or **Vendor**, but which **Transfer Instruction** is proven to have been fraudulently issued by an imposter without the knowledge or consent of the **Insured** or such **Employee**, **Customer** or **Vendor**; provided that prior to transferring, paying or delivering transferred **Money**, **Securities** or **Property**, the **Insured** completed the **Insured's** applicable verification internal controls and procedures.

H. MONEY ORDERS AND COUNTERFEIT MONEY

The Insurer will pay for loss resulting directly from the **Insured's** good faith acceptance, in exchange for merchandise, **Money** or services, of money orders issued by any post office, express company or bank that are not paid upon presentation or **Counterfeit Money** acquired during the regular course of business.

I. ELECTRONIC DATA OR COMPUTER PROGRAMS RESTORATION COST

The Insurer will pay for costs that the **Insured** incurs to restore or replace damaged or destroyed **Electronic Data** or **Computer Programs** stored within the **Insured's Computer System** resulting directly from:

1. a virus designed to damage or destroy **Electronic Data** or **Computer Programs**; or
2. vandalism by a person who has gained unauthorized access to the **Insured's Computer System**.

Such costs shall include reasonable costs to restore the **Insured's Computer System** to the level of operational capability that existed before the virus or vandalism occurred.

J. INVESTIGATIVE EXPENSES

The Insurer will pay **Investigative Expenses** incurred and paid by the **Insured** to determine the amount of loss covered under this Coverage Part; subject to the following:

1. The Insurer will have no liability to pay any **Investigative Expenses** if the amount of the covered loss does not exceed the Deductible of the applicable Insuring Clause.
2. The amount that the Insurer pays is part of, not in addition to, the Limit of Liability for the applicable Insuring Clause.
3. The Insurer will pay such reasonable costs, fees or other expenses after settlement of covered loss.

II. DEFINITIONS

When used in this Coverage Part, the following terms, whether in the singular or plural, are defined as follows:

- A. **Application** means the written application for this Coverage Part and all attachments and materials submitted to the Insurer in connection therewith or incorporated therein.
- B. **Banking Premises** means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- C. **Client** means any person or entity for which the **Insured** performs services under a written contract.
- D. **Computer Program** means a set of related electronic instructions that direct the operations and functions of a computer and computer devices connected to it and enable the computer or devices to receive, process, store, retrieve or send **Electronic Data**.
- E. **Computer System** means computers and related peripheral components; systems and applications software; terminal devices; and related communications networks; by which **Electronic Data** is received, processed, stored, retrieved or sent.
- F. **Counterfeit Money** means an imitation of **Money** that is intended to deceive and to be taken as genuine.
- G. **Custodian** means the **Insured**, its partners, **Members** or **Employees** while having care and custody of **Property** inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.
- H. **Customer** means an entity or individual to whom the **Insured** sells goods or provides services under a written contract.
- I. **Discover, Discovery** or **Discovered** means as soon as the **Insured's** partner, **Member, Manager**, officer, director, Risk Manager, in-house General Counsel or persons serving in functionally equivalent positions not in collusion with the perpetrator of the loss:
1. first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Coverage Part has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known; or
 2. first receives notice of an actual or potential claim in which it is alleged that the **Insured** is liable to a third party under circumstances which, if true, would constitute a loss under this Coverage Part.
- J. **Electronic Data** means information, facts or **Computer Programs** stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.
- K. **Employee** means any natural person:
1. while in the **Insured's** service and who the **Insured** compensates directly by salary, wages or commissions and has the right to direct and control while performing services for the **Insured**;
 2. furnished to the **Insured** temporarily to substitute for a permanent **Employee** as defined in Subsection II.K.1 who is on leave or to meet seasonal or short-term workload conditions but only while such person is subject to the **Insured's** direction and control and performing services for the **Insured**, excluding, however, any such person while having care and custody of property outside the **Premises**;
 3. who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, to perform duties related to the conduct of the **Insured's** business, but does not mean a temporary employee as defined in Subsection II.K.2;
 4. who is a volunteer while in the regular service of the **Insured** and in the ordinary course of its business, which the **Insured** has the right to govern and direct in the performance of such service;
 5. who is a trustee, fiduciary, officer, employee, administrator or other plan official while in the regular service of an **Employee Benefit Plan**;
 6. who is a former or retired **Employee**, partner, **Member, Manager** or trustee retained as a consultant while performing services for the **Insured**;
 7. 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**;
 8. who is an **Employee** while on leave for military service; or

9. who is a **Manager**, trustee or non-compensated officer of the **Insured** while performing acts within the scope of the usual duties of an **Employee** or while acting as a member of any committee duly elected or appointed by resolution of the **Insured's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Insured's** behalf.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in the definition of **Employee**.

- L. **Employee Benefit Plan** means any welfare or pension benefit plan sponsored by the **Insured** for the benefit of its **Employees** which is subject to **ERISA** or the Pension Protection Act of 2006 and any amendments thereto.
- M. **Financial Institution** means any bank including any merchant or investment bank, finance company, insurance or reinsurance company, mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally to engage in commodities, futures or foreign exchange trading or any other similar entity.
- N. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature that consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- O. **Funds Transfer Fraud** means:
1. a fraudulent electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction directing a **Financial Institution** to debit the **Insured's Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from that **Transfer Account**, which instruction purports to have been issued by the **Insured**, but which was in fact fraudulently issued by someone else without the **Insured's** knowledge or consent; or
 2. a written instruction (other than those described in Insuring Clause C) issued to a **Financial Institution** directing the **Financial Institution** to debit the **Insured's Transfer Account** and to transfer, pay or deliver **Money** or **Securities** from that **Transfer Account**, through an electronic funds transfer system at specified times or under specified conditions, which instruction purports to have been issued by the **Insured**, but which was in fact issued, forged or altered by someone else without the **Insured's** knowledge or consent.
- P. **Insured** means the **Policyholder** and any **Subsidiary** or, solely with respect to Insuring Clause A, any **Employee Benefit Plan**.
- Q. **Investigative Expenses** means reasonable and necessary expenses (other than internal corporate fees, costs or obligations or **Employee** wages and salaries) incurred by the **Insured** to establish the existence and amount of a covered loss, with the prior written consent of the Insurer, in connection with a loss to be paid under this Coverage Part. The reasonableness of such expenses shall be determined by the Insurer. **Investigative Expenses** shall not include expenses incurred by any **Client**.
- R. **Member** means an owner of a limited liability company represented by its membership interest, who also may serve as a **Manager**.
- S. **Messenger** means the **Insured**, its partners, **Members** or any **Employees**, while having care and custody of property outside the **Premises**.
- T. **Money** means currency, coins and bank notes in current use and having a face value, bullion, traveler's checks, register checks and money orders held for sale to the public.
- U. **Occurrence** means the following:
1. Under Insuring Clause A and Insuring Clause B, all loss or losses caused by, or involving, one or more **Employees**, whether the result of a single act or series of related acts.
 2. Under Insuring Clause C, all loss or losses caused by any person or in which that person is involved, whether acting alone or in collusion with other persons and whether the loss involves one or more instruments.
 3. Under Insuring Clause I.1, all covered costs incurred by the **Insured** between the time the damage or destruction is **Discovered** and the time the **Insured's Computer System** is restored to the level of operational capacity that existed before the virus occurred. Recurrence of the same virus after the **Insured's Computer System** has been restored shall constitute a separate occurrence.
 4. Under all other Insuring Clauses, all loss or losses caused by 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.

- V. **Premises** means the interior of that portion of any building the **Insured** occupies in conducting its business.
- W. **Property** means any tangible property other than **Money** and **Securities** that has intrinsic value. **Property** does not include **Computer Programs** or **Electronic Data** or any property specifically excluded under this Coverage Part.
- X. **Robbery** means the unlawful taking of **Money**, **Securities** or **Property** from the care and custody of a person by one who has caused or threatened to cause that person bodily harm or committed an obviously unlawful act witnessed by that person.
- Y. **Safe Burglary** means the unlawful taking of:
1. **Money**, **Securities** or **Property** from within a locked safe or vault within the **Premises** 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**.
- Z. **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 the **Insured**, but does not include **Money**.
- AA. **Theft** means the unlawful taking of **Money**, **Securities** or **Property** to the deprivation of the **Insured**, or solely for the purpose of Insuring Clause B, of a **Client**.
- BB. **Transfer Account** means an account maintained by the **Insured** at a **Financial Institution** from which the **Insured** can initiate the transfer, payment or delivery of **Money** or **Securities** by means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or written instructions (other than those described in Insuring Clause C) establishing the conditions under which such transfers are to be initiated by such **Financial Institution** through an electronic funds transfer system.
- CC. **Transfer Instruction** means an instruction directing the **Insured** to transfer **Money**, **Securities** or **Property**.
- DD. **Vendor** means an entity or individual from whom the **Insured** purchases goods or receives services under a written contract.
- EE. **Watchperson** means any person the **Insured** retains specifically to have care and custody of **Money**, **Securities** or **Property** inside the **Premises** and who has no other duties.

III. EXCLUSIONS

A. This Coverage Part does not cover:

1. **Acts Committed by the Insured, Insured's Partners or Members**

loss resulting from **Theft**, **Forgery** or any other dishonest act committed by the **Insured** or its partners or **Members**, whether acting alone or in collusion with other persons;

2. **Acts of Employees, Managers, Trustees or Authorized Representatives**

loss resulting from **Theft**, **Forgery** or any other dishonest act committed by any **Employee**, **Manager** or any trustee or authorized representative of the **Insured**, while performing services for the **Insured** or otherwise, whether acting alone or in collusion with other persons, except when covered under Insuring Clause A or Insuring Clause B;

3. **Confidential or Personal Information**

loss resulting from the unauthorized use or disclosure of the **Insured's** confidential information (including but not limited to patents, trade secrets, processing methods or customer lists) or personal information belonging to an **Insured** or **Client** (including but not limited to financial, health credit card or other non-public information);

4. **Government Action**

loss resulting from seizure or destruction of **Money**, **Securities** or **Property** by order of governmental authority;

5. **Indirect Loss**

loss that is an indirect result of an **Occurrence** covered by this Coverage Part including, but not limited to, loss resulting from:

- a. the **Insured's** inability to realize income, including but not limited to interest, dividends and profits that the **Insured** would have realized had there been no loss of or damage to **Money, Securities or Property**;
- b. payment of damages of any type for which the **Insured** is legally liable, except the Insurer will pay compensatory damages arising directly from a loss covered under this Coverage Part; or
- c. payment of costs, fees or other expenses the **Insured** incurs in establishing either the existence or the amount of loss under this Coverage Part, except when covered under Insuring Clause J;

6. **Legal Fees, Costs and Expenses**

loss constituting fees, costs and expenses incurred by the **Insured**, which are related to any legal action, except when covered under Insuring Clause C.1;

7. **Nuclear Hazard**

loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused;

8. **Pollution (Environmental Event)**

loss or damage caused by or resulting from an **Environmental Event**;

9. **War and Military Action**

loss or damage resulting from war, including undeclared or civil war; warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;

10. **Intangible Property**

loss of any intangible property, including intellectual property, except when covered under Insuring Clause I; or

11. **Virtual Currency**

loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

B. Insuring Clause A and Insuring Clause B do not cover:

1. **Inventory Shortages**

loss or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation. However, where the **Insured** establishes wholly apart from such computations that it has sustained a loss, then the **Insured** may offer its inventory records and actual physical count of inventory in support of the amount of loss claimed;

2. **Trading**

loss resulting directly or indirectly from trading, whether in the **Insured's** name or in a genuine or fictitious account; provided that this exclusion shall not apply to otherwise covered loss which results in improper financial gain to an **Employee**; and provided further that such loss shall mean only the amount of such improper financial gain and shall not include salary, commissions, fees or other compensation, including but not limited to promotions and raises associated with employment, paid by the **Insured** to such **Employee**; or

3. **Warehouse Receipts**

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

C. Insuring Clause C.2 does not cover:

Credit, Debit or Charge Card

loss arising from any credit, debit, or charge card if the **Insured** has not complied fully with the provisions, conditions, or other terms under which the card was issued.

D. Insuring Clause D and Insuring Clause E do not cover:

1. **Accounting or Arithmetical Errors or Omissions**

loss resulting from accounting or arithmetical errors or omissions;

2. **Exchange or Purchases**

loss resulting from giving or surrendering **Money, Securities** or **Property** in any exchange or purchase;

3. **Fire**

loss or damage resulting from fire, however caused, except loss of or damage to **Money** or **Securities** or loss from damage to a safe or vault;

4. **Money Operated Devices**

loss of **Money, Securities** or **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. **Motor Vehicles or Equipment and Accessories**

loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached thereto;

6. **Transfer or Surrender of Property**

loss of or damage to **Money, Securities** or **Property** after it has been transferred or surrendered to a person or place outside the **Premises** or **Banking Premises** on the basis of unauthorized instructions or as a result of a threat:

- a. to do bodily harm to any person or damage to any property;
- b. to introduce a denial of service or attack into the **Insured's Computer System** or virus or other malicious instruction into the **Insured's Computer System** that is designed to damage, destroy or corrupt data or **Computer Programs** stored within the **Insured's Computer System**;
- c. to contaminate, pollute or render substandard the **Insured's** products or goods; or
- d. to disseminate, divulge or utilize the **Insured's** confidential information or weaknesses in the source code within the **Insured's Computer System**;

provided this exclusion does not apply under Insuring Clause E to loss of **Money, Securities** or **Property** while outside the **Premises** in the care and custody of a **Messenger** if the **Insured** had no knowledge of any threat at the time the conveyance began or had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat;

7. **Vandalism**

loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Property** by vandalism or malicious mischief; or

8. **Voluntary Parting of Title To or Possession of Property**

loss resulting from the **Insured** or anyone acting on the **Insured's** express or implied authority being induced by any dishonest act to voluntarily part with title to or possession of any **Money, Securities** or **Property**.

E. Insuring Clause F does not cover:

1. **Credit Card Transactions**

loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards;

2. **Fraudulent Instructions**

loss resulting from:

- a. a **Funds Transfer Fraud** directing a **Financial Institution** to transfer, pay or deliver **Funds** from the **Insured's Transfer Account**, except when covered under Insuring Clause F.2.; or
- b. an **Employee** acting upon a fraudulent instruction to transfer, pay or deliver **Money, Securities** or **Property**, but which instruction proves to be fraudulently issued;

3. **Inventory Shortages**

loss or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or a profit and loss computation;

4. **Exchanges or Purchases**

loss resulting from giving or surrendering **Money, Securities or Property** in any exchange or purchase; or

5. **Authorized Access**

loss resulting from a fraudulent:

- a. entry of **Electronic Data** or **Computer Program** into; or
- b. change of **Electronic Data** or **Computer Program** within;

any **Computer System** owned, leased or operated by the **Insured** by a person or organization with authorized access to that **Computer System**.

F. **Fraudulent Preparation**

Insuring Clause I does not cover loss resulting from the fraudulent preparation or input of **Electronic Data** or **Computer Programs** or from errors or omissions in the design of **Computer Programs** or in the programming or processing of **Electronic Data**.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

A. LIMITS OF LIABILITY

The most the Insurer will pay under the Insuring Clauses for all loss resulting directly from an **Occurrence** is the applicable Limit of Liability set forth in Item 7 of the Declarations for the Crime Coverage Schedule.

If any loss is covered under more than one Insuring Clause, the most the Insurer will pay for such loss shall not exceed the largest applicable Limit of Liability available under any one of those Insuring Clauses.

B. DEDUCTIBLE

The Insurer will not pay for loss resulting directly from an **Occurrence** unless the amount of loss exceeds the Deductible set forth in Item 7 of the Declarations for this Coverage Part. The Insurer will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Liability set forth in Item 7 of the Declarations. In the event more than one Deductible could apply to the loss, only the highest Deductible may be applied.

V. CONDITIONS

A. CONDITIONS APPLICABLE TO ALL INSURING CLAUSES

1. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud by the **Policyholder** as it relates to this Coverage Part at any time. It is also void if any **Insured**, at any time, intentionally conceals or misrepresents a material fact concerning this Coverage Part, any **Money, Securities or Property** covered under this Coverage Part, the **Insured's** interest in the property covered under this Coverage Part or a claim under this Coverage Part.

2. Changes in Exposure

a. Additional Premises or Employees

If during the **Policy Period**, the **Insured** establishes any additional **Premises** or hires additional **Employees** other than through consolidation or merger with or purchase or acquisition of assets or liabilities of another entity, such **Premises** and **Employees** shall automatically be covered under this Coverage Part.

b. New Organizations or Subsidiaries

Any organization (other than a **Financial Institution**), whether acquired or created, that becomes a **Subsidiary** or is merged or consolidated into the **Insured** during the **Policy Period** shall automatically be covered under this Coverage Part for **Occurrences** taking place after the effective date of such acquisition or creation.

c. Acquisition of the Policyholder

If during the **Policy Period**

- (1) the **Policyholder** merges into or consolidates with another organization and such organization is the surviving entity;
- (2) another organization or person or group of organizations or persons or both acting in concert acquires rights that, when combined with existing rights, enable such organization(s) or person(s) to elect more than fifty percent (50%) of the directors of the **Policyholder**; or
- (3) a receiver, conservator, trustee, liquidator or rehabilitator, or any similar official is appointed with respect to the **Policyholder**;

then coverage under this Coverage Part shall continue until the later of termination of this Coverage Part or any subsequent date to which the Insurer may agree by endorsement, but only if all **Occurrences** contributing to loss covered under this Coverage Part take place prior to such merger, consolidation, acquisition or appointment.

3. Duties in the Event of Loss

After the **Insured's** partner, **Member, Manager**, Risk Manager, in-house General Counsel or persons serving in functionally equivalent positions not in collusion with the perpetrator of a loss or situation **Discovers** a loss or a situation that may result in loss of a type covered by this Coverage Part:

- a. the **Policyholder** must notify the Insurer as soon as practicable if the amount of loss is expected to exceed fifty percent (50%) of the Deductible; and
- b. the **Insured** must:
 - (1) submit to examination under oath at the Insurer 's request and give the Insurer a signed statement of the **Insured's** answers regarding the loss;
 - (2) produce for the Insurer 's examination all pertinent records;
 - (3) give the Insurer a detailed, sworn proof of loss as soon as practicable but in no event later than six (6) months after such **Discovery**; and
 - (4) cooperate with the Insurer in the investigation, settlement and recovery of any claim.

4. Employee Benefit Plans

- a. The **Policyholder** must select a Limit of Liability under Insuring Clause A sufficient to provide a Limit of Liability that is at least equal to that required if each **Employee Benefit Plan** was separately insured.
- b. With respect to loss sustained or **Discovered** by any such **Employee Benefit Plan**, Insuring Clause A of this Coverage Part is replaced by the following:

The Insurer will pay for loss of or damage to **Money, Securities** or **Property** resulting directly from fraudulent or dishonest acts committed by an **Employee**, acting alone or in collusion with other persons.

- c. Any payment the Insurer makes for loss sustained by any **Employee Benefit Plan** will be made to the **Employee Benefit Plan** sustaining the loss.
- d. Any payment the Insurer makes for loss sustained by, or for loss of commingled **Money, Securities** or **Property** of, two (2) or more **Employee Benefit Plans** resulting directly from an **Occurrence** will be made to each **Employee Benefit Plan** sustaining the loss in proportion that the Limit of Liability required for each **Employee Benefit Plan** bears to the total Limit of Liability of all **Employee Benefit Plans** sustaining the loss.
- e. No Deductible applies to loss sustained by any **Employee Benefit Plan**.
- f. With respect to coverage provided for **Employee Benefit Plans** under Insuring Clause A, this policy is intended to provide coverage in compliance with **ERISA** Section 412 (29 USC § 1112(a)), and will be deemed enhanced or revised as necessary in a particular instance to provide coverage as required for an **Employee Benefit Plan's** compliance with the minimum bond requirements of **ERISA** Section 412(a), including with regard to minimum amounts of coverage provided.

5. Extended Period to Discover Loss

The Insurer will pay for loss that the **Policyholder** sustained prior to the effective date of cancellation of this Coverage Part and **Discovered**:

- a. no later than sixty (60) days from the date of cancellation; provided that this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Policyholder**, whether from the Insurer or another insurer, that replaces, in whole or in part, the coverage afforded under this Coverage Part, whether or not such other insurance provides coverage for loss sustained prior to its effective date; or
- b. no later than one (1) year from the date of that cancellation with regard to any **Employee Benefit Plans**.

6. Joint Insured

- a. If any **Insured's** partner, **Member**, Risk Manager or in-house General Counsel or other persons serving in functionally equivalent positions has knowledge of any information relevant to this Coverage Part, that knowledge is considered knowledge of every **Insured**.
- b. If this Coverage Part or any of its coverages is cancelled as to any **Insured**, loss sustained by that **Insured** is covered only if it is **Discovered** during the time provided in Subsection V.A.5.
- c. The Insurer will not pay more for loss sustained by more than one **Insured** than the amount the Insurer would pay if all such loss had been sustained by one **Insured**.
- d. Payment by the Insurer to the **Policyholder** for loss sustained by any **Insured** or payment by the Insurer to the **Employee Benefit Plan**, shall fully release the Insurer on account of such loss.

7. Other Insurance

If the **Insured** or any other party in interest in any loss covered by this Coverage Part has other valid and collectible insurance, which would cover such loss in whole or in part in the absence of this Coverage Part, then this Coverage Part shall act as an excess insurance policy and will cover such loss, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such loss is excess of the amount recoverable or received under such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise.

8. Ownership of Property; Interests Covered

- a. The property covered under all Insuring Clauses, except Insuring Clause B and Insuring Clause J, is limited to property that the **Insured** owns or leases or that the **Insured** holds for others whether or not it is legally liable for the loss of such property.
- b. The property covered under Insuring Clause B is limited to **Money**, **Securities** or **Property** that the **Insured's Client** owns or leases or that the **Insured's Client** holds for others whether or not such **Client** is legally liable for the loss of such property.

However, this Coverage Part is for the **Insured's** benefit only. It provides no rights or benefits to any other person or organization, including the **Insured's Client**. Any claim for loss that is covered under this Coverage Part must be presented by the **Policyholder**.

9. Records

The **Insured** must keep records of all **Money**, **Securities** and **Property** covered under this Coverage Part so the Insurer can verify the amount of any loss.

10. Recoveries

Any recoveries, whether effected before or after any payment under this Coverage Part, whether made by the Insurer or the **Policyholder**, shall be applied net of the expense of such recovery:

- a. first, to the **Policyholder** in satisfaction of its covered loss in excess of the amount paid under this Coverage Part;
- b. second, to the Insurer in satisfaction of amounts paid in settlement of the **Policyholder's** claim;
- c. third, to the **Policyholder** in satisfaction of any Deductible; and
- d. fourth, to the **Policyholder** in satisfaction of any loss not covered under this Coverage Part.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Insurer's benefit or recovery of original **Securities** after duplicates of them have been issued.

11. Territory

To the extent legally permissible, this Coverage Part covers loss sustained by the **Insured** resulting directly from **Occurrences** taking place anywhere in the world and all payments of loss by the Insurer shall be made to the **Policyholder**.

12. Valuation – Settlement

a. Loss of Money

The Insurer shall pay for loss of **Money**, but only up to and including its face value, and, at the Insurer's option, pay for loss of **Money** issued by any country other than the United States of America at face value in the **Money** issued by that country, or in the United States dollar equivalent as determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **Discovered**.

b. Loss of Securities

The Insurer shall pay for loss of **Securities** but only up to their value at the close of business on the day the loss was **Discovered**, subject to the applicable Limit of Liability. At the Insurer's option, the Insurer will pay the market value of such **Securities** or replace them in kind, in which event the **Policyholder** must assign to the Insurer all its rights, title and interest in and to those **Securities** and pay the cost of an indemnity bond required to issue duplicates of the **Securities**. However, the Insurer will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the market value of the **Securities** at the close of business on the day the loss was **Discovered** or the Limit of Liability applicable to the **Securities**.

c. Loss of or Damage to Property or Loss from Damage to the Premises

The Insurer shall pay for loss of or damage to **Property** or loss from damage to the **Premises** in an amount not to exceed the lesser of:

- (1) the cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
- (2) the amount the **Insured** actually spends that is necessary to repair or replace the lost or damaged property; or
- (3) the Limit of Liability applicable to the lost or damaged property;

provided, the Insurer will not pay the amounts under Subsection (1), (2) or (3) above unless such property is actually repaired or replaced within a reasonable time after the loss or damage.

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

d. The Insurer shall, at the **Policyholder's** option, settle loss or damage to property other than **Money** in the **Money** of the country in which the loss or damage occurred or in the United States of America dollar equivalent thereof, determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **Discovered**.

e. Any property that Insurer pays for or replaces becomes the Insurer 's property.

13. Loss Sustained During Prior Insurance issued by the Insurer or any Affiliate of The Insurer

a. Loss Sustained Partly During This Coverage Part And Partly During Prior Insurance

If the **Insured Discovers** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place:

- (1) partly during the **Policy Period**; and
- (2) partly during the policy period(s) of any prior cancelled insurance that the Insurer or any the Insurer 's affiliates issued to the **Insured** or any predecessor in interest;

and this Coverage Part became effective at the time of cancellation of the prior insurance, the Insurer will first settle the amount of loss that the **Policyholder** sustained during this **Policy Period**. The Insurer will

then settle the remaining amount of loss that the **Policyholder** sustained during the policy period(s) of the prior insurance.

b. Loss Sustained Entirely During Prior Insurance

If the **Insured Discovers** loss during the **Policy Period** resulting directly from an **Occurrence** taking place entirely during the policy period(s) of any prior cancelled insurance issued to the **Insured** by the Insurer or any affiliate or predecessor in interest thereof, the Insurer will pay for the loss, provided that this Coverage Part became effective at the time of cancellation of the prior insurance and the loss would have been covered under this Coverage Part had it been in effect at the time of the **Occurrence**.

The Insurer will first settle the amount of loss that the **Insured** sustained during the most recent prior insurance. The Insurer will then settle any remaining amount of loss that the **Insured** sustained during the policy period(s) of any other prior insurance.

c. In settling loss subject to this condition:

(1) The most the Insurer will pay for the entire loss is the highest single Limit of Liability applicable during the period of loss, whether such limit was written under this Coverage Part or was written under the prior insurance issued by the Insurer.

(2) The Insurer will apply the applicable Deductible shown in the Declarations to the amount of loss sustained under this Coverage Part.

If no loss was sustained under this Coverage Part, the Insurer will apply the Deductible shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible is larger than the amount of loss sustained under this Coverage Part, or the most recent prior insurance, the Insurer will apply the remaining Deductible to the remaining amount of loss sustained during the prior insurance.

The Insurer will not apply any other Deductible that may have been applicable to the loss.

14. Loss Sustained During Prior Insurance not issued by the Insurer or any Affiliate of the Insurer

a. If the **Insured Discovers** loss during the **Policy Period** resulting directly from an **Occurrence** taking place during the policy period of any prior cancelled insurance that was issued to the **Insured** or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, the Insurer will pay for the loss under this Coverage Part, provided this Coverage Part became effective at the time of cancellation of the prior insurance; and the loss would have been covered under this Coverage Part had it been in effect at the time of the **Occurrence**.

b. In settling loss subject to this condition:

(1) The most the Insurer will pay for the entire loss is the lesser of the Limits of Liability applicable during the period of loss, whether such limit was written under this Coverage Part or was written under the prior cancelled insurance.

(2) The Insurer will apply the applicable Deductible shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

c. The insurance provided under this condition is subject to the following:

(1) If loss covered under this condition is also partially covered under Subsection V. A.13., the amount recoverable under this condition is part of, not in addition to, the amount recoverable under Subsection V.A.13.

(2) For loss covered under this condition that is not subject to Subsection V.A.14.c.(1), the amount recoverable under this condition is part of, not in addition to, the Limit of Liability applicable to the loss covered under this Coverage Part and is limited to the lesser of the amount recoverable under this Coverage Part as of its effective date or the prior cancelled insurance had it remained in effect.

15. Transfer to the Insurer of the Insureds' Rights of Recovery Against Others

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

B. CONDITIONS APPLICABLE TO INSURING CLAUSE A AND INSURING CLAUSE B

Termination as to any Employee

The coverage provided under Insuring Clause A and Insuring Clause B of this Coverage Part terminates as to any **Employee**:

1. as soon as the **Insured's** partner, **Member, Manager**, Risk Manager, in-house General Counsel or persons serving in functionally equivalent positions not in collusion with the perpetrator of a loss or situation becomes aware of a **Theft, Forgery** or any other dishonest or criminal act committed by such **Employee** while employed with or in the service of the **Insured**;
2. as soon as the **Insured's** partner, **Member, Manager**, Risk Manager, in-house General Counsel or persons serving in functionally equivalent positions becomes aware of a **Theft, Forgery** or any other dishonest or criminal act committed by such **Employee** prior to employment or service with an **Insured**, involving **Money, Securities or Property** valued at twenty-five thousand dollars (\$25,000) or more; or
3. ninety (90) days immediately after the **Employee** is no longer in the service of the **Insured**.

C. CONDITIONS APPLICABLE TO INSURING CLAUSE C.1

1. Deductible

The Deductible does not apply to legal expenses paid under Insuring Clause C.1 of this Coverage Part.

2. Electronic and Mechanical Signatures

The Insurer will treat signatures that are produced or reproduced electronically, mechanically or by other means as handwritten signatures.

3. Proof of Loss

The **Policyholder** must include with its proof of loss any instrument involved in that loss or, if that is not possible, an affidavit setting forth the amount and cause of loss.

D. CONDITIONS APPLICABLE TO INSURING CLAUSE D.2 AND INSURING CLAUSE E

1. Armored Motor Vehicle Companies

Under Insuring Clause E, the Insurer will only pay for that part of loss, which the **Insured** cannot recover under the **Insured's** contract with the armored motor vehicle company and from any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

2. Special Limit of Liability for Specified Property

The Insurer will only pay up to five thousand dollars (\$5,000) for any one **Occurrence** of loss of or damage to precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

E. CONDITIONS APPLICABLE TO INSURING CLAUSE F

Special Limit of Liability for Specified Property

The Insurer will only pay up to five thousand dollars (\$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.

Sanctions Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

The following exclusion is added to the policy to which it is attached and supersedes any existing sanctions language in the policy, whether included in an Exclusion Section or otherwise:

SANCTIONS EXCLUSION

Notwithstanding any other terms under this policy, we shall not provide coverage nor will we make any payments or provide any service or benefit to any insured, beneficiary, or third party who may have any rights under this policy to the extent that such cover, payment, service, benefit, or any business or activity of the insured would violate any applicable trade or economic sanctions law or regulation.

The term policy may be comprised of common policy terms and conditions, the declarations, notices, schedule, coverage parts, insuring agreement, application, enrollment form, and endorsements or riders, if any, for each coverage provided. Policy may also be referred to as contract or agreement.

We may be referred to as insurer, underwriter, we, us, and our, or as otherwise defined in the policy, and shall mean the company providing the coverage.

Insured may be referred to as policyholder, named insured, covered person, additional insured or claimant, or as otherwise defined in the policy, and shall mean the party, person or entity having defined rights under the policy.

These definitions may be found in various parts of the policy and any applicable riders or endorsements.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED

SPECIMEN

Cap on Losses from Certified Acts of Terrorism



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

A. Cap on Losses From Certified Terrorism Losses

“Certified act of terrorism” means an act that is certified by the Secretary of the Treasury, in accordance with provisions of the federal Terrorism Risk Insurance Act (“TRIA”), to be an act of terrorism. The Terrorism Risk Insurance Act provides that the Secretary of Treasury shall certify an act of terrorism:

1. To be an act of terrorism;
2. To be a violent act or an act that is dangerous to human life, property or infrastructure;
3. To have resulted in damage within the United States, or outside of the United States in the case of an air carrier (as defined in section 40102 of Title 49, United States Code) or a United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), or the premises of a United States mission; and
4. To have been 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.

No act may be certified as an act of terrorism if the act is committed as part of the course of a war declared by Congress (except for workers’ compensation) or if losses resulting from the act, in the aggregate for insurance subject to TRIA, do not exceed \$5,000,000.

If aggregate insured losses attributable to one or more "certified acts of terrorism" exceed \$100 billion in a calendar year (January 1 through December 31) 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 Treasury.

B. Application of Other Exclusions

The terms and limitations of a terrorism exclusion or any other exclusion, or the inapplicability or omission of a terrorism exclusion or any other exclusion, do not serve to create coverage which would otherwise be excluded, limited or restricted under this policy.

Healthcare Insurance Exchange Claim Sublimit Added



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Fiduciary Liability Coverage Part

It is agreed that:

- I. The Declarations are amended as follows:
 - A. Item 6 of the Declarations is amended to add the following to the Fiduciary Liability Coverage Summary:
01/31/2023 Pending or Prior Date for all **Healthcare Insurance Exchange Claims**
 - B. Item 7 of the Declarations is amended to add the following to the Fiduciary Liability Coverage Schedule:
\$250,000 Aggregate Sublimit of Liability of **Loss** for all **Healthcare Insurance Exchange Claims**
- II. Section II. DEFINITIONS of the Fiduciary Liability Coverage Part is amended as follows:
 - A. Subsection II.I., the definition of **Plan**, is amended to add the following before the last paragraph of the subsection:
Plan shall include any **Healthcare Insurance Exchange**; however, no coverage shall be provided for such **Healthcare Insurance Exchange** as an **Insured**.
 - B. Section II. DEFINITIONS is amended to add the following:
Healthcare Insurance Exchange means:
 - 1. any public health insurance exchange operated by a state or federal government entity, or a partnership thereof, and established in accordance with the Patient Protection and Affordable Care Act, as amended; or
 - 2. any private healthcare insurance exchange operated by a private sector or not-for-profit entity;for the purpose of facilitating the purchase of health care insurance as required by the Patient Protection and Affordable Care Act, as amended.
Healthcare Insurance Exchange Claim means a **Claim** made against any **Insured** for an actual or alleged **Healthcare Insurance Exchange Wrongful Act**.
Healthcare Insurance Exchange Wrongful Act means any negligent act, error or omission:
 - 1. in giving notice to employees or participants;
 - 2. effecting enrollment, termination or cancellation of employees or participants; or
 - 3. in handling records;in connection with the purchase of insurance through a **Healthcare Insurance Exchange** by any **Insured**.

III. Section IV. EXCLUSIONS is amended to add the following before the last paragraph of the Section and shall apply to all Insuring Clauses and Extensions:

Insurance Related Activities

based upon, arising out of, or attributable to any **Insured's** ownership, management, control or supervision of, involvement in, or any activities as an insurance company, insurance provider, captive insurance company or member, Consumer Oriented and Operated Plan (CO-OP) or **Healthcare Insurance Exchange**, including but not limited to any professional services related thereto.

All other terms, conditions, provisions and exclusions of this policy remain the same.

SPECIMEN

Crisis Management Coverage Added



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

General Terms and Conditions

- Management and Company Liability Coverage Part
- Employment Practices and Third Party Liability Coverage Part
- Fiduciary Liability Coverage Part

It is agreed that solely with respect to the Coverage Parts selected above, this policy is amended as follows:

I. The General Terms and Conditions is amended as follows:

A. The General Terms and Conditions is amended to add the following coverage extensions:

TERRORISM EVENT EXPENSES

Subject to this policy's other terms, conditions and exclusions, the Insurer shall pay, on behalf of the **Company**, any **Terrorism Event Expenses** for a **Terrorism Event** that first occurs during the **Policy Period** and is reported to the Insurer pursuant to Section IX of the General Terms and Conditions. The Insurer's maximum liability for all covered **Terrorism Event Expenses** combined shall be **\$10,000**, which is part of and not in addition to the applicable Limits of Liability set forth in Items 4 and 6 of the Declarations.

PUBLIC RELATIONS EXPENSES

Subject to this policy's other terms, conditions and exclusions, the Insurer shall pay, on behalf of the **Company**, any **Public Relations Expenses** for a **Workplace Violence Event, Solvency Event, Sexual Misconduct Event, Tax Status Event, Key Person Event, or Regulatory Event** that first occurs during the **Policy Period** and is reported to the Insurer pursuant to Section IX of the General Terms and Conditions. The Insurer's maximum liability for all covered **Public Relations Expenses** combined shall be **\$100,000**, which is part of and not in addition to the applicable Limits of Liability set forth in Items 4 and 6 of the Declarations.

Solely with respect to a **Solvency Event**, the Insurer's liability under this Public Relations Expense Extension shall cease at such time as a bankruptcy petition for relief is filed by the **Company**.

IDENTITY THEFT EVENT EXPENSES

Subject to this policy's other terms, conditions and exclusions, the Insurer shall pay, on behalf of the **Company**, any **Identity Theft Event Expenses** for an **Identity Theft Event** that first occurs during the **Policy Period** and is reported to the Insurer pursuant to Section IX of the General Terms and Conditions. The Insurer's maximum liability for all covered **Identity Theft Event Expenses** combined shall be **\$10,000**, which is part of and not in addition to the applicable Limits of Liability set forth in Items 4 and 6 of the Declarations.

An **Identity Theft Event** first occurs when the **Policyholder** or any of its directors or **Executive Officers** first becomes aware of the **Identity Theft Event**.

B. Section II. GENERAL DEFINITIONS is amended to add the following:

Crisis Event means a **Terrorism Event, Workplace Violence Event, Solvency Event, Sexual Misconduct Event, Tax Status Event, Key Person Event, Regulatory Event, or Identity Theft Event.**

Identity Theft Event means: (i) an unauthorized disclosure of **Personal Information** in the care, custody or control of any **Insured**; or (ii) an unintentional violation of any **Privacy Regulation** by any **Insured**.

Identity Theft Event Expenses means the reasonable and necessary fees and expenses incurred by an **Insured** during the period of twelve (12) months after an **Identity Theft Event** for any public relations, crisis management, law or information technology consulting firm to:

1. conduct computer forensic analysis to investigate the **Company's** computer systems to determine the cause and extent of the **Identity Theft Event**;
2. determine indemnification obligations under any written contract with respect to any actual or alleged wrongdoing by a **Service Provider** in connection with such **Identity Theft Event**;
3. determine if the **Company** is obligated to notify affected customers or applicable regulatory agencies of such **Identity Theft Event**; or
4. plan, implement, execute and manage a public relations campaign to counter or minimize any actual or anticipated adverse effects of negative publicity from such **Identity Theft Event** or to protect or restore the **Company's** business reputation in response to negative publicity following such **Identity Theft Event**.

Provided, however, **Identity Theft Event Expenses** shall not include (i) regular or overtime wages, salaries, or fees of the **Company's** directors, officers or employees; (ii) cost to comply with injunctive relief; (iii) taxes, fines, sanctions, or penalties; or (iv) principal, interest of other moneys paid or dues as a result of any loan, lease or extension of credit.

Key Person Event means the death, incapacity, abduction or criminal indictment of a director or **Executive Officer** that results in the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation.

Personal Information means any information from which an individual may be uniquely and reliably identified or contacted including, but not limited to, an individual's name, telephone number, email, social security number, medical or healthcare data or other protected health information, driver's license number or state identification number, account number, credit card number, debit card number, access code or password that would permit access to that individual's financial account or any other non-public personal information as defined in **Privacy Regulations**; provided, however, **Personal Information** does not include information lawfully available to the general public for any reason, including but not limited to information from federal, state, or local government records.

Privacy Regulations means any statute that addresses or regulates the control and use of personally identifiable financial, medical or other sensitive information, including the statutes listed below and any amendments thereto or regulations promulgated thereunder:

1. Health Information Technology for Economic and Clinical Health Act (HITECH) (American Recovery and Reinvestment Act of 2009);
2. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191);
3. Gramm-Leach-Bliley Act of 1999;
4. California Security Breach Notification Act (CA SB 1386), CA AB 211 and CA SB 541;
5. Section 5(a) of the Federal Trade Commission Act (15 U.S.C. 45(a)), but solely for alleged unfair or deceptive acts or practices in or affecting commerce;
6. Massachusetts 201 CMR 17;
7. the Identity Red Flags under the Fair and Accurate Credit Transactions Act of 2003; and
8. any similar state, federal or foreign identity theft or privacy protection statute.

Public Relations Expenses means the reasonable and necessary fees and expenses incurred by the **Company** for any public relations, crisis management or law firm, with the Insurer's prior consent, to plan, implement, execute and manage a public relations campaign to counter or minimize any actual or anticipated adverse effects of negative publicity or to protect or restore the **Company's** business reputation in response to negative publicity.

Solely with respect to a **Workplace Violence Event, Sexual Misconduct Event** or **Key Person Event, Public Relations Expenses** shall include the reasonable and necessary expense of an emotional counseling seminar for **Insured Persons** conducted by an independent consultant following the **Workplace Violence Event, Sexual Misconduct Event** or **Key Person Event**.

Solely in connection with a **Key Person Event, Public Relations Expenses** include any cost to seek, interview and hire a replacement for the subject of the **Key Person Event**.

Regulatory Event means an investigation by a governmental entity that alleges the misuse of governmental funds that results in the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation.

Service Provider means a business the **Company** does not own, operate, or control, but that the **Company** hires for a fee pursuant to a written contract to: maintain, manage, or control computer systems used for the purchase of the **Company's** goods and services; facilitate the **Company's** internet website; provide computer services to the **Company**; or perform duties related to the conduct of the **Company's** business.

Sexual Misconduct Event means the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation based on an allegation that an **Insured Person**, in his or her capacity as such, has engaged in sexual abuse or assault.

Solvency Event means the threat of imminent voluntary or involuntary bankruptcy filing of the **Company** that results in the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation.

Tax Status Event means any challenge to the not-for-profit tax status of an entity formed by the **Company** that results in the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation. The Insurer will in no way be responsible for the payment of any taxes under this extension.

Terrorism Event means an act as defined in Section 102(1)(A) of the Terrorism Risk Insurance Act of 2002.

Terrorism Event Expenses means any of the following if resulting from a **Terrorism Event** and incurred with the Insurer's consent:

1. reasonable and necessary travel related expenses incurred by a director or officer of the **Company**, including any hotel expense necessitated by the cancellation of previously scheduled air or rail travel and the increased costs of any replacement air or rail travel;
2. reasonable and necessary fees incurred in retaining a real estate professional to assist the **Company** secure an alternative to its physical business location. Such fees shall not include the costs of renting or purchasing said real estate; or
3. reasonable and necessary expenses incurred to secure temporary space for: (i) meeting with the **Company's** customers, clients, members or donors; or (ii) an event sponsored by the **Company**.

With respect to subparagraphs b and c above, the **Company's** physical business location or the site originally scheduled for the meeting or event must have been damaged requiring temporary relocation, or destroyed as a result of the **Terrorism Event**.

Workplace Violence Event means any actual or alleged intentional and unlawful use of, or threat to use, deadly force with an intent to cause harm at the **Company's** premises that results in the publication or broadcast of information which can reasonably be expected to damage the **Company's** reputation, other than: (i) war, invasion, insurrection, riot, rebellion, revolution, civil war, or military action; or (ii) the use or threat of force or violence for the purpose of demanding money, securities or property.

C. Subsection IV.B RETENTION FOR LIABILITY COVERAGE PART is amended to add the following:

No Retention shall apply to any **Crisis Event**.

D. Subsection IV.D SINGLE CLAIMS:

Interrelated Crisis Events

Solely for the purpose of establishing whether any **Claim** arising out of a **Crisis Event** was first made during the **Policy Period**, such **Crisis Event** and any subsequent **Claim** having common nexus of any fact, circumstance, situation, event, transaction, cause or series of causally connected facts, circumstances, situations, events, transactions or causes included in the initial notice of such **Crisis Event** shall be deemed:

1. a single **Claim** first made at the time such **Crisis Event** was reported to the Insurer expressly stating it to be submitted as a **Claim**; or
2. if the **Crisis Event** was not reported, a single **Claim** first made at the time such **Claim** was first reported to the Insurer.

E. Subsection IX.A. is amended to add the following:

Crisis Event Notice Requirements

It shall be at the sole discretion of the **Insured** to elect to provide notice of a **Crisis Event**. If an **Insured** elects to seek coverage for a **Crisis Event**, the **Company** or the **Insured Person** shall give to the Insurer written notice of any **Crisis Event** as soon as practicable after it commences but in no event later than (i) the expiration of the **Policy Period**, or (ii) thirty (30) days after the expiration of the **Policy Period** for events occurring within thirty (30) days prior to expiration. Such notice shall include a description of the **Crisis Event**, including the nature of the **Crisis Event**, the nature of the alleged or potential damage, the names of the individuals involved with the **Crisis Event**, and the manner in which the **Insureds** first became aware of the **Crisis Event**.

Any notice to the Insurer of a **Crisis Event** shall not constitute notice to the Insurer of a **Claim** or a circumstance which could give rise to a **Claim** as provided in this Subsection IX.A.1 unless such notice expressly states it to be so and otherwise conforms to the provisions herein.

- II. Solely with respect to the coverage afforded by this endorsement, the definition of **Claim** in Section III. DEFINITIONS of the Coverage Part(s) selected above is amended to add the following:

Claim shall also mean a **Crisis Event**.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Endorsement # 5

Texas Amendatory Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

- General Terms and Conditions
- Management and Company Liability Coverage Part
- Employment Practices and Third Party Liability Coverage Part
- Fiduciary Liability Coverage Part
- Crime Coverage Part
- Cyber Coverage Part

It is agreed that:

I. The General Terms and Conditions have been amended as follows:

A. The following is added to Subsection V.B.:

The **Extended Reporting Period**, if purchased by the **Insured**, shall be at least one (1) year in length.

B. The following is added to Section VIII.:

Within fifteen (15) days after we receive written notice of a **Claim**, we shall acknowledge receipt of the **Claim**, commence any investigation of the **Claim**, and request from the **Insured** all items, statements, and forms that we reasonably believe, at that time, will be required from the **Insured**. We may make additional requests for information if during the investigation of the **Claim** the additional requests are necessary. If we do not acknowledge receipt of the **Claim** in writing, we will keep a record of the date, method and content of the acknowledgement.

We shall notify the **Insured** in writing of the acceptance or rejection of a **Claim** not later than the fifteenth (15th) business day after the date we receive all items, statements, and forms required by us to secure final proof of **Loss**. However, if we have a reasonable basis to believe that a **Loss** resulted from arson, we shall notify the **Insured** in writing of the acceptance or rejection of the **Claim** no later than the thirtieth (30th) day after the date we receive all items, statements and forms required by us. If we deny the **Claim**, the notice sent to the **Named Insured** will state the reasons for the denial.

If we are unable to accept or reject the **Claim** within the period of time specified in this Subsection, we shall notify the **Insured** of the reasons that we need additional time. If we have notified the **Insured** that we need additional time to reach a decision, we must then either approve or deny the **Claim** within forty-five (45) days of such notice.

We will pay covered **Loss** within five (5) business days after we have notified the **Insured** that payment of the **Claim**, or part of the **Claim**, will be made and we have reached an agreement with the **Insured** on the amount of **Loss**. However, if payment of the **Claim** or part of the **Claim** is conditioned on the **Insured's** compliance with any of the terms of this policy, we will make payment within five (5) business days after the date the **Insured** has complied with such terms.

The term business day, as used in the Subsection, means a day other than Saturday, Sunday or a holiday recognized by the state of Texas.

C. The following provision is added to Section XVI.:

Pursuant to the provisions of the Texas Insurance Code, the Insurer may not cancel or nonrenew this policy or any Coverage Part based solely on the fact that the **Insured** is an elected official.

D. The following is added to Subsection XVI.B.:

If notice is mailed less than sixty (60) days before the expiration date, this policy shall remain in effect until the sixty-first (61st) day after the date on which the notice is mailed. Earned premium for any period of coverage that extends beyond the expiration date will be computed pro rata based on the expiring premium. Additionally, the transfer of an **Insured** between admitted companies within the same insurance group is not considered a refusal to renew.

E. The following is added to Subsection XVI.C.:

The notice of cancellation and nonrenewal will state the reason(s) for cancellation and nonrenewal.

F. The following is added to Section XIX.:

Unless otherwise agreed to by the parties, such non-binding mediation shall take place in Texas.

II. The Crime Coverage Part has been amended as follows:

A. The following is added to Subsection V.A.3.b.1.:

(a parent or guardian may be present during any examination of a minor)

All other terms, conditions, provisions and exclusions of this policy remain the same.

SPECIMEN

The Insurer shall reimburse the **Company** for all **Workplace Violence Expenses** on account of a **Workplace Violence Event** that first occurs at the **Company's Premises** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, subject to the applicable Sublimits of Liability set forth in Item 7 of the Declarations.

B. Section III. DEFINITIONS is amended to add the following:

Premises means, solely with respect to this Coverage Part, the buildings, facilities or properties occupied and controlled by the **Company** in conducting the **Company's** business.

Workplace Violence Event means any actual or alleged intentional and unlawful use of, or threat to use, deadly force with an intent to cause harm at the **Company's Premises** which results in, or could result in, bodily injury or death to an **Insured Person**.

Workplace Violence Expenses means the reasonable costs incurred by the Company in response to any **Workplace Violence Event**, including:

1. any security guard services provided by an independent entity for up to 15 days after a **Workplace Violence Event** or \$2,500, whichever is depleted first;
2. any security consulting services provided by an independent consultant for up to 90 days after a **Workplace Violence Event** or \$2,500, whichever is depleted first;
3. any public relations consulting services provided by an independent consultant for up to 90 days after a **Workplace Violence Event** or \$2,500, whichever is depleted first;
4. any services provided by an independent forensics analyst for up to 120 days after a **Workplace Violence Event** or \$2,500, whichever may be depleted first; and
5. any single-group counseling sessions for **Employees** provided by an independent consultant for up to 120 days after a **Workplace Violence Event** or \$2,500, whichever is depleted first;

provided, however that **Workplace Violence Expenses** shall not include attorneys' fees, expenses, settlements, judgments, penalties or other amounts incurred in defending, prosecuting, or responding to any legal proceeding or **Claim** based upon, arising out of or attributable to a **Workplace Violence Event**.

C. Subsection III.E. is amended to add the following:

Loss shall include **Workplace Violence Expenses**.

D. Section IV. EXCLUSIONS is amended to add the following before the last paragraph in the Section:

The Insurer shall not be liable under this Coverage Part for **Workplace Violence Expenses** on account of, and shall not be obligated to defend, any **Workplace Violence Event**:

- A. based upon, arising out of or attributable to any demand for money, securities or other property; or
- B. based upon, arising out of or attributable to any war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalization, requisition, or destruction of, or damage to, property by or under the order of any government, public or local authority; provided, however that this exclusion shall not apply to any act of terrorism as defined in the Terrorism Risk Insurance Act, as amended.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Endorsement # 7

**Definition of Employee Amended
(Include Scheduled Independent Contractors)**



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Crime Coverage Part

Solely with respect to Subsection I.A. EMPLOYEE THEFT, it is agreed that:

SCHEDULE

Independent Contractor	Job Function of Independent Contractor	Limit of Liability
any independent contractor under written agreement with the insured	as per written agreement	\$1,000,000

I. Subsection II.K., the definition of **Employee**, is amended as follows:

A. Subsection II.K. is amended to add the following:

Employee also means each natural person, partnership or corporation acting as the **Insured's** independent contractor in the job function listed in the SCHEDULE to this endorsement while acting on the **Insured's** behalf or while in possession of covered property.

B. The last paragraph of Subsection II.K. is replaced with the following:

Employee does not mean any agent, broker, factor, commission merchant, consignee or representative of the same general character not specified in the definition of **Employee**.

II. Section IV. LIMITS OF LIABILITY AND DEDUCTIBLE is amended to add the following:

LIMITS OF LIABILITY FOR INDEPENDENT CONTRACTORS

The most the Insurer will pay under Insuring Clause I.A EMPLOYEE THEFT of this Coverage Part for all loss resulting directly from an **Occurrence** involving an independent contractor included as an **Employee** as set forth in this endorsement is the Limit of Liability listed in the SCHEDULE to this endorsement. Such Limit of Liability is part of, not in addition to, the Limit of Liability set forth in the Crime Coverage Schedule in Item 7 of the Declarations for Insuring Clause I.A EMPLOYEE THEFT.

III. Any scheduled independent contractor and its partners, officers and employees are considered to be, collectively, one independent contractor for the purposes of applying the Limit of Liability provisions set forth in Section IV; provided Subsection V.B. CONDITIONS APPLICABLE TO INSURING CLAUSE A AND INSURING CLAUSE B applies to each of them individually.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Wholesale Broker Enhancement Amendatory Endorsement - Texas



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480- MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

- Management and Company Liability Coverage Part
- Employment Practices and Third Party Liability Coverage Part
- Fiduciary Liability Coverage Part

Solely with respect to the **Liability Coverage Parts** selected above, it is agreed that:

I. Item 3. of the Declarations is replaced with the following:

- Item 3: **Extended Reporting Period:**
- Option 1: 1. Additional Premium: 75% of Annual Premium
2. Additional Period: 1 year
 - Option 2: 1. Additional Premium: 100% of Annual Premium
2. Additional Period: 2 years
 - Option 3: 1. Additional Premium: 150% of Annual Premium
2. Additional Period: 6 years

II. The General Terms and Conditions are amended as follows:

A. Section II. GENERAL DEFINITIONS is amended as follows:

1. The following are added to Section II.:

Employee Privacy Violation means the failure to:

1. secure an **Employee's Record** from actual or potential unauthorized access by another person or by an organization which results in injury to such **Employee**; or
2. provide notice, as required by any federal, state, or local statutory law or common law anywhere in the world, to an **Employee** whose **Record** was accessed or may have been accessed by an unauthorized person.

Record means an **Employee's** last name, in combination with:

1. the **Employee's** social security number, driver's license number or other personal identification number (including an employee identification number or student identification number);
2. the **Employee's** financial account number (including a bank account number, retirement account number, or healthcare spending account number);
3. the **Employee's** credit, debit or other payment card number; or

4. the **Employee's** individually identifiable health information (as described in the Health Insurance Portability and Accountability Act of 1996 ("HIPAA")), that is held by the **Company**;

when any such information in (1) through (4) above is intended by the **Company** to be accessible only by persons or organizations specifically authorized by the **Company** to have access to such information.

2. Subsection II.H. is replaced with the following:

H. **Employment Practices Wrongful Act** means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty which results in a **Claim** brought and maintained by or on behalf of any past, present, future or prospective **Employee(s)** of the **Company** against any **Insured** alleging:

1. breach of any express or implied employment contract;
2. violation of any law or public policy concerning discrimination in employment, including violations based upon race, national origin, religion, sex, age, sexual orientation or preference, pregnancy, military status, marital status, disability, medical leave or genetic predisposition;
3. employment-related torts including without limitation wrongful termination; failure or refusal to hire or promote; wrongful discipline; wrongful reference, deprivation of a career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment including through the use of social media and without limitation offensive, intimidating, coercive or unwelcome conduct, advances, contact or communications; bullying; negligent hiring, retention, supervision, training or performance evaluation; failure to adopt and/or enforce adequate employment-related workplace policies and procedures; and employment-related misrepresentation, defamation, invasion of privacy or infliction of emotional distress;
4. any employment-related tort as defined in subparagraph 3 above, relating to or arising from any internet activity, including but not limited to social networking activities, regardless of whether such internet activity is during work hours or on the **Company** premises; or
5. any **Employee Privacy Violation** committed, attempted, or allegedly committed or attempted by the **Company** or by an **Insured Person** while acting in his or her capacity as such.

- B. Subsection IV.B. RETENTION FOR LIABILITY COVERAGE PART is replaced with the following:

B. RETENTION FOR LIABILITY COVERAGE PART

1. The Insurer's liability under the **Liability Coverage Parts** with respect to **Loss** on account of each **Claim** shall apply only to that part of **Loss** which is excess of the applicable Retention set forth in the Coverage Schedule in Item 7 of the Declarations, and such Retention shall be borne by the **Insureds** uninsured and at their own risk. No Retention shall apply to **Loss** incurred by an **Insured Person** for which the **Company** is not permitted by common or statutory law to indemnify, or is not financially able to indemnify by reason of **Financial Impairment**.
2. If for any reason (including but not limited to **Financial Impairment**) the **Company** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention, if any, then the Insurer shall advance such amounts on behalf of the **Insured Person** until either (i) the **Company** has agreed to make such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the Insurer relieve the **Company** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person** or of any duty by the **Company** to reimburse the Insurer for such advancement.

Advancement, payment or indemnification of an **Insured Person** by the **Company**: (i) is deemed failed if it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by the **Company** within sixty (60) days of such request; and (ii) is only deemed refused if and to the extent the **Company** gives written notice of the refusal to the **Insured Person**. Advancement, payment or indemnification of an **Insured Person** by the **Company** shall only be deemed "failed" or "refused" to the extent such advancement, payment, or indemnification is not provided, or agreed to be provided, or acknowledged by and collectible from the **Company**. Any payment or advancement by the Insurer within an applicable Retention shall reduce the applicable Limit of Liability.

- C. Subsection VII.A.2. in CHANGES IN EXPOSURE is replaced with the following:

2. However, if such newly acquired organization is a financial institution, healthcare related entity, has publicly traded debt or is publicly owned then coverage under this policy or such Coverage Part as provided in subsection 1 above shall apply only if the Insurer agrees to afford such coverage pursuant to subsection 3 below.

D. Subsection VIII.A.3. in DEFENSE AND SETTLEMENT is replaced with the following:

3. The Insurer may, with the consent of the **Insured**, make any settlement of any covered **Claim** which the Insurer deems expedient. Solely with respect to the Employment Practices and Third Party Liability Coverage Part, if purchased, if the **Insureds** consent to the first settlement opportunity which is recommended by the Insurer and which is acceptable to the claimant, the applicable Retention Amount for all **Loss** on account of such **Claim** shall be retroactively reduced by ten (10%) percent.

If the **Insured** against whom the **Claim** is made withholds consent to any settlement acceptable to the claimant and recommended by the Insurer (a "Proposed Settlement"), the Insurer's liability for all **Loss**, including **Defense Costs**, incurred by such **Insured** on account of such **Claim** shall not exceed:

- a. the amount of the Proposed Settlement plus **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to Proposed Settlement of such **Claim**; and
- b. ninety percent (90%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph a above, incurred in connection with such **Claim**; subject in all events to the applicable Retention and Limit of Liability. The remaining ten percent (10%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph a above will be borne by the **Insured** uninsured and at its own risk, notwithstanding anything to the contrary contained in Section VI ALLOCATION.

E. Subsection X.B. SEVERABILITY is replaced with the following:

B. SEVERABILITY

The **Application** shall be construed as a separate application for coverage by each of the **Insured Persons**. In the event the **Application** contains any misrepresentation or omission (i) made with the intent to deceive, or (ii) which materially affects either the acceptance of the risk or the hazard assumed by the Insurer under a **Liability Coverage Part**, then the Insurer shall not be liable for **Loss** on account of, and shall not be obligated to defend, any **Claim** arising out of such **Liability Coverage Part** as to:

1. any **Policyholder** to the extent such **Policyholder** indemnifies an **Insured Person** who knew the facts that were not truthfully disclosed in the **Application**; and
2. any **Policyholder** and its **Subsidiaries** and **Plans** if an **Executive Officer** of such **Policyholder** knew the facts that were not truthfully disclosed in the **Application**;

whether or not such **Executive Officer** or **Insured Person** knew the **Application** contained such misrepresentation or omission. No knowledge of one **Insured Person** shall be imputed to any other **Insured Persons** for purposes of this Section X.

F. Subsection X.C. NON-RESCINDABLE COVERAGES is replaced with the following:

C. NON-RESCINDABLE COVERAGES

The Insurer shall not have the right to rescind or void this policy for any reason.

G. Section XII. OTHER INSURANCE is replaced with the following:

XII. OTHER INSURANCE

Solely with respect to any **Liability Coverage Part**, if any **Loss** is insured under any other valid and collectible policy(ies) issued to any **Insured**, then this policy shall act as an excess insurance policy and will cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the amount of such other insurance (including any self-insured retentions thereunder) whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this policy.

Provided however if any **Loss** is insured under any other valid and collectible (i) personal umbrella excess liability insurance policy and/or (ii) personal director liability insurance policy purchased by or on behalf of an

Insured Person, then this policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms on a primary basis.

H. The second paragraph of Section XIX. ALTERNATIVE DISPUTE RESOLUTION is replaced with the following:

If the dispute is not resolved in the mediation, then either party to the mediation may thereafter commence a judicial proceeding against the other party with respect to such dispute, provided that neither party may commence such a judicial proceeding prior to sixty (60) days following termination of the mediation.

I. The General Terms and Conditions are amended to add the following:

STATE AMENDATORY INCONSISTENCY

If there is an inconsistency between terms and/or conditions in this Policy and the attached state amendatory endorsement, where permitted by law, the Insurer shall apply those conditions which are more favorable to the **Insureds**.

III. If selected above, the Private Management and Company Liability Coverage Part is amended as follows:

A. Subsection III.C.3. in the definition of **Employee** is replaced with the following:

3. volunteers or interns of the **Company**;

B. Section IV. EXCLUSIONS is amended as follows:

1. Subsection IV.C. is replaced with the following:

C. ERISA

based upon, arising out of, or related to an actual or alleged violation of the responsibilities, obligations or duties imposed by **ERISA** or similar provisions of any federal, state or local statutory law or common law with respect to any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of the **Company**, or for any other matter claimed against an **Insured** in whole or in part in their capacity as a settlor of any such benefit plan or trust;

2. Subsection IV.E. is replaced with the following:

E. Pollution (Environmental Event)

based upon, arising out of or attributable to an actual or alleged **Environmental Event**; however, this exclusion shall not apply to:

1. **Environmental Mismanagement Claims**; or

2. a derivative action brought or maintained on behalf of the **Company** by one or more persons who are not **Insured Persons** if the **Claim** is brought and maintained without the solicitation or active assistance or participation of the **Company** or any **Insured Person**.

3. Subsection IV.F. is replaced with the following:

F. Conduct

based upon, arising out of or attributable to any **Insured's**:

1. deliberate fraud;

2. criminal act or willful violation of any statute or regulation; or

3. personal profit or remuneration to which such **Insured** was not legally entitled;

established by a final, non-appealable adjudication adverse to such **Insured** in any underlying proceeding not brought by the Insurer; however, this exclusion shall not apply to **Defense Costs**;

IV. If selected above, the Fiduciary Liability Coverage Part is amended as follows:

A. Subsection III.D.3 in the definition of **Employee** is replaced with the following:

3. interns or volunteers of the **Company**;

B. Subsection IV.B. is replaced with the following:

B. Conduct

based upon, arising out of or attributable to any **Insured's**:

1. deliberate fraud;
2. criminal act or willful violation of any statute or regulation; or
3. personal profit or remuneration to which such **Insured** was not legally entitled;

established by a final, non-appealable adjudication adverse to such **Insured** in any underlying proceeding not brought by the Insurer; however, this exclusion shall not apply to **Defense Costs**;

All other terms, conditions, provisions and exclusions of this policy remain the same.

SPECIMEN

Discovery Conversion Endorsement (Crime Coverage Only)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Crime Coverage Part

It is agreed that:

I. The Introductory Paragraph of Section I. INSURING CLAUSES is replaced with the following:

Coverage is provided under Insuring Clauses A through H of this coverage part for loss sustained, or under Insuring Clauses I and J of this coverage part for costs incurred, by the **Insured** resulting directly from an **Occurrence** taking place at any time and which is **Discovered** during the **Policy Period** or during the period of time provided in Extended Period to Discover Loss as provided under Subsection V.A.5.

II. Section V. CONDITIONS is amended as follows:

A. Subsection A.2.b. is replaced with the following:

b. New Organizations or Subsidiaries

Any organization (other than a **Financial Institution**), whether acquired or created, that becomes a **Subsidiary** or is merged or consolidated into the **Insured** during the **Policy Period** shall automatically be covered under this Coverage Part for **Occurrences Discovered** after the effective date of such acquisition or creation.

B. Subsections A.13. and A.14. are deleted.

C. Section V. CONDITIONS is amended to add the following:

POLICY BRIDGE – DISCOVERY REPLACING LOSS SUSTAINED

1. If this policy replaces insurance that provided an extended period of time after cancellation in which to discover loss and which did not terminate at the time this policy became effective:

a. The Insurer will not pay for any loss that occurred during the **Policy Period** of that prior insurance which is **Discovered** by the **Insured** during the extended period to **Discover** loss, unless the amount of loss exceeds the Limit of Liability and Deductible of that prior insurance. In that case, the Insurer will pay for the excess loss subject to the terms and conditions of this policy.

b. However, any payment the Insurer makes for the excess loss will not be greater than the difference between the Limit of Liability and Deductible of that prior insurance and the Limit of Liability set forth in Item 7 of the Declarations for the Crime Coverage Schedule. The Insurer will not apply the Deductible set forth in Item 7 of the Declarations for the Crime Coverage Schedule to this excess loss.

2. Subsection V.A.7 does not apply to this Condition.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Endorsement # 10

State Amendatory Inconsistency Added (Include Endorsements)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480- MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

General Terms and Conditions

It is agreed that:

The General Terms and Conditions are amended to add the following:

STATE AMENDATORY INCONSISTENCY

If there is an inconsistency between terms and/or conditions in this policy and any endorsements attached thereto, and any attached state amendatory endorsement, where permitted by law the Insurer shall apply those conditions which are more favorable to the insureds.

All other terms, conditions, provisions and exclusions of this policy remain the same.

SPECIMEN

Definition of Claim Amended (Include Wells Notice)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Management and Company Liability Coverage Part

It is agreed that:

Subsection III.A.5. in the definition of **Claim** is replaced with the following:

5. a civil, criminal, administrative or regulatory investigation of any **Insured Person** commenced by the service upon or other receipt by the **Insured Person** of a target letter, Wells Notice or other written notice, investigative order or subpoena from the investigating authority identifying by name the **Insured Person** as an individual against whom a proceeding may be commenced;

All other terms, conditions, provisions and exclusions of this policy remain the same.

SPECIMEN

Failure to Reinstate Exclusion Amended (With Defense Cost Carveback)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Employment Practices and Third Party Liability Coverage Part

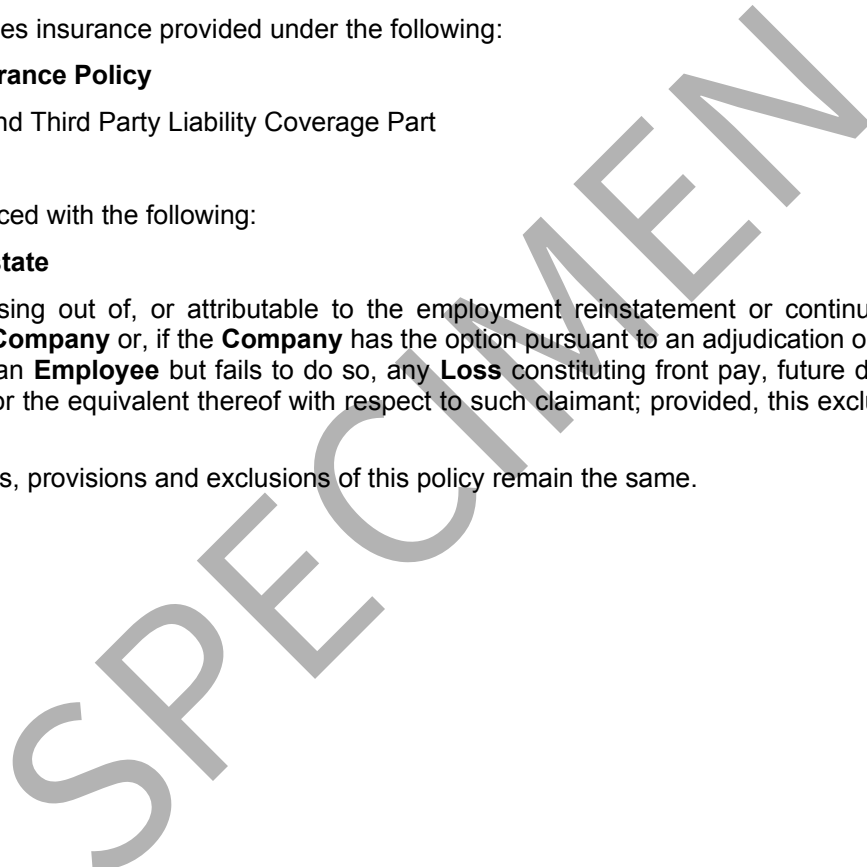
It is agreed that:

Subsection IV.E. is replaced with the following:

E. Failure to Reinstate

based upon, arising out of, or attributable to the employment reinstatement or continued employment of the claimant by the **Company** or, if the **Company** has the option pursuant to an adjudication or settlement to reinstate the claimant as an **Employee** but fails to do so, any **Loss** constituting front pay, future damages or other future economic relief or the equivalent thereof with respect to such claimant; provided, this exclusion does not apply to **Defense Costs**;

All other terms, conditions, provisions and exclusions of this policy remain the same.



Wage and Hour Defense Cost Sublimit Added (Include Sublimits, Retention and Coinsurance with Specific State Exclusion)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Declarations

General Terms and Conditions

Employment Practices and Third Party Liability Coverage Part

Solely with respect to the coverage extended by this endorsement, it is agreed that:

I. The Declarations are amended as follows:

- A. Item 6 of the Declarations is amended to add the following to the Employment Practices and Third Party Liability Coverage Summary:

01/31/2023 Pending or Prior Date for **Wage and Hour Violations**

- B. Item 7 of the Declarations is amended to add the following to the Employment Practices and Third Party Liability Coverage Summary:

Sublimits of Liability: \$250,000 Sublimit of Liability for **Defense Costs** for WAGE AND HOUR VIOLATION DEFENSE COSTS

\$250,000 Aggregate Sublimit of Liability for all WAGE AND HOUR VIOLATION DEFENSE COSTS

Retention: \$5,000 for Each **Claim For Wage and Hour Violations** under the Employment Practices and Third Party Liability Coverage Part.

Coinsurance Amount for Each **Claim for Wage and Hour Violations**: 0%

- II. Section IV. LIMITS OF LIABILITY, RETENTION AND SINGLE CLAIMS of the General Terms and Conditions is amended to add the following:

RETENTION AND COINSURANCE FOR WAGE AND HOUR VIOLATION DEFENSE COSTS COVERAGE UNDER THE MANAGEMENT AND COMPANY LIABILITY COVERAGE PART

- 1. The Insurer's liability for **Defense Costs** pursuant to the WAGE AND HOUR VIOLATION DEFENSE COSTS COVERAGE under the Employment Practices and Third Party Liability Coverage Part on account of each **Claim** solely for **Wage and Hour Violations** shall apply only to that part of **Defense Costs** which are in excess of the applicable Retention set forth in the Item 7 of the Declarations, subject to the Coinsurance Amount set forth in Subparagraph 2 below. Such Retention shall be borne by the **Insured** uninsured and at their own risk.
- 2. With respect to all **Defense Costs** in excess of the Retention for Each **Claim For Wage and Hour Violations**, the **Company** shall bear that percent of all such **Defense Costs** for each **Claim** solely for **Wage and Hour Violations** specified as the Coinsurance Amount set forth in Item 7 of the Declarations, uninsured and at its own risk. The Insurer shall have no obligation for such Coinsurance Amount. The Insurer's liability hereunder for such

Defense Costs for each **Claim** solely for **Wage and Hour Violations** shall apply only to the remaining percent of all such **Defense Costs**, subject to the Sublimits of Liability set forth in Item 7 of the Declarations.

III. The Employment Practices and Third Party Liability Coverage Part is amended as follows:

A. Section I. INSURING CLAUSES is amended to add the following:

WAGE AND HOUR VIOLATION DEFENSE COSTS COVERAGE

The Insurer shall pay, on behalf of the **Company**, **Defense Costs** incurred in connection with a **Claim** solely for **Wage and Hour Violations** first made against the **Company** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, subject to the Sublimits of Liability set forth in Item 7 of the Declarations in the Employment Practices and Third Party Liability Coverage Schedule.

B. Section III. DEFINITIONS is amended to add the following:

Wage and Hour Law means the Fair Labor Standards Act of 1938 and any amendments thereto (29 U.S.C. Sec. 201 et. seq.), or any other similar federal, foreign, state or local statute or common law regarding or relating to wage and hour practices, including, but not limited to: off-the-clock work, failure to provide rest or meal periods, failure to reimburse expenses, improper classification of employees as exempt or non-exempt, minimum wage, overtime pay, child labor, recordkeeping requirements, and failure to timely pay wages. **Wage and Hour Law** shall not include the Equal Pay Act of 1963 (29 U.S.C. Sec. 206(d)).

Wage and Hour Violations means any actual or alleged violation(s) of the duties and obligations of any **Wage and Hour Law**.

C. Subsection IV.A.3. is replaced with the following:

3. Wage and Hour/ Misclassification

any **Wage and Hour Law**; provided that this exclusion shall not apply to **Defense Costs** covered under the Insuring Clause for WAGE AND HOUR VIOLATION DEFENSE COSTS COVERAGE, subject to the Sublimit of Liability set forth in Item 7 of the Declarations in the Employment Practices and Third Party Liability Coverage Schedule; and provided further that the Insuring Clause for WAGE AND HOUR VIOLATION DEFENSE COSTS COVERAGE shall not apply to any **Claims** brought or maintained in any federal, state or local jurisdiction located in the State(s) of California or based upon, arising out of or attributable the **Wage and Hour Law** of such State(s).

All other terms, conditions, provisions and exclusions of this policy remain the same.

Fraudulent Impersonation Coverage Added (Without Condition Precedent)



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Crime Coverage Part

It is agreed that:

I. Subsection I.G. is replaced with the following:

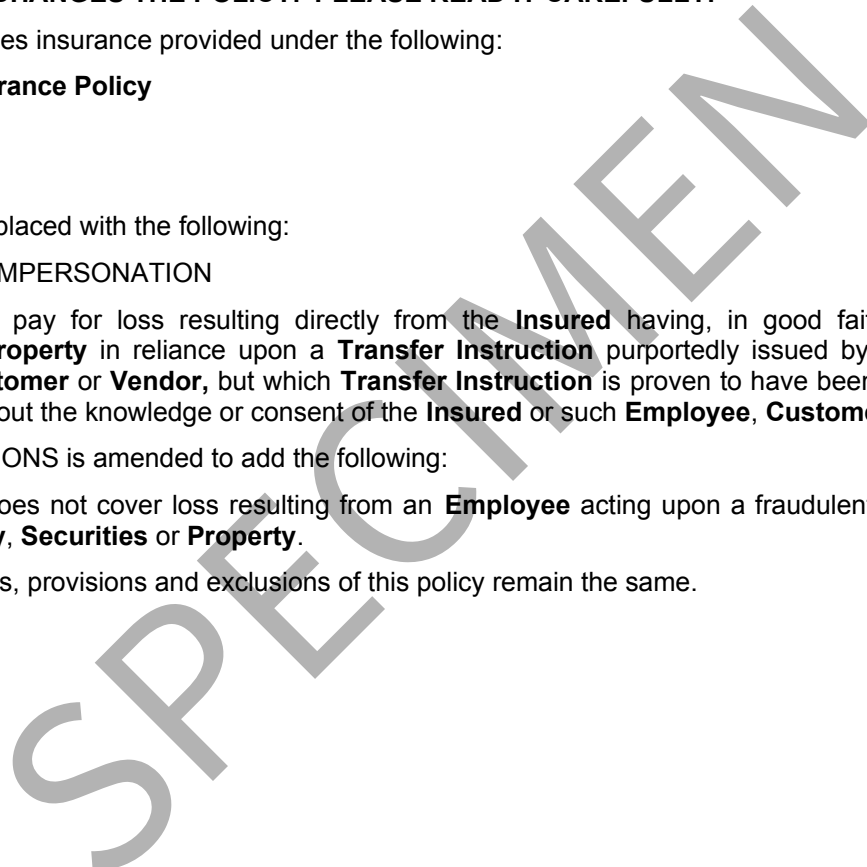
G. FRAUDULENT IMPERSONATION

The Insurer will pay for loss resulting directly from the **Insured** having, in good faith, transferred **Money, Securities or Property** in reliance upon a **Transfer Instruction** purportedly issued by the **Insured** or by an **Employee, Customer or Vendor**, but which **Transfer Instruction** is proven to have been fraudulently issued by an imposter without the knowledge or consent of the **Insured** or such **Employee, Customer or Vendor**.

V. Section III. EXCLUSIONS is amended to add the following:

Insuring Clause G does not cover loss resulting from an **Employee** acting upon a fraudulent instruction to transfer, pay or deliver **Money, Securities or Property**.

All other terms, conditions, provisions and exclusions of this policy remain the same.



Executive Officer Personal Protection Costs Coverage Added



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480- MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Declarations

Management and Company Liability Coverage Part

Solely for the purpose of coverage under this endorsement, it is agreed that:

I. Item 7 of the Declarations is amended to add the following to the Management and Company Liability Coverage Schedule:

\$50,000 Sublimit of Liability for **Personal Asset Protection Costs** for Each **Executive Officer**

\$250,000 Aggregate Sublimit of Liability for **Personal Asset Protection Costs**

II. The Management and Company Liability Coverage Part is amended as follows:

A. Section II. EXTENSIONS is amended to add the following:

EXECUTIVE OFFICER DISCLOSURE MANAGEMENT COSTS COVERAGE

Subject to this policy's other terms, conditions and exclusions, Insuring Clause A and Insuring Clause B include coverage for **Personal Asset Protection Costs** incurred by an **Executive Officer** to oppose a governmental order to seize or enjoin the sale or transfer of such Executive Officer's personal assets or real property that is first filed against the **Executive Officer** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, subject to the Sublimits of Liability and Retention set forth in Item 7 of the Declarations.

B. Section III. DEFINITIONS is amended as follows:

1. The definition of **Loss** is amended to add the following at the end of the first paragraph:

Loss shall also include **Personal Asset Protection Costs**.

2. Section III. DEFINITIONS is amended to add the following:

Personal Asset Protection Costs means reasonable and necessary fees, costs and expenses consented to by the Insurer and incurred by an **Executive Officer** to oppose a governmental order to seize or enjoin the sale or transfer of such **Executive Officer's** personal assets or real property and to obtain the discharge or revocation of any such order imposed upon such **Executive Officer** during the **Policy Period**.

All other terms, conditions, provisions and exclusions of this policy remain the same.

IRCA Claims Defense Costs Coverage Added



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Add'l Prem.	Return Prem.
C-4LPA-068480-MLPSME-2023	January 31, 2023	January 31, 2024	January 31, 2023	\$0.00	\$0.00

Policyholder: Coalition Testing

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Zurich Select Plus Insurance Policy

Declarations

General Terms and Conditions

Employment Practices and Third Party Liability Coverage Part

It is agreed that:

I. The Declarations are amended as follows:

A. Item 6 of the Declarations is amended to add the following to the Employment Practices and Third Party Liability Coverage Summary:

01/31/2023: Pending or Prior Date for IRCA CLAIM DEFENSE COSTS

B. Item 7 of the Declarations is amended to add the following to the Employment Practices and Third Party Liability Coverage Schedule:

\$50,000 Aggregate Sublimit of Liability for IRCA CLAIM DEFENSE COSTS

II. Subsection IV.B. of the General Terms and is amended as follows:

No Retention shall apply to **Defense Costs** incurred by the **Company** for **IRCA Claims**.

III. The Employment Practices and Third Party Liability Coverage Part is amended as follows:

A. Section I. INSURING CLAUSES is amended to add the following:

IRCA CLAIM DEFENSE COSTS

The Insurer shall pay on behalf of the **Company** all **Defense Costs** resulting from an **IRCA Claim** first made against the **Insured** during the **Policy Period** and reported pursuant to Section IX of the General Terms and Conditions, subject to the applicable Sublimit of Liability set forth in Items 7 of the Declarations.

B. Section III. DEFINITIONS is amended as follows:

1. Section III. DEFINITIONS is amended to add the following:

IRCA Claim means a **Claim** for an administrative proceeding against the **Company** pursuant to Section 274A.(e)(3) of the Immigration Reform and Control Act of 1986 (8 U.S.C Sec. 1324a, et set) ("IRCA") including any appeal thereof pursuant to Section 274A.(e)(7) or Section 274A.(e)(8) of IRCA.

2. Subparagraph 2 in Subsection III.G., the definition of **Loss**, is replaced with the following:

2. taxes, fines or penalties imposed by law; provided however that **Loss** includes penalties for an **IRCA Claim**;

All other terms, conditions, provisions and exclusions of this policy remain the same.