



**PO Box 2950
Hartford, CT 06104-2950**

November 14, 2025

PONDS AT BLUE RIVER OWNERS ASSOCIATION, INC
PO BOX 678
C/O SUMMIT RESORT GROUP INC
FRISCO, CO 80443

Re: Important Information about [Claims Information Line](#)

Dear PONDS AT BLUE RIVER OWNERS ASSOCIATION, INC

Travelers Bond & Specialty Insurance is pleased to announce its **1-800-842-8496** Claims Information Line. This line is designed to provide insureds with an additional resource on how to report claims or those circumstances or events which may become claims.

Policyholders will be able to obtain assistance on the following topics from the Claims Information Line:

- The information that needs to be included with the claim notice
- The address, electronic mail address and/or facsimile number to which the policyholder can send claims related information
- Get questions on the claim process answered

The Declarations Page of your policy sets forth where you should report claims and claims related information. You should also review the policy's reporting requirements to be aware of how much time you have to report a claim to Travelers. The sooner Travelers is notified, the sooner we can become involved in the process and offer assistance to our policyholder. A delay in reporting may result in all or part of a matter to fall outside of the coverage provided.

The Claims Information Line should streamline the claim reporting process and allow policyholders to ask questions on what information is needed as well as other questions which will assist them in working with Travelers. While the Claims Information Line provides policyholders a valuable resource by answering questions and providing information, the line does not replace the reporting requirements contained in the Policy.

We hope this improvement to customer service is something our policyholders will find helps them understand the claim process and provides them a resource for reporting.



Risk Management Helpline for Community Associations

MANAGEMENT LIABILITY

Too often in today's increasingly litigious environment, you may find your association caught in the middle of a potential conflict with an employee, homeowner, vendor or other third party. To address these growing exposures, now more than ever, Travelers understands that you need high-quality risk management services provided by your management liability carrier. Travelers is pleased to now offer a risk management helpline that provides up to one hour of free consultative risk management services through Cole, Scott & Kissane, P.A., a premier liability defense law firm with extensive experience representing community associations.* The helpline is confidential, and neither your association's identity nor any identifying details of your association's issue or question are disclosed to Travelers.

Risk management topics

The helpline has been structured to provide you with access to a confidential, knowledgeable and expert resource on a wide range of risk management topics, including:

- Employee liability avoidance
- Customer contracts and conflicts
- Board elections, policies and procedures
- Property management, policies and procedures

Helpline instructions

The helpline can be accessed by any current Travelers insured with Community Association Management Liability coverage.

Call: 1.855.548.8656

Hours of operation: Monday - Friday, 8 a.m. - 5 p.m. EST (excluding holidays)

After taking relevant details and analyzing the problem, a legal professional from Cole, Scott & Kissane, P.A. will return your call and discuss the matter for up to one hour, at no cost to you or your firm.

* Assistance from Cole, Scott & Kissane, P.A. attorneys is not intended to replace your firm's need to hire counsel to assist in making risk management decisions.

About Cole, Scott & Kissane, P.A.

Cole, Scott & Kissane, P.A. is a defense-oriented law firm based in Florida, with 10 offices and over 220 lawyers. Their lawyers are highly experienced in association liability defense matters.

Note: This service is available for consultation purposes only and is not to discuss actual claim situations. Any actual or potential claims must be reported to the Travelers Bond & Financial Products Claim department.



Please keep this card for easy access to Travelers risk management helpline:



Travelers helpline: 1.855.548.8656

Policy number: 107965396

Effective date: 01/01/2026

Website: rmlplusonline.com

travelersbond.com

The Travelers Indemnity Company and its property casualty affiliates. One Tower Square, Hartford, CT 06183

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.



P.O. Box 2950

Hartford, CT 06104-2950

Community Association Management Liability Hotline

As part of the services provided through Risk Management PLUS+ Online [®], Travelers Bond & Specialty Insurance is pleased to provide its Community Association Management Liability policyholders with limited access to a toll-free hotline designed to provide quick, practical guidance on day-to-day employment and homeowner and condominium association issues.

To utilize the hotline, call [1-855-548-8656](tel:1-855-548-8656).

Through this hotline, policyholders are eligible to receive free general guidance from the law firm of Cole, Scott & Kissane. The hotline is available toll-free from anywhere in the United States.

We have developed this program in conjunction with Cole, Scott & Kissane, a law firm exclusively dedicated to representing management on workplace and homeowner and condominium association issues in Florida. With more than 220 attorneys, in ten offices throughout the State of Florida, the firm has a recognized expertise in workplace and homeowner and condominium association related issues. Cole, Scott & Kissane is comprised of attorneys licensed to practice law in the State of Florida.

The firm's attorneys are available to assist policyholders in managing their workplace risk and minimizing homeowner and condominium association management related claims. As part of this program, policyholders are also eligible to receive regular fees for matters beyond the scope of the hotline, such as risk management training or areas not within the scope of their policy. Similarly, the hotline cannot be used to report a claim regardless of any disclosure made to Cole, Scott & Kissane.

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

Travelers Casualty and Surety Company of America, P.O. Box 2950, Hartford, CT 06104-2950



P.O. Box 2950
Hartford, CT 06104-2950

11/14/2025

PONDS AT BLUE RIVER OWNERS ASSOCIATION, INC

PO BOX 678
C/O SUMMIT RESORT GROUP INC
FRISCO, CO 80443

RE: Risk Management PLUS+ Online® from Travelers Bond & Specialty Insurance (www.rmplusonline.com)

As a Travelers Bond & Specialty Insured you receive risk management services, at no additional cost, to help protect you and your business.

Risk Management PLUS+ Online, is a robust website to assist you in the mitigation of risk relative to employment practices, community association management, kidnap & ransom, and identity fraud exposures.

Highlights of Risk Management PLUS+ Online include:

- ☒ Thousands of articles on a variety of risk management topics
- ☒ Topical webinars and podcasts on current issues
- ☒ Checklists to assist in managing risk
- ☒ Web based training
- ☒ Model Employee Handbook, including policies and forms for downloading or printing that reduce risks in the workplace.

The following Risk Management PLUS+ Online Registration Instructions contain easy, step-by-step instructions to register for this valuable tool. For more information, call 1-888-712-7667 and ask for your Risk Management PLUS+ Online representative. It's that simple.

Thank you for choosing Travelers Bond & Specialty Insurance for your insurance needs. Travelers is a market leader in providing management liability and crime coverages that are specifically customized for your organization.

Instructions for Registration & Orientation to Risk Management PLUS+ Online®

Registration for Site Administrators:

The Site Administrator is the person in your organization who will oversee Risk Management PLUS+ Online for the organization. The Site Administrator is typically a person who leads human resources and/or financial functions or is responsible for legal matters pertaining to personnel. The Site Administrator may add other Site Administrators later to assist with their responsibilities. To register:

1. Go to www.rmplusonline.com.
2. In the Sign-In box, click **Register**.
3. Enter the password/passcode: TRVP140000
4. Fill in the Registration Information and click **Submit**.
5. Your organization is registered, and you are registered as Site Administrator.

Learning to Navigate the Site:

1. Go to www.rmplusonline.com. On each page, you will see a box outlined in blue that contains the instructions for use of that page.
2. If you have any questions, just click on **Contact Us** on the front page. Enter your question in the form provided, and the System Administrator will get back to you quickly with the answer.
3. You can also schedule a live walk-through of the site by sending a request for a walk-through via the contact link on the front page.

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

Independent Agent And Broker Compensation Notice

For information on how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html.

Or write:

Travelers, Agency Compensation
One Tower Square
Hartford, CT 06183

This notice provides no coverage, nor does it change any policy terms. To determine the scope of coverage and the insured's rights and duties under the policy, read the entire policy carefully. For more information about the content of this notice, the insured should contact their agent or broker. If there is any conflict between the policy and this notice, the terms of the policy prevail.

Colorado Claims-Made Disclosure Notice

THIS POLICY

This policy is a claims-made policy. It provides coverage only for claims made during the policy period for covered acts occurring after the policy retroactive date (if any) shown in the policy and before the end of the policy period. Upon termination of the claims-made policy, an extended reporting period option is available.

There is no difference in the type of acts covered by occurrence or claims-made policies. Claims for covered acts may be assigned to different policy periods, depending on the type of policy.

If claims are reported under a claims-made policy, the claim must fall within the definition of Claim set forth in the policy and must be made (or deemed made) during the policy period in order to be covered. Under most circumstances, a claim is considered made when it is received and recorded by the insured or insurer. Sometimes, a claim may be deemed made at an earlier time. This can happen when another claim for the same covered act has already been made, or when the claim is received and recorded during an extended reporting period.

PRINCIPAL BENEFITS

This policy provides for liability coverage up to the maximum dollar limit specified in the policy.

The principal benefits and coverages are explained in detail in this claims-made policy. Please read it carefully and consult an insurance producer about any questions.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

This claims-made policy contains certain exceptions, reductions and limitations. Please read them carefully and consult an insurance producer about any questions.

RENEWALS AND EXTENDED REPORTING PERIODS

This claims-made policy has some unique features relating to renewal, extended reporting periods and coverage for events with long periods of potential liability exposure.

If there is a retroactive date in this policy, no act prior to that date will be covered under the policy even if reported during the policy period. It is therefore important to be certain that there are no gaps in insurance coverage. These gaps can occur in several ways. Among the most common are:

1. Switching from an occurrence policy to a claims-made policy, the retroactive date in the claims-made policy should be no later than the expiration date of the occurrence policy.
2. When replacing a claims-made policy with a claims-made policy, consider the following:
 - a. The retroactive date in the replacement policy should extend far enough back in time to cover any acts with long periods of liability exposure, or
 - b. If the retroactive date in the replacement policy does not extend far enough back in time to cover events with long periods of liability exposure, consider purchasing extended reporting period coverage under the old claims-made policy.
3. If this claims-made policy is replaced with an occurrence policy, insurance coverage may not exist for a claim arising during the period of claims-made coverage unless an extended reporting period is purchased under the claims-made policy. Extended reporting period coverage must be offered to the insured by law for at least one year after the expiration of the claims-made policy at a premium not to exceed 200% of your last policy premium.

CAREFULLY REVIEW THIS POLICY REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE MUST BE PURCHASED OR ACCEPTED.

Travelers Casualty and Surety Company of America
Hartford, Connecticut
(A Stock Insurance Company, herein called the Company)

LIABILITY COVERAGES, SEPARATE LIABILITY COVERAGES, AND THIRD PARTY LIABILITY INSURING AGREEMENTS ARE WRITTEN ON A CLAIMS-MADE BASIS AND COVER ONLY CLAIMS MADE AGAINST INSUREDS DURING THE POLICY PERIOD.

THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY IS WRITTEN ON A CLAIMS-MADE AND REPORTED BASIS. THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST INSUREDS DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY IN ACCORDANCE WITH THE TERMS OF THE COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE POLICY.

THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED BY DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE HAS BEEN SPECIFICALLY PROVIDED HEREIN.

ITEM 1 NAMED INSURED/INSURANCE REPRESENTATIVE:

PONDS AT BLUE RIVER OWNERS ASSOCIATION, INC

D/B/A:

Principal Address:
PO BOX 678
C/O SUMMIT RESORT GROUP INC
FRISCO, CO 80443

ITEM 2 POLICY PERIOD:

Inception Date: January 01, 2026 Expiration Date: January 01, 2027
12:01 A.M. local time both dates at the Principal Address stated in ITEM 1.

ITEM 3 ADDRESS INFORMATION FOR NOTICES TO COMPANY:

Email: BSIclaims@travelers.com
Fax: 1-888-460-6622
Mail: Travelers Bond & Specialty Insurance Claim
P.O. Box 2989
Hartford, CT 06104-2989

Overnight Mail: Travelers Bond & Specialty Insurance Claim
One Tower Square, MN06
Hartford, CT 06183

For questions related to claim reporting or handling, please call 1-800-842-8496.

ITEM 4 COVERAGES INCLUDED AS OF THE INCEPTION DATE IN ITEM 2:

Association Management Liability Coverage

Community Association Management Liability Coverage

Cyber Coverage

CyberRisk

ITEM 5

COMMUNITY ASSOCIATION MANAGEMENT LIABILITY COVERAGE

Limit of Liability:	\$2,000,000	for all Claims
Additional Defense Coverage:	<input type="checkbox"/> Applicable	<input checked="" type="checkbox"/> Not Applicable
Additional Defense Limit of Liability:	Not Covered	for all Claims
Retention:	\$0	for each Directors and Officers Claim under Insuring Agreement A
	\$2,500	for each Directors and Officers Claim under Insuring Agreement B
	\$2,500	for each Directors and Officers Claim under Insuring Agreement C
	\$2,500	for each Employment Claim under Insuring Agreement D
Prior and Pending Proceeding Date:	January 1, 2024	
Continuity Date:	May 5, 2000	

CYBERRISK DECLARATIONS

CyberRisk Aggregate Limit: \$50,000

Liability	Limit	Retention
Privacy and Security	\$50,000	\$2,500
Media	NA	NA
Regulatory Proceedings	\$50,000	\$2,500
Breach Response	Limit	Retention

Privacy Breach Notification	\$50,000	\$2,500
Computer and Legal Experts	\$50,000	\$2,500
Betterment	NA	NA
Cyber Extortion	\$50,000	\$2,500
Data Restoration	\$50,000	\$2,500
Public Relations	\$50,000	\$2,500
Cyber Crime	Limit	Retention
Computer Fraud	NA	NA
Funds Transfer Fraud	NA	NA
Social Engineering Fraud	NA	NA
Telecom Fraud	NA	NA
Business Loss	Limit	Retention
Business Interruption	NA	
Dependent Business Interruption	NA	
Reputation Harm	NA	NA
System Failure	NA	

Additional First Party Provisions

Accounting Costs Limit: NA
 Betterment Coparticipation: NA
 Period Of Restoration: NA
 Period Of Indemnity: NA
 Wait Period: NA

Knowledge Date: January 01, 2024

P&P Date: January 01, 2024

Retro Date: N/A

Extended Reporting Period

Months: 12
 Percentage of Annualized Premium: 75%

ITEM 6

PREMIUM FOR THE POLICY PERIOD FOR ALL COVERAGES:

\$3,850.00 Policy Premium for all purchased Coverages

ITEM 7 TYPE OF CLAIM DEFENSE FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE AND CYBER COVERAGE:

Duty-to-Defend

Only the type of CLAIM DEFENSE marked "" is included in this policy.

ITEM 8 EXTENDED REPORTING PERIOD FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES (subject to LIA-3001):

Additional Premium Percentage: 75%

Additional Months: 12

(If exercised in accordance with the applicable EXTENDED REPORTING PERIOD condition)

ITEM 9 RUN-OFF EXTENDED REPORTING PERIOD FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE, LIABILITY COVERAGES (subject to LIA-3001):

Additional Premium Percentage: 120%

Additional Months: 12

(If exercised in accordance with the applicable CHANGE OF CONTROL condition)

ITEM 10 ANNUAL REINSTATEMENT OF THE LIABILITY COVERAGE LIMIT OF LIABILITY FOR ASSOCIATION MANAGEMENT LIABILITY COVERAGE SUBJECT TO LIA-3001:

Applicable Not Applicable

Only those coverage features marked " Applicable" are included in this policy.

ITEM 11 FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE FOR ALL COVERAGES:

ACF-7007-0811; ACF-7006-0511; AFE-19029-0719; AFE-19030-0920; CAM-16001-0113; CAM-19004-0113; CAM-19004-0113; CAM-19061-0315; CAM-19066-0320; CAM-19004-0113; CAM-17006-0113; AFE-16001-0119; CYB-16001-TOC-0620; CYB-16001-0620; CYB-19112-0119; CCREWO-1224

ITEM 12 LIABILITY COVERAGE SHARED LIMIT OF LIABILITY FOR LIABILITY COVERAGES (subject to LIA-3001):

Applicable Not Applicable

N/A for all **Claims** under the following **Liability Coverages** that are subject to the Terms & Conditions in LIA-3001:

If the **Liability Coverages** selected in ITEM 12 are also **Scheduled Coverages** selected in ITEM 13, then the amount of the **Liability Coverage Shared Limit of Liability** set forth in ITEM 12 is part of, and not in addition to, the **Shared Limit of Liability/Limit of Insurance for Scheduled Coverages** set forth in ITEM 13.

ITEM 13 SHARED LIMIT OF LIABILITY/LIMIT OF INSURANCE FOR SCHEDULED COVERAGES:

Applicable Not Applicable

N/A for all **Claims** and limits of insurance under the following **Scheduled Coverages**:

The Company's maximum liability for the **Policy Period** for all **Claims** and limits of insurance under the **Scheduled Coverages** listed in ITEM 13 will not exceed the amount of the **Shared Limit of Liability/Limit of Insurance for Scheduled Coverages**. Any Additional Defense Limit of Liability, Supplemental Personal Indemnification Limit of Liability, or Identity Fraud Expense Reimbursement Limit of Insurance is in addition to, and not part of, the **Shared Limit of Liability/Limit of Insurance for Scheduled Coverages**.

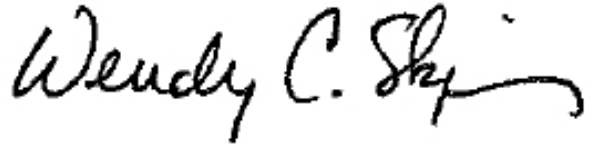
PRODUCER INFORMATION:

WORLDWIDE INS SVCS OF DE
800 W 6TH ST STE 1700
LOS ANGELES, CA 90017

IN WITNESS WHEREOF, the Company has caused this policy/bond to be signed by its authorized officers.



President



Corporate Secretary

CROSS-COVERAGE NOTICE ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability, CyberRisk

It is agreed that:

Notice provided to the Company of any:

1. **Claim, Potential Claim, Settlement Program Notice**, or circumstances which may give rise to a **Claim** under any Management Coverage or **Liability Coverage**; or
2. loss or situation that may result in loss, **Insured Event**, or **Identity Fraud** under any Crime Coverage or Other Coverage;

shall be deemed to have been provided under the Policy in its entirety.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

REMOVAL OF SHORT-RATE CANCELLATION ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability,CyberRisk

It is agreed that:

In any cancellation, termination or non-renewal provision, any reference to computing a premium on a short rate basis is replaced with a reference to computing such premium on a pro-rata basis.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

ACF-7006 Ed. 05-11

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This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

Cap On Losses From Certified Acts Of Terrorism Endorsement

The following is added to this Policy. This provision can limit coverage for any loss arising out of a *Certified Act Of Terrorism* if such loss is otherwise covered by this Policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of *Certified Acts Of Terrorism* in another endorsement to this policy.

If aggregate insured losses attributable to *Certified Acts Of Terrorism* exceed \$100 billion in a calendar year and the Insurer has met its insurer deductible under *TRIA*, the Insurer will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act Of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of *TRIA*, to be an act of terrorism pursuant to *TRIA*. The criteria contained in *TRIA* for a *Certified Act Of Terrorism* include the following:

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

TRIA means the federal Terrorism Risk Insurance Act of 2002 as amended.

This endorsement modifies any Coverage Part or Coverage Form included in this Policy that is subject to the federal Terrorism Risk Insurance Act of 2002 as amended.

Federal Terrorism Risk Insurance Act Disclosure Endorsement

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA"), establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). Act Of Terrorism is defined in Section 102(1) of TRIA to mean any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and 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.

The Federal Government's share of compensation for such Insured Losses is 80% of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA).

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

For each coverage provided by this policy that applies to such Insured Losses, the charge for such Insured Losses is no more than one percent of your premium, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA. Please note that no separate additional premium charge has been made for coverage for Insured Losses covered by TRIA. The premium charge that is allocable to such coverage is inseparable from and imbedded in your overall premium.

THIS IS A CLAIMS-MADE AND REPORTED POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.

PLEASE READ THE POLICY CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, in reliance on the statements in the **Application**, subject to the Declarations, and pursuant to all the terms, conditions, exclusions and limitations of this **Community Association Management Liability Coverage Policy**, the Company and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

The Company will pay on behalf of:

- A.** the **Insured Persons**, **Loss** for **Directors and Officers Wrongful Acts**, except for **Loss** that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification;
- B.** the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**, that the **Insured Organization** pays to or on behalf of the **Insured Persons** as indemnification; and
- C.** the **Insured Organization**, **Loss** for **Directors and Officers Wrongful Acts**,

that results from any **Directors and Officers Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

- D.** The Company will pay on behalf of the **Insured**, **Loss** for any **Employment Practices Wrongful Act**, resulting from any **Employment Claim** first made during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period and reported in accordance with section V. CONDITIONS, F. INSURED'S DUTIES IN THE EVENT OF A CLAIM.

II. DEFINITIONS

Wherever appearing in this **Community Association Management Liability Coverage Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

- A.** **Additional Defense Limit of Liability** means the amount set forth in ITEM 5 of the Declarations. If "Not Applicable" is selected for the **Additional Defense Limit of Liability**, then any reference to the **Additional Defense Limit of Liability** will be deemed to be deleted from this **Community Association Management Liability Coverage Policy**.
- B.** **Annual Reinstatement of the Limit of Liability** means, if included in ITEM 10 of the Declarations, the reinstatement of each applicable limit of liability for each **Policy Year** during the **Policy Period**.
- C.** **Application** means the application deemed to be attached to and forming a part of this **Community Association Management Liability Coverage Policy**, including any materials submitted and statements made in connection with that application. If the **Application** uses terms or phrases that differ from the terms defined in this **Community Association Management Liability Coverage Policy**, no inconsistency between any term or phrase used in the **Application** and any term defined in this **Community Association Management Liability Coverage Policy** will waive or change any of the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**.

- D. **Builder or Developer Board Member** means any natural person appointed or elected to serve on the board of directors of the **Named Insured** by the builder, developer, sponsor, or declarant of the **Named Insured**, and who was both a director or officer of the **Named Insured** and a director, officer, employee or agent of such builder, developer, sponsor, or declarant of the **Named Insured**.
- E. **Change of Control** means:
1. the acquisition of the **Named Insured**, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the **Named Insured** into or with another entity such that the **Named Insured** is not the surviving entity; or
 2. the obtaining by any person, entity or affiliated group of persons or entities the right to elect, appoint or designate more than 50% of the board of directors, board of trustees, board of managers, or functional equivalent thereof or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof of the **Named Insured**.
- F. **Claim** means a **Directors and Officers Claim** or **Employment Claim**.
- G. **Claimant** means:
1. a past, present or future **Employee** or applicant for employment with the **Insured Entity**; or
 2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local agency, when acting on behalf of or for the benefit of a past, present or future **Employee** or applicant for employment with the **Insured Entity**.
- Solely as respects any **Employment Claim**, **Claimant** does not include any independent contractor.
- H. **Community Association Management** means any natural person sole proprietor, director, officer or employee of a **Community Association Management Organization**, but only in his or her capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.
- I. **Community Association Management Liability Coverage Policy** means, collectively, the Declarations, the **Application**, this Community Association Management Liability Coverage, and any endorsements attached hereto.
- J. **Community Association Management Organization** means any sole proprietor or entity providing real estate property management services to an **Insured Entity** pursuant to a written contract, but only in its capacity as property manager for the **Insured Entity** and only for property management services for the **Insured Entity** that are enumerated in the written contract between the **Community Association Management Organization** and the **Insured Entity** describing such property management services.
- K. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of:
1. faulty or incorrect design or architectural plans;
 2. improper soil testing;
 3. inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
 4. the construction, manufacture or assembly of any tangible property;
 5. the failure to provide construction related goods or services as represented or to pay for such goods or services; or
 6. the supervision of any of the activities described in 1. through 5. above.

L. **Defense Expenses** means reasonable and necessary legal fees and expenses incurred by the Company or the **Insured**, with the Company's consent, in the investigation, defense, settlement and appeal of a **Claim**, including cost of expert consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds (without the obligation to furnish such bonds) regarding such **Claim**; provided that **Defense Expenses** will not include the salaries, wages, benefits or overhead of, or paid to, any **Insured**.

M. **Directors and Officers Claim** means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** for any **Directors and Officers Wrongful Act**.

Provided that **Directors and Officers Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

Directors and Officers Claim does not mean any motion for, demand for, or award of, amounts from or against an **Insured** solely consisting of legal costs, whether or not including attorneys' fees, arising out of a legal proceeding or alternative dispute resolution proceeding or brought by an **Insured**.

A **Directors and Officers Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Directors and Officers Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of a **Directors and Officers Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Directors and Officers Claim** until after the **Policy Period** has expired, then such **Directors and Officers Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Directors and Officers Claim**.

N. **Directors and Officers Wrongful Act** means:

1. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, or any matter asserted against, an **Insured Person** in his or her capacity as such;
2. any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty or neglect by, including any **Personal Injury** or **Publishers Liability**, the **Insured Organization**; or
3. any matter asserted against an **Insured Person** solely by reason of his or her status as such.

Provided that **Directors and Officers Wrongful Act** does not mean any **Employment Practices Wrongful Act**.

O. **Employee** means a natural person whose labor or service is engaged by and directed by the **Insured Entity** and:

1. who is on the payroll of the **Insured Entity**, including any full-time, part-time, temporary and seasonal worker; or
2. whose services have been leased by the **Insured Entity**.

Independent contractors are not **Employees**. The status of an individual as an **Employee** will be determined as of the date of the alleged **Wrongful Act**.

P. *Employment Agreement* means any express or implied employment agreement regardless of the basis in which such agreement is alleged to exist, other than a collective bargaining agreement.

Q. *Employment Claim* means:

1. a written demand for monetary damages or non-monetary relief;
2. a civil proceeding commenced by service of a complaint or similar pleading;
3. a criminal proceeding commenced by filing of charges;
4. a formal administrative or regulatory proceeding, commenced by a filing of a notice of charges, formal investigative order, service of summons or similar document, including a proceeding before the Equal Employment Opportunity Commission or any similar governmental agency; provided that in the context of an audit conducted by the Office of Federal Contract Compliance Programs, **Employment Claim** will be limited to a Notice of Violation or Order to Show Cause or written demand for monetary damages or non-monetary relief;
5. an arbitration, mediation or similar alternative dispute resolution proceeding if the **Insured** is obligated to participate in such proceeding or if the **Insured** agrees to participate in such proceeding, with the Company's written consent, such consent not to be unreasonably withheld; or
6. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,

against an **Insured** by or on behalf of or for the benefit of a **Claimant** for any **Employment Practices Wrongful Act**.

Provided that **Employment Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

An **Employment Claim** is deemed to be made on the earliest date that any **Executive Officer** first receives written notice of such **Employment Claim**. However, if any **Insured Person** who is not an **Executive Officer** first receives written notice of an **Employment Claim** during the **Policy Period**, but no **Executive Officer** receives written notice of such **Employment Claim** until after the **Policy Period** has expired, then such **Employment Claim** will be deemed to have been made on the date such **Insured Person** first received written notice of the **Employment Claim**.

R. *Employment Practices Wrongful Act* means any actual or alleged:

1. violation of any employment discrimination law;
2. **Retaliation**;
3. **Sexual Harassment**;
4. **Workplace Harassment**;
5. **Wrongful Termination**;
6. breach of **Employment Agreement**;
7. violation of the Family Medical Leave Act;
8. employment-related misrepresentation;
9. employment-related defamation, including libel or slander, or invasion of privacy;
10. failure or refusal to create or enforce adequate workplace or employment policies and procedures, employ or promote, including wrongful failure to grant bonuses or perquisites, or grant tenure;
11. wrongful discipline, wrongful demotion, denial of training, deprivation of career opportunity, denial or deprivation of seniority, or evaluation;
12. employment-related wrongful infliction of emotional distress;

13. negligent hiring, supervision of others, training, or retention committed or allegedly committed by any **Insured**, but only if such act is alleged in connection with an **Employment Practices Wrongful Act** set forth in 1. through 12. above; provided that the **Claim** alleging the negligent hiring, supervision of others, training, or retention is brought by or on behalf of any **Claimant**; or
 14. the violation of responsibilities, duties, or obligations imposed on an **Insured** under any **Wage and Hour Law**.
- S. *Executive Officer*** means any member of the board of directors, officer, director, trustee, chairperson, or general counsel of the **Insured Organization** or a functional equivalent thereof, or member of the staff of the human resources department of the **Insured Organization** or functional equivalent thereof, or any on-site or off-site manager of the **Community Association Management Organization**, any **Employee** performing property management services for the **Insured Entity**, or any duly appointed member of a legal committee of the **Insured Entity**.
- T. *Financial Insolvency*** means, with respect to the **Insured Entity**, the appointment of a receiver, conservator, liquidator, trustee, or similar official; or the inability of the **Insured Entity** financially to indemnify the **Insured Persons**.
- U. *Insured*** means the **Insured Person** and **Insured Organization**.
- V. *Insured Entity*** means the **Named Insured**, any **Subsidiary**, and any such entity as a debtor in possession, as such term is used in Chapter 11 of the United States of America Bankruptcy Code, as amended, or the equivalent of a debtor in possession under any applicable foreign law.
- W. *Insured Organization*** means **Insured Entity** and **Community Association Management Organization**.
- X. *Insured Person*** means any natural person who was, is or becomes an **Employee**, duly elected or appointed member of the board of directors, officer, member of the board of trustees, member of the board of managers, member of the board of regents, member of the board of governors, or a functional equivalent thereof, member of a duly constituted committee, or volunteers of the **Insured Entity** or any **Executive Officer**. **Insured Person** also means any **Community Association Management**.

In the event of the death, incapacity or bankruptcy of an **Insured Person**, any **Claim** against the estate, heirs, legal representatives or assigns of such **Insured Person** for a **Wrongful Act** of such **Insured Person** will be deemed to be a **Claim** against such **Insured Person**.

- Y. *Loss*** means **Defense Expenses** and money which an **Insured** is legally obligated to pay as a result of a **Claim**, including compensatory damages, punitive or exemplary damages where insurable under applicable law, prejudgment and postjudgment interest, judgments, and settlements. **Loss** does not include:
1. the multiple portion of any multiplied damage award;
 2. any amount not indemnified by the **Insured Organization** for which the **Insured** is absolved from payment by reason of any covenant, agreement or court order;
 3. civil or criminal fines, sanctions, liquidated damages other than liquidated damages awarded under the Age Discrimination in Employment Act or the Equal Pay Act; payroll or other taxes, or damages, penalties or types of relief deemed uninsurable under applicable law;
 4. future compensation, including salary or benefits, for a **Claimant** who has been or will be hired, promoted or reinstated to employment pursuant to a settlement, court order, judgment, award or other resolution of a **Claim**; or that part of any judgment or settlement which constitutes front pay, future monetary losses including pension and other benefits, or other future economic relief or the value or equivalent thereof, if the **Insured** has been ordered, or has the option pursuant to a judgment, order or other award or disposition of a **Claim**, to promote, accommodate, reinstate, or hire the **Claimant** to whom such sums are to be paid, but fails to do so;
 5. medical, pension, disability, life insurance, stock options or other similar employee benefits except and to the extent that a judgment or settlement of a **Claim** includes a monetary component

measured by the value of medical, pension, disability, life insurance, stock options or other similar employee benefits, as consequential damages for a **Wrongful Act**; or

6. any amount allocated to non-covered loss pursuant to section V. CONDITIONS, R. ALLOCATION.
- Z.** **Named Insured** means any entity named in ITEM 1 of the Declarations.
- AA.** **Personal Injury** means false arrest, wrongful detention or imprisonment, malicious prosecution, defamation including libel or slander, invasion of privacy or wrongful entry or eviction.
- BB.** **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy**.
- CC.** **Policy Year** means:
1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; and
 2. the time between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date of cancellation or termination of this **Community Association Management Liability Coverage Policy** if such time period is less than one year.
- DD.** **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- EE.** **Potential Claim** means any **Wrongful Act** that may subsequently give rise to a **Claim**.
- FF.** **Publishers Liability** means infringement of copyright or trademark, unauthorized use of title, plagiarism or misappropriation of ideas.
- GG.** **Related Wrongful Act** means all **Wrongful Acts** that have as a common nexus, or are causally connected by reason of, any fact, circumstance, situation, event or decision.
- HH.** **Retaliation** means any actual or alleged **Wrongful Termination** or other adverse employment action against a **Claimant** on account of such **Claimant's** exercise or attempted exercise of rights protected by law, refusal to violate any law, disclosure or threat to disclose to a superior or to any governmental agency alleged violations of the law, or on account of the **Claimant** having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law.
- II.** **Sexual Harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature that:
1. is made a term or condition of a **Claimant's** employment or advancement;
 2. the submission to or rejection of is used as a basis for decisions affecting the **Claimant**; or
 3. has the purpose or effect of creating an intimidating, hostile or offensive work environment.
- JJ.** **Subsidiary** means:
1. any non-profit entity organized under the laws of any jurisdiction in which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which, on or before the Inception Date set forth in ITEM 2 of the Declarations, the **Named Insured** has the ability to exercise managerial control;
 2. any for-profit entity; provided that it has been added specifically by endorsement to this **Community Association Management Liability Coverage Policy**; or

3. subject to the provisions set forth in section V. CONDITIONS, O. ACQUISITIONS, any non-profit entity that the **Insured Entity** acquires or forms during the **Policy Period** in which the **Named Insured** owns, directly or indirectly, more than 50% of the outstanding securities or voting rights representing the present right to elect, appoint or exercise a majority control over such entity's board of directors, board of trustees, board of managers, or functional equivalent, or, in the case of any non-profit entity that does not issue securities, over which the **Named Insured** has the ability to exercise managerial control.
- KK. Wage and Hour Law** means any federal, state, or local law or regulation governing or related to the payment of wages including the payment of overtime, on-call time, minimum wages, meal breaks, rest breaks or the classification of employees for the purpose of determining employees' eligibility for compensation under such laws.
- LL. Wage and Hour Law Employment Claim** means an **Employment Claim** for an alleged violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that **Wage and Hour Law Employment Claim** does not include any **Employment Claim** for **Retaliation** or any actual or alleged violation of the Equal Pay Act.
- MM. Workplace Harassment** means any actual or alleged harassment, other than **Sexual Harassment**, which creates a work environment that interferes with job performance, or creates an intimidating, hostile, or offensive work environment.
- NN. Wrongful Act** means **Directors and Officers Wrongful Act** or **Employment Practices Wrongful Act**.
- All **Related Wrongful Acts** are a single **Wrongful Act** for purposes of this **Community Association Management Liability Coverage Policy**, and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.
- OO. Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between a **Claimant** and the **Insured Entity**.

III. EXCLUSIONS

A. EXCLUSIONS APPLICABLE TO ALL LOSS

1. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, or loss of use of any tangible property, including any **Construction Defect**, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot.
2. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any bodily injury, sickness, disease, death, loss of consortium, emotional distress, mental anguish, humiliation, or loss of reputation; provided that this exclusion will not apply to allegations of emotional distress or mental anguish if, and only to the extent, that such allegations are made as part of any **Employment Claim**.
3. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any nuclear reaction, nuclear radiation, radioactive contamination, or radioactive substance, or the hazardous properties of nuclear material; or infectious waste or medical waste.
4. The Company will not be liable for **Loss** for any **Claim**:
 - a. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of;

- b. based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any request, demand, order, or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of; or
- c. brought by or on behalf of any governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of,

any **Pollutant**, any oil or oil products, any electric, magnetic, or electromagnetic field, any odor, or any actual or alleged presence or actual, alleged, or threatened dispersal of any asbestos, asbestos fibers, or products containing asbestos; provided that this exclusion will not apply to **Employment Claims for Retaliation**.

- 5. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event or **Wrongful Act** underlying or alleged in any prior or pending civil, criminal, administrative or regulatory proceeding against any **Insured** as of or prior to the applicable Prior and Pending Proceeding Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.
- 6. The Company will not be liable for **Loss** for any **Claim** for any fact, circumstance, situation, or event that is or reasonably would be regarded as the basis for a claim about which any **Executive Officer** had knowledge prior to the applicable Continuity Date set forth in ITEM 5 of the Declarations for this **Community Association Management Liability Coverage Policy**.
- 7. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, event, or **Wrongful Act** which, before the Inception Date set forth in ITEM 2 of the Declarations, was the subject of any notice of **Claim** or potential claim given by or on behalf of any **Insured** under any policy of insurance of which this **Community Association Management Liability Coverage Policy** is a direct renewal or replacement or which it succeeds in time.
- 8. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under the Employee Retirement Income Security Act of 1974 (ERISA), including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation; or for an **Insured's** failure or refusal to establish, contribute to, pay for, insure, maintain, provide benefits pursuant to, or enroll or maintain the enrollment of an employee or dependent in, any employee benefit plan, fund or program, including contracts or agreements which are not subject to the provisions of ERISA; provided that this exclusion will not apply to **Employment Claims for Retaliation**.
- 9. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** by an entity that is or was a **Subsidiary**, or any **Insured Person** of such entity, occurring at any time during which such entity was not a **Subsidiary**.
- 10. The Company will not be liable for **Loss** for any **Claim** for any violation of responsibilities, duties or obligations under any law concerning Social Security, unemployment insurance, workers' compensation, disability insurance, or any similar or related federal, state or local law or regulation, or for any violation of the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation or for any violation of responsibilities, duties or obligations imposed on an **Insured** under any **Wage and Hour Law**; provided that this exclusion will not apply to:
 - a. **Employment Claims for Retaliation**;
 - b. **Employment Claims** for any actual or alleged violation of the Equal Pay Act; or

- c. **Defense Expenses**, not to exceed \$100,000, for any **Wage and Hour Law Employment Claim**.
11. The Company will not be liable for **Loss** for any **Claim** by or on behalf of the **Insured Entity** against any **Community Association Management** or **Community Association Management Organization**.
12. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** by an **Insured Person** as a director, officer or employee of any entity other than the **Insured Entity**, even if such service is directed or requested by the **Insured Entity**.
13. The Company will not be liable for **Loss** for any **Claim** made against any **Builder or Developer Board Member** after the end of the **Policy Year** in which such **Builder or Developer Board Member** ceases to serve on the board of directors of the **Named Insured**.
14. The Company will not be liable for **Loss** for any **Claim** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the ownership, control, management or operation of any for-profit entity of the **Insured Entity** until and unless it has been added specifically by endorsement as a **Subsidiary** to this **Community Association Management Liability Coverage Policy**.
15. The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any deliberately fraudulent or dishonest act or omission or any purposeful violation of any statute or regulation by such **Insured**; provided that this exclusion will not apply unless a judgment or other final adjudication adverse to such **Insured** establishes such a deliberately fraudulent or dishonest act or omission or purposeful violation.
16. The Company will not be liable for **Loss** for any **Claim** for an **Insured** gaining in fact any profit, remuneration or advantage to which any **Insured** was not legally entitled.
17. The Company will not be liable for **Loss** for any **Claim** by or on behalf of an employee of the **Community Association Management Organization** for employment-related **Wrongful Acts**.

B. EXCLUSIONS APPLICABLE TO LOSS, OTHER THAN DEFENSE EXPENSES

1. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking costs and expenses incurred or to be incurred to comply with an order, judgment or award of injunctive or other equitable relief of any kind, or that portion of a settlement encompassing injunctive or other equitable relief, including actual or anticipated costs and expenses associated with or arising from an **Insured's** obligation to provide reasonable accommodation under, or otherwise comply with, the Americans With Disabilities Act or the Rehabilitation Act of 1973, including amendments thereto and regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.
2. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** for liability under or breach of any oral, written, or implied contract or agreement, including any liability of others assumed by an **Insured** under any such contract or agreement; provided that this exclusion will not apply to:
- a. any **Employment Claim**; or
 - b. the extent that the **Insured** would have been liable in the absence of such contract or agreement.
3. The Company will not be liable for **Loss**, other than **Defense Expenses**, for any **Claim** seeking severance pay, damages or penalties under an express written **Employment Agreement**, or under any policy or procedure for payment in the event of separation from employment; or sums sought solely on the basis of a claim for unpaid services.

IV. SEVERABILITY OF EXCLUSIONS

No fact pertaining to or knowledge or information possessed by any **Insured Person** will be imputed to any other **Insured Person** to determine the application of any of the exclusions set forth in section III. EXCLUSIONS above. Only facts pertaining to or knowledge or information possessed by an officer, director, or trustee of the **Insured Organization** will be imputed to the **Insured Organization** for purposes of applying any exclusion in section III. EXCLUSIONS above.

V. CONDITIONS

A. TERRITORY

This **Community Association Management Liability Coverage Policy** applies to **Claims** made or **Wrongful Acts** occurring anywhere in the world, where legally permissible.

B. RETENTION

The **Insured** will bear uninsured at its own risk the amount of any applicable Retention, which amount must be paid in satisfaction of **Loss**.

If any **Claim** gives rise to coverage under this **Community Association Management Liability Coverage Policy**, the Company has no obligation to pay **Loss**, including **Defense Expenses**, until the applicable Retention amount set forth in ITEM 5 of the Declarations has been paid by the **Insured**.

If any **Claim** is subject to different Retentions under this **Community Association Management Liability Coverage Policy**, the applicable Retentions will be applied separately to each part of such **Claim**, but the sum of such Retentions will not exceed the largest applicable Retention under this **Community Association Management Liability Coverage Policy**.

No Retention will apply to an **Insured Person** if indemnification by the **Insured Organization** is not permitted by law or if the **Insured Organization** is unable to make such indemnification solely by reason of its **Financial Insolvency**. The **Insured Organization** will be conclusively deemed to have indemnified all **Insured Persons** to the extent that the **Insured Organization** is permitted or required to indemnify them pursuant to law, common or statutory, or contract, or the charter or by-laws of the **Insured Organization**, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

Regardless of whether **Loss** resulting from any **Claim** against **Insured Persons** is actually indemnified, Insuring Agreement B and the Retention amount set forth in ITEM 5 of the Declarations will apply to any **Loss** as to which indemnification by the **Insured Organization** is legally permissible, unless such indemnification is not made by the **Insured Organization** solely by reason of its **Financial Insolvency**.

The certificate of incorporation, charter, articles of association or other organizational documents of the **Insured Organization**, including by-laws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Insured Persons** to the fullest extent permitted by law.

The Company, at its sole discretion, may pay all or part of the Retention amount on behalf of any **Insured**, and in such event, the **Insureds** agree to repay the Company any amounts so paid.

C. LIMITS OF LIABILITY

1. Limits of Liability

This section applies as described herein regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established.

Subject to any applicable **Annual Reinstatement of the Limit of Liability**, the Limit of Liability set forth in ITEM 5 of the Declarations is the maximum amount the Company will pay for all **Loss**, including **Defense Expenses**, for all **Claims** under this **Community Association Management Liability Coverage Policy**.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** is further limited by the following:

The Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** will not exceed \$100,000, which amount is included within, and is not in addition to, any applicable limit of liability.

2. Annual Reinstatement of the Limit of Liability

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 10 of the Declarations includes an **Annual Reinstatement of the Limit of Liability**:

- a. the Company's maximum limit of liability for all **Loss**, including **Defense Expenses**, for all **Claims** made during each **Policy Year** will not exceed the remaining Limit of Liability stated in ITEM 5 of the Declarations; and
- b. with regard to the Extended Reporting Period or the Run-Off Extended Reporting Period, if applicable, the Company's maximum limit of liability for all **Claims** made during the Extended Reporting Period or the Run-Off Extended Reporting Period will not exceed the remaining Limit of Liability for the last **Policy Year** in effect at the time of the termination or cancellation of the **Community Association Management Liability Coverage Policy** or the **Change of Control**.

3. Other Provisions

If any **Claim** made against a **Community Association Management Organization** or **Community Association Management** gives rise to coverage both under this **Community Association Management Liability Coverage Policy** and any other liability policy of similar insurance issued by the Company or any of its affiliates, the Company's maximum aggregate limit of liability under all such policies for all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed \$1,000,000 subject to the remaining Limits of Liability of such policies or if the Limit of Liability for this **Community Association Management Liability Coverage Policy** is less than \$1,000,000, then all **Loss**, including **Defense Expenses**, from such **Claim** will not exceed the Limit of Liability for this **Community Association Management Liability Coverage Policy** as set forth in ITEM 5 of the Declarations subject to the remaining Limit of Liability for such policies.

Payment of **Defense Expenses** will reduce and may exhaust all applicable limits of liability. In the event the amount of **Loss** exceeds the portion of the applicable limit of liability remaining after prior payments of **Loss**, the Company's liability will not exceed the remaining amount of the applicable limit of liability. In no event will the Company be obligated to make any payment for **Loss**, including **Defense Expenses**, with regard to a **Claim** after the applicable limit of liability has been exhausted by payment or tender of payment of **Loss**.

If the Limit of Liability set forth in ITEM 5 of the Declarations is exhausted by the payment of amounts covered under this **Community Association Management Liability Coverage Policy**, the premium for this **Community Association Management Liability Coverage Policy** will be fully earned, all obligations of the Company under this **Community Association Management Liability Coverage Policy** will be completely fulfilled and exhausted, including any duty to defend, and the Company will have no further obligation of any kind or nature whatsoever under this **Community Association Management Liability Coverage Policy**.

D. ADDITIONAL DEFENSE COVERAGE

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**, and regardless of when payment is made by the Company or when an **Insured's** legal obligation with regard thereto arises or is established, if ITEM 5 of the Declarations indicates that this **Community Association Management Liability Coverage Policy** includes Additional Defense Coverage, **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of any **Claim** made during the **Policy Period** under this **Community Association Management Liability Coverage Policy** will apply first to and reduce the **Additional Defense Limit of Liability**. The **Additional Defense Limit of Liability** will be in addition to, and not part of the **Community Association Management Liability Coverage Policy's** applicable limit of liability. The **Additional Defense Limit of Liability** is applicable to **Defense Expenses** only. If the **Annual Reinstatement of the Limit of Liability** is applicable, the **Additional Defense Limit of Liability** will be reinstated for each **Policy Year**.

Upon exhaustion of the **Additional Defense Limit of Liability**:

1. **Defense Expenses** incurred by the Company or the **Insured**, with the Company's consent, in the defense of a **Claim** are part of and not in addition to any applicable limit of liability; and
2. payment by the Company or the **Insured**, with the Company's consent, of **Defense Expenses** reduces any applicable limit of liability.

However, the Company's maximum limit of liability for **Defense Expenses** for all **Wage and Hour Law Employment Claims** that are paid pursuant to the **Additional Defense Limit of Liability** will not exceed \$100,000 for all **Wage and Hour Law Employment Claims**. Such **Defense Expenses** will be part of, and not in addition to, the \$100,000 limit of liability for all **Wage and Hour Law Employment Claims** and such \$100,000 limit of liability for all **Wage and Hour Law Employment Claims** will be reduced and may be exhausted by payment of such **Defense Expenses** under the **Additional Defense Limit of Liability**.

E. CLAIM DEFENSE

1. The Company will have the right and duty to defend any **Claim** even if the allegations are groundless, false or fraudulent, including the right to select defense counsel with respect to such **Claim**; provided, that the Company will not be obligated to defend or to continue to defend any **Claim** after the applicable limit of liability has been exhausted by payment of **Loss**.
2. The **Insured** agrees to cooperate with the Company and, upon the Company's request, assist in making settlements and in the defense of **Claims** and in enforcing rights of contribution or indemnity against any person or entity which may be liable to the **Insured** because of an act or omission insured under such **Community Association Management Liability Coverage Policy**, and will attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

F. INSURED'S DUTIES IN THE EVENT OF A CLAIM

The **Insured's** duty to report a **Claim** commences on the earliest date a written notice thereof is received by an **Executive Officer**. If an **Executive Officer** becomes aware that a **Claim** has been made against any **Insured**, the **Insured**, as a condition precedent to any rights under this **Community Association Management Liability Coverage Policy**, must give to the Company written notice of the particulars of such **Claim**, including all facts related to any alleged **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, and the dates of the alleged events, as soon as practicable, but in no event later than 60 days after the expiration date of the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period. The **Insured** agrees to give the Company such information, assistance and cooperation as it may reasonably require.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt. The **Insured** agrees not to voluntarily settle any **Claim**, make any settlement offer, assume or admit any liability or, except at the

Insured's own cost, voluntarily make any payment, pay or incur any **Defense Expenses**, or assume any obligation or incur any other expense, without the Company's prior written consent, such consent not to be unreasonably withheld. The Company is not liable for any settlement, **Defense Expenses**, assumed obligation or admission to which it has not consented.

G. NOTICE OF POTENTIAL CLAIMS

If an **Insured** becomes aware of a **Potential Claim** and gives the Company written notice of the particulars of such **Potential Claim**, including all facts related to the **Wrongful Act**, the identity of each person allegedly involved in or affected by such **Wrongful Act**, the dates of the alleged events, and the reasons for anticipating a **Claim**, as soon as practicable during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period, any **Claim** subsequently made against any **Insured** arising out of such **Wrongful Act** will be deemed to have been made during the **Policy Period**.

All notices under this subsection must be sent to the Company by electronic mail, facsimile, or mail as set forth in ITEM 3 of the Declarations and will be effective upon receipt.

H. RELATED CLAIMS

All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be considered as a single **Claim** or **Potential Claim**, whichever is applicable, for purposes of this **Community Association Management Liability Coverage Policy**. All **Claims** or **Potential Claims** for **Related Wrongful Acts** will be deemed to have been made at the time the first of such **Claims** or **Potential Claims** for **Related Wrongful Acts** were made whether prior to or during the **Policy Period**, or if exercised, during the Extended Reporting Period or Run-Off Extended Reporting Period.

I. SETTLEMENT

The Company may, with the written consent of the **Insured**, make any settlement of a **Claim** it deems expedient. If the **Insured** withholds consent to such settlement, the Company's liability for all **Loss** on account of such **Claim** will not exceed the amount for which the Company could have settled such **Claim** plus **Defense Expenses** accrued as of the date such settlement was proposed in writing by the Company.

J. OTHER INSURANCE AND INDEMNIFICATION

If any **Loss** otherwise covered under this **Community Association Management Liability Coverage Policy** is insured under any other valid and collectible policy or policies, then this **Community Association Management Liability Coverage Policy** will apply only in excess of the amount of any deductibles, retentions and limits of liability under such other insurance, whether such other insurance is stated to be primary, contributory excess, contingent or otherwise, unless such other insurance is written specifically excess of this **Community Association Management Liability Coverage Policy** by reference in such other policy to the policy number of this **Community Association Management Liability Coverage Policy**.

Additionally, this **Community Association Management Liability Coverage Policy** will apply only as excess insurance over, and will not contribute with indemnification to which any **Insured Person** is entitled from any outside entity other than the **Insured Organization**. This **Community Association Management Liability Coverage Policy** will not be subject to the terms of any other insurance.

K. ORDER OF PAYMENTS

If **Loss**, other than **Defense Expenses**, from any **Directors and Officers Claim** exceeds the remaining applicable limit of liability as set forth in ITEM 5 of the Declarations:

1. the Company will first pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreement A. applies; then
2. to the extent that any amount of the applicable limit of liability remains available, the Company will pay **Loss** for such **Directors and Officers Claim** to which Insuring Agreements B. and C. apply.

Upon written request of the **Insured Entity** by and through any **Executive Officer** of the **Insured Entity**, the Company will either pay or withhold payment of **Loss** from such **Directors and Officers Claim** under Insuring Agreements B. and C., as applicable. In the event of a written request to withhold payment, the Company will make any future payment only for **Loss** from any such **Directors and Officers Claim** to which Insuring Agreement A. applies, unless otherwise so instructed upon written request by and through an **Executive Officer** of the **Insured Entity**.

L. SUBROGATION

In the event of payment under this **Community Association Management Liability Coverage Policy**, the Company is subrogated to all of the **Insured's** rights of recovery against any person or organization to the extent of such payment and the **Insured** agrees to execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** will do nothing to prejudice such rights.

M. RECOVERIES

All recoveries from third parties for payments made under this **Community Association Management Liability Coverage Policy** will be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

1. first, to the Company to reimburse the Company for any Retention amount it has paid on behalf of any **Insured**;
2. second, to the **Insured** to reimburse the **Insured** for the amount it has paid which would have been paid hereunder but for the fact that it is in excess of the applicable limits of liability hereunder;
3. third, to the Company to reimburse the Company for the amount paid hereunder; and
4. fourth, to the **Insured** in satisfaction of any applicable Retention;

provided that recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

N. CHANGE OF CONTROL

If, during the **Policy Period**, a **Change of Control** occurs, coverage will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed after such event. No coverage will be available hereunder for **Loss**, including **Defense Expenses**, for any **Claim** based upon, alleging, arising out of, or in any way relating to, directly or indirectly any **Wrongful Act** committed or allegedly committed after such event. After any such event, this **Community Association Management Liability Coverage Policy** may not be canceled by the **Named Insured** and the entire premium for the **Community Association Management Liability Coverage Policy** will be deemed fully earned.

Upon the occurrence of any **Change of Control**, the **Named Insured** will have the right to give the Company notice that it desires to purchase a Run-Off Extended Reporting Period for the period set forth in ITEM 9 of the Declarations following the effective date of such **Change of Control**, regarding **Claims** made during such Run-Off Extended Reporting Period against persons or entities who at the effective date of the **Change of Control** are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to such **Change of Control** and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Run-Off Extended Reporting Period will not provide new, additional or renewed limits of liability; and
2. the Company's total liability for all **Claims** made during such Run-Off Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the **Change of Control**.

The premium due for the Run-Off Extended Reporting Period will equal the percentage set forth in ITEM 9 of the Declarations of the annualized premium of this **Community Association Management Liability**

Coverage Policy, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Period** prior to the **Change of Control**. The entire premium for the Run-Off Extended Reporting Period will be deemed fully earned at the commencement of such Run-Off Extended Reporting Period.

The right to elect the Run-Off Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 30 days of the **Change of Control**. In the event the Run-Off Extended Reporting Period is purchased, the option to purchase the Extended Reporting Period in section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD of this **Community Association Management Liability Coverage Policy** will terminate. In the event the Run-Off Extended Reporting Period is not purchased, the **Named Insured** will have the right to purchase the Extended Reporting Period under the terms of section V. CONDITIONS, Q. EXTENDED REPORTING PERIOD.

If, at any time during the **Policy Period**, the **Insured Entity** eliminates or reduces its ownership interest in or control over a **Subsidiary**, such that it no longer meets the definition of a **Subsidiary**, coverage will continue for such entity and its directors, officers, and employees, but only with regard to **Claims** for **Wrongful Acts** which occurred wholly during the time that the entity was a **Subsidiary**.

O. ACQUISITIONS

If, during the **Policy Period**, the **Insured Entity** acquires or forms a **Subsidiary**, this **Community Association Management Liability Coverage Policy** will provide coverage for such **Subsidiary** and its respective **Insured Persons**, subject to all other terms and conditions of this **Community Association Management Liability Coverage Policy** provided written notice of such acquisition or formation has been given to the Company, and specific application has been submitted on the Company's form in use at the time, together with such documentation and information as the Company may require, all within 90 days after the effective date of such formation or acquisition. Coverage for such **Subsidiary** will not be afforded following such 90-day period unless the Company has agreed to provide such coverage, subject to any additional terms and conditions as the Company may require, and the **Named Insured** has paid the Company any additional premium as may be required by the Company.

The 90-day notice requirement and the 90-day limitation of coverage will not apply provided that: (1) the assets of the acquired or formed **Subsidiary** do not exceed 30% of the total assets of the **Insured Entity** as reflected in the **Insured Entity's** most recent fiscal year-end financial statement; or (2) the acquisition or formation occurs less than 90 days prior to the end of the **Policy Period**.

P. SPOUSAL AND DOMESTIC PARTNER LIABILITY COVERAGE

This **Community Association Management Liability Coverage Policy** will, subject to all of its terms, conditions, and limitations, be extended to apply to **Loss** resulting from a **Claim** made against a person who, at the time the **Claim** is made, is a lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law (a "Domestic Partner") of an **Insured Person**, but only if and so long as:

1. the **Claim** against such spouse or Domestic Partner results from a **Wrongful Act** actually or allegedly committed by the **Insured Person**, to whom the spouse is married, or who is joined with the Domestic Partner; and
2. such **Insured Person** and his or her spouse or Domestic Partner are represented by the same counsel in connection with such **Claim**.

No spouse or Domestic Partner of an **Insured Person** will, by reason of this subsection have any greater right to coverage under this **Community Association Management Liability Coverage Policy** than the **Insured Person** to whom such spouse is married, or to whom such Domestic Partner is joined.

The Company has no obligation to make any payment for **Loss** in connection with any **Claim** against a spouse or Domestic Partner of an **Insured Person** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by such spouse or Domestic Partner.

Q. EXTENDED REPORTING PERIOD

At any time prior to or within 60 days after the effective date of termination or cancellation of this **Community Association Management Liability Coverage Policy** for any reason other than nonpayment of premium, the **Named Insured** may give the Company written notice that it desires to purchase an Extended Reporting Period for the period set forth in ITEM 8 of the Declarations following the effective date of such termination or cancellation, regarding **Claims** made during such Extended Reporting Period against persons or entities who at or prior to the effective date of termination or cancellation are **Insureds**, but only for **Wrongful Acts** occurring wholly prior to the effective date of the termination or cancellation and which otherwise would be covered by this **Community Association Management Liability Coverage Policy**, subject to the following provisions:

1. such Extended Reporting Period will not provide a new, additional or renewed limit(s) of liability; and
2. the Company's maximum limit of liability for all **Claims** made during such Extended Reporting Period will be only the remaining portion of the applicable limit of liability set forth in the Declarations as of the effective date of the termination or cancellation.

The premium due for the Extended Reporting Period will equal the percentage set forth in ITEM 8 of the Declarations of the annualized premium of this **Community Association Management Liability Coverage Policy**, including the fully annualized amount of any additional premiums charged by the Company during the **Policy Year** prior to such termination or cancellation. The entire premium for the Extended Reporting Period will be deemed to have been fully earned at the commencement of such Extended Reporting Period.

The right to elect the Extended Reporting Period will terminate unless written notice of such election, together with payment of the additional premium due, is received by the Company within 60 days of the effective date of the termination or cancellation. If the **Named Insured** obtains a subsequent policy at the expiration of a **Policy Period** from the Company, no termination or cancellation shall have occurred.

R. ALLOCATION

1. If there is a **Claim** under this **Community Association Management Liability Coverage Policy** in which the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this **Community Association Management Liability Coverage Policy** and also loss that is not covered by this **Community Association Management Liability Coverage Policy** because such **Claim** includes both covered and uncovered matters, then such covered **Loss** and uncovered loss will be allocated as follows:
 - a. one hundred percent of **Defense Expenses** incurred by and on behalf of the **Insureds** who are afforded coverage for such **Claim** will be allocated to covered **Loss**; and
 - b. all loss other than **Defense Expense** will be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and settlement of, the **Claim** by the **Insured Persons**, the **Insured Organization**, and others not insured under this **Community Association Management Liability Coverage Policy**. In making such a determination, the **Insured Organization**, the **Insured Persons** and the Company agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that an allocation cannot be agreed to, then the Company will be obligated to make an interim payment of the amount of Loss which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this **Community Association Management Liability Coverage Policy** and applicable law.

S. CANCELLATION AND NONRENEWAL

The Company may cancel this **Community Association Management Liability Coverage Policy** in which case 20 days written notice will be given to the **Named Insured**. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

Subject to the provisions set forth in section V. CONDITIONS, N. CHANGE OF CONTROL, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

T. ACTION AGAINST THE COMPANY

No action will lie against the Company unless there has been full compliance with all of the terms of this **Community Association Management Liability Coverage Policy**.

No person or organization has any right under this **Community Association Management Liability Coverage Policy** to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor may the Company be impleaded by an **Insured** or said **Insured's** legal representative. Bankruptcy or insolvency of any **Insured** or an **Insured's** estate does not relieve the Company of any of its obligations hereunder.

U. CHANGES

Only the **Named Insured** is authorized to make changes in the terms of this **Community Association Management Liability Coverage Policy** and solely with the Company's prior written consent. This **Community Association Management Liability Coverage Policy's** terms can be changed, amended or waived only by endorsement issued by the Company and made a part of this **Community Association Management Liability Coverage Policy**. Notice to any representative of the **Insured** or knowledge possessed by any agent or by any other person will not effect a waiver or change to any part of this **Community Association Management Liability Coverage Policy**, or estop the Company from asserting any right under the terms, conditions and limitations of this **Community Association Management Liability Coverage Policy**, nor may the terms, conditions and limitations hereunder be waived or changed, except by a written endorsement to this **Community Association Management Liability Coverage Policy** issued by the Company.

V. ASSIGNMENT

This **Community Association Management Liability Coverage Policy** may not be assigned or transferred, and any such attempted assignment or transfer is void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

W. REPRESENTATIONS

By acceptance of the terms set forth in this **Community Association Management Liability Coverage Policy**, each **Insured** represents and agrees that the statements contained in the **Application**, which is deemed to be attached hereto, incorporated herein, and forming a part hereof, are said **Insured's** agreements and representations, that such representations are material to the Company's acceptance of this risk, that this **Community Association Management Liability Coverage Policy** is issued in reliance upon the truth of such representations, and embodies all agreements existing between said **Insured** and the Company or any of its agents.

If any statement or representation in the **Application** is untrue, this **Community Association Management Liability Coverage Policy** is void and of no effect whatsoever, but only with respect to:

1. any **Insured Person** who knew, as of the Inception Date set forth in ITEM 2 of the Declarations, that the statement or representation was untrue;

2. any **Insured Organization**, with respect to its indemnification coverage, to the extent it indemnifies any **Insured Person** referenced in 1. above; and
3. any **Insured Organization**, if the person who signed the **Application** knew that the statement or representation was untrue.

Whether an **Insured Person** had such knowledge will be determined without regard to whether the **Insured Person** actually knew the **Application**, or any other application completed for this **Community Association Management Liability Coverage Policy**, contained any such untrue statement or representation.

X. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Community Association Management Liability Coverage Policy** was issued, to make any changes in the form of this **Community Association Management Liability Coverage Policy**, by which the insurance afforded by this **Community Association Management Liability Coverage Policy** could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance will inure to the benefit of the **Insured** as of the date the revision or change is approved for general use by the applicable department of insurance.

Y. AUTHORIZATION

By acceptance of the terms herein, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the payment of premiums, the receiving of any return premiums that may become due hereunder, and the receiving of notices of cancellation, nonrenewal, or change of coverage, and the **Insureds** each agree that they have, individually and collectively, delegated such authority exclusively to the **Named Insured**; provided that nothing herein will relieve the **Insureds** from giving any notice to the Company that is required under this **Community Association Management Liability Coverage Policy**.

Z. ENTIRE AGREEMENT

This **Community Association Management Liability Coverage Policy**, including the Declarations, the **Application**, and any endorsements attached thereto, constitute the entire agreement between the Company and the **Insured**.

AA. HEADINGS

The titles of the various paragraphs of this **Community Association Management Liability Coverage Policy** and its endorsements are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provision to which they relate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIED CLAIM, EVENT, CIRCUMSTANCE, LITIGATION, PERSON OR ENTITY EXCLUSION
ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of Farmers claim JY221239 (DOL: 6/4/2021) for water damage, \$19,228 paid out..

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIED CLAIM, EVENT, CIRCUMSTANCE, LITIGATION, PERSON OR ENTITY EXCLUSION
ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

The Company will not be liable for **Loss** for any **Claim** based upon or arising out of Farmers claim JR155429 (DOL:2/18/2019) for water damage, \$0 paid out..

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

GLOBAL COVERAGE COMPLIANCE ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability

It is agreed that:

1. The following is added to section **II. DEFINITIONS**:

Financial Interest means the **Named Insured's** insurable interest in an **Insured Organization** that is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, as a result of the **Named Insured's**:

1. ownership of the majority of the outstanding securities or voting rights of such **Insured Organization** representing the present right to elect, appoint, or exercise a majority control over such **Insured Organization's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;
 2. indemnification of, or representation that it has an obligation to indemnify, such **Insured Organization** for **Loss** incurred by such **Insured Organization**; or
 3. election or obligation to obtain insurance for such **Insured Organization**.
2. The following is added to section **V. CONDITIONS**:

SANCTIONS

This **Community Association Management Liability Coverage Policy** will provide coverage, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose the Company or any of its affiliated or parent companies to any trade or economic sanction under any law or regulation of the United States of America or any other applicable trade or economic sanction, prohibition, or restriction.

3. The following replaces section **V. CONDITIONS, A. TERRITORY**:

A. TERRITORY AND VALUATION

1. This **Community Association Management Liability Coverage Policy** applies anywhere in the world; provided, this **Community Association Management Liability Coverage Policy** does not apply to **Loss** incurred by an **Insured**, residing or domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, to the extent that providing this insurance would violate the laws or regulations of such country or jurisdiction.
2. In the event an **Insured Organization** incurs **Loss** referenced in 1. above to which this insurance would have applied, the Company will reimburse the **Named Insured** for its **Loss**, on account of its **Financial Interest** in such **Insured Organization**. As a condition precedent to any rights under this **Liability Policy**, the **Named Insured** will cause the **Insured Organization** or its **Insured Persons** to comply with the conditions of this **Community Association Management Liability Coverage Policy**.
3. All premiums, Limits of Liability, Retention, **Loss**, and other amounts under this **Community Association Management Liability Coverage Policy** are expressed and payable in the currency of

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

the United States. If a judgment is rendered, settlement is denominated, or another element of **Loss** under this **Community Association Management Liability Coverage Policy** is stated in a currency other than United States dollars, payment under this **Community Association Management Liability Coverage Policy** will be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or any other element of **Loss** is due, respectively.

4. The following is added to section **V. CONDITIONS, E. CLAIM DEFENSE**:

In the event of a **Claim** against an **Insured** that resides or is domiciled in a country or jurisdiction in which the Company is not licensed to provide this insurance, the Company will have the right and duty to defend such **Claim** as set forth in this section **V. CONDITIONS, E. CLAIM DEFENSE**, to the extent that doing so would not violate the laws or regulations of such country or jurisdiction.

If the Company is prohibited from defending such **Claim**:

- a. the Company will have no duty to defend any **Claim** covered by this **Community Association Management Liability Coverage Policy**. It will be the duty of the **Insured** to defend such **Claims**; and the Company will have the right to participate with the **Insured** in the investigation, defense and settlement, including the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage** and the selection of appropriate defense counsel; and
- b. upon written request, the Company will advance **Defense Expenses** with respect to such **Claim**. Such advanced payments by the Company will be repaid to the Company by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** are not entitled to payment of such **Defense Expenses** under such **Community Association Management Liability Coverage Policy**. As a condition of any payment of **Defense Expenses** under this subsection, the Company may require a written undertaking on terms and conditions satisfactory to the Company guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Community Association Management Liability Coverage Policy**.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDED PROPERTY DAMAGE EXCLUSION – ADD EXCEPTION FOR DECISIONS TO IMPOSE ASSESSMENT OR APPROVE OR REJECT REQUEST FOR PHYSICAL CHANGES TO TANGIBLE PROPERTY ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability

It is agreed that:

The following replaces section III. **EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS, 1.:**

The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any damage to, destruction of, deterioration of, loss of, loss of use of, or failure to repair or maintain any tangible property, including any **Construction Defect**, whether or not as a result of inadequate or insufficient protection from soil or ground water movement, soil subsidence, mold, toxic mold, spores, mildew, fungus, or wet or dry rot; provided that this exclusion will not apply to **Defense Expenses** for any **Claim** for any decision by the board of directors, or other duly constituted governing board, of the **Named Insured** or any committee thereof:

- a. to impose any assessment on any resident, unit owner or member of the **Named Insured**; or
- b. to approve or reject any request to make any physical change to tangible property, but only if such decision does not relate to the execution or quality of such physical changes.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**SPECIFIED CLAIM, EVENT, CIRCUMSTANCE, LITIGATION, PERSON OR ENTITY EXCLUSION
ENDORSEMENT**

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following is added to section **III. EXCLUSIONS, A. EXCLUSIONS APPLICABLE TO ALL LOSS:**

The Company will not be liable for **Loss** for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any:

- a. funds directly or indirectly sought, applied for, or received by the **Insured**, or from which the **Insured** otherwise benefited; or
- b. loan, grant, funding, tax credit, tax benefit or other benefit, relief, or assistance,
under the U.S. Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), including the U.S. Small Business Administration's Paycheck Protection Program, or amendments thereto or regulations promulgated thereunder, or any similar or related federal, state or local law or regulation.

Nothing herein contained shall be held to vary, alter, waive, or extend any of the terms, conditions, exclusions, or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

COLORADO CHANGES ENDORSEMENT

This endorsement changes the following:

Community Association Management Liability Coverage

It is agreed that:

The following replaces section V. **CONDITIONS, S. CANCELLATION AND NONRENEWAL**:

S. CANCELLATION AND NONRENEWAL

The Company may cancel this **Community Association Management Liability Coverage Policy** by providing written notice of such cancellation to the **Named Insured**:

1. At least 20 days before the effective date of cancellation, if cancellation is for failure to pay a premium or any installment when due; or
2. At least 45 days before the effective date of cancellation, if cancellation is for any other reason.

The Company may cancel only for the following reasons:

1. Any reason if the policy has been in effect for less than 60 days and is not a renewal of a policy issued by the Company;
2. Nonpayment of premium;
3. False statement or material misrepresentation committed by the **Named Insured** or any representative of the **Named Insured** in obtaining this policy; or
4. A substantial change in the exposure or risk from what was indicated on the application that increases the hazard insured against.

A notice of cancellation resulting from the failure to pay a premium when due will be rescinded if payment in full is received by the Company within 20 days of the **Named Insured's** receipt of such notice of cancellation. The Company has the right to the premium amount for the portion of the **Policy Period** during which this **Community Association Management Liability Coverage Policy** was in effect.

Subject to the provisions set forth in section V. **CONDITIONS, N. CHANGE OF CONTROL**, the **Named Insured** may cancel this **Community Association Management Liability Coverage Policy** by mailing the Company written notice stating when, thereafter, not later than the Expiration Date set forth in ITEM 2 of the Declarations, such cancellation will be effective. The earned premium will be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

The Company will not be required to renew this **Community Association Management Liability Coverage Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Named Insured** written notice to that effect at least 45 days before the Expiration Date set forth in ITEM 2 of the Declarations.

All cancellation and nonrenewal notices will be sent by first class mail.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Casualty and Surety Company of America**

Policy Number: **107965396**

Authorization And Changes.

The Named Insured will act on behalf of all *Insureds* regarding the payment of premium, receipt of return premium, change of coverage, and receipt of notices of cancelation or nonrenewal. Each *Insured* agrees that they have delegated such authority to the Named Insured.

The Named Insured may change this Policy with the Insurer's consent by endorsement to this Policy. No rights or duties under this policy may be transferred or assigned without the Insurer's written consent.

Conformity To Law.

Any part of this Policy that conflicts with applicable statutory or regulatory law is changed to conform to such law. This Policy provides coverage and benefits only to the extent that it does not expose the Insurer, or any of its subsidiaries, or affiliated companies, to a trade or economic sanction, prohibition, or restriction under a U.N. resolution, trade or economic sanction, or E.U., U.K., or U.S. law or regulation.

Consent And Cooperation.

Where the Insurer's consent is required, such consent will not be unreasonably withheld. The *Insured* agrees to give all information, assistance, and cooperation the Insurer reasonably requires.

Representatives.

In the event of an *Insured Person's* death, incapacity, or bankruptcy, this Policy will afford coverage to his or her:

1. estate;
2. legal representative;
3. legal spouse, domestic partner, or party to a civil union; or
4. assignee,

but only to the extent that it would have applied to such *Insured Person*.

Suits Against The Insurer.

No person or entity has the right under this Policy to join the Insurer as a party in an action against an *Insured* to determine such *Insured's* liability, nor may the Insurer be impleaded by any *Insured*. No action will lie against the Insurer unless there has been full compliance with all the terms of this Policy.

Territory And Valuation.

This Policy applies anywhere in the world, but it does not apply to *Loss* incurred by an *Insured* residing or domiciled in a country or jurisdiction in which the Insurer is not licensed to provide this insurance, to the extent that providing this insurance would violate any applicable foreign law or regulation ("Foreign Loss").

If an *Insured Entity* incurs Foreign Loss, the Insurer will reimburse the Named Insured for such Foreign Loss because of the Named Insured's financial interest in such *Insured Entity*. If an *Insured Person* incurs Foreign Loss not indemnified by an *Insured Entity*, such Foreign Loss will be paid in a country or jurisdiction mutually acceptable to such *Insured Person* and the Insurer, to the extent that doing so would not violate any applicable foreign law or regulation.

All amounts in this Policy are stated in U.S. Dollars. If amounts are due under a liability coverage and are stated in a different currency, payment will be made in U.S. Dollars at the exchange rate published in The Wall Street Journal at the time the final amount is determined.

Titles, Headings, And Defined Terms.

The titles and headings in this Policy do not affect coverage. Where appearing in this Policy, in singular or plural, words and phrases appearing in italicized type have the meaning shown in the Definitions of the applicable Coverage.

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Liability Insuring Agreements

Privacy And Security.	The Insurer will pay <i>Loss</i> on behalf of the <i>Insured</i> , resulting from a <i>Claim</i> that is first made during the <i>Policy Period</i> , or any applicable extended reporting period, for a <i>Privacy And Security Act</i> .
Media.	The Insurer will pay <i>Loss</i> on behalf of the <i>Insured</i> , resulting from a <i>Claim</i> that is first made during the <i>Policy Period</i> , or any applicable extended reporting period, for a <i>Media Act</i> .
Regulatory Proceedings.	The Insurer will pay <i>Defense Costs</i> and <i>Regulatory Costs</i> on behalf of the <i>Insured</i> , resulting from a <i>Regulatory Proceeding</i> that is first commenced during the <i>Policy Period</i> , or any applicable extended reporting period, for a <i>Privacy And Security Act</i> or <i>Media Act</i> .

Breach Response Insuring Agreements

Privacy Breach Notification.	The Insurer will reimburse, or pay on behalf of, the <i>Insured</i> for <i>Privacy Breach Notification Costs</i> resulting from an actual or suspected <i>Privacy Breach</i> that is <i>Discovered</i> during the <i>Policy Period</i> , or any extended discovery period.
Computer And Legal Experts.	The Insurer will reimburse, or pay on behalf of, the <i>Insured</i> for <i>Computer And Legal Expert Costs</i> resulting from an actual or suspected: <ol style="list-style-type: none"> 1. <i>Privacy Breach</i>; 2. <i>Security Breach</i>; or 3. <i>Cyber Extortion Threat</i>, that is <i>Discovered</i> during the <i>Policy Period</i> , or any extended discovery period.
Betterment.	The Insurer will reimburse the <i>Insured</i> for <i>Betterment Costs</i> , following a <i>Security Breach</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Cyber Extortion.	The Insurer will reimburse, or pay on behalf of, the <i>Insured</i> for <i>Cyber Extortion Costs</i> , resulting from a <i>Cyber Extortion Threat</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Data Restoration.	The Insurer will reimburse, or pay on behalf of, the <i>Insured</i> for <i>Restoration Costs</i> , directly caused by a <i>Security Breach</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Public Relations.	The Insurer will reimburse, or pay on behalf of, the <i>Insured</i> for <i>Public Relations Costs</i> , resulting from an actual or suspected: <ol style="list-style-type: none"> 1. <i>Privacy And Security Act</i>; or 2. <i>Media Act</i>, that is <i>Discovered</i> during the <i>Policy Period</i> , or any extended discovery period.

Cyber Crime Insuring Agreements

Computer Fraud.	The Insurer will pay the <i>Insured Entity</i> for its direct loss of <i>Money</i> , <i>Securities</i> , or <i>Other Property</i> , directly caused by <i>Computer Fraud</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Funds Transfer Fraud.	The Insurer will pay the <i>Insured Entity</i> for its direct loss of <i>Money</i> or <i>Securities</i> , directly caused by <i>Funds Transfer Fraud</i> that is <i>Discovered</i> during the <i>Policy Period</i> .

Social Engineering Fraud.	The Insurer will pay the <i>Insured Entity</i> for its direct loss of <i>Money</i> or <i>Securities</i> , directly caused by <i>Social Engineering Fraud</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Telecom Fraud.	The Insurer will pay the <i>Insured Entity</i> for its <i>Telecom Charges</i> , directly caused by <i>Telecom Fraud</i> that is <i>Discovered</i> during the <i>Policy Period</i> .

Business Loss Insuring Agreements

Business Interruption.	The Insurer will pay the <i>Insured</i> for its <i>Business Interruption Loss</i> that is directly caused by any of the following, if <i>Discovered</i> during the <i>Policy Period</i> : <ol style="list-style-type: none">1. A <i>Security Breach</i> that results in a total or partial interruption of a <i>Computer System</i>.2. A <i>System Failure</i>, if applicable.3. The voluntary shutdown of a <i>Computer System</i> by the <i>Insured</i>, if it is reasonably necessary to minimize the <i>Loss</i> caused by a <i>Security Breach</i> or <i>Privacy Breach</i> in progress.
Dependent Business Interruption.	The Insurer will pay the <i>Insured</i> for its <i>Business Interruption Loss</i> , directly caused by an <i>IT Provider Breach</i> that is <i>Discovered</i> during the <i>Policy Period</i> .
Reputation Harm.	The Insurer will pay the <i>Insured</i> for its <i>Reputation Harm</i> , directly caused by an <i>Adverse Media Report</i> or <i>Notification</i> that: <ol style="list-style-type: none">1. first occurs during, or within 60 days after, the <i>Policy Period</i>; and2. directly relates to a <i>Privacy Breach</i> or <i>Security Breach</i> that is <i>Discovered</i> during the <i>Policy Period</i>.

Definitions

Accounting Costs.	Means the reasonable fees or costs of a forensic accounting firm, incurred by the <i>Insured Entity</i> , to calculate <i>Income Loss</i> , even if such calculation shows there has been no <i>Income Loss</i> .
Additional Insured.	Means a person or entity, not otherwise an <i>Insured</i> , with whom the <i>Insured Entity</i> has entered into a written agreement to include as an <i>Insured</i> , but only for <i>Wrongful Acts</i> : <ol style="list-style-type: none">1. by, or on behalf of, the <i>Insured Entity</i> under such agreement; and2. that occur after the <i>Insured Entity</i> has executed such agreement.
Adverse Media Report.	Means any communication of an actual or potential <i>Privacy Breach</i> or <i>Security Breach</i> by a media outlet. Multiple <i>Adverse Media Reports</i> regarding the same <i>Privacy Breach</i> or <i>Security Breach</i> are deemed one <i>Adverse Media Report</i> .
Approved Provider.	Means a service provider approved by the Insurer in writing to the <i>Insured</i> .
Automatic ERP.	Means a 90-day extended reporting period starting on the effective date this Coverage is canceled or not renewed.
Betterment Costs.	<ol style="list-style-type: none">1. Means the reasonable costs incurred and paid by the <i>Insured</i>, with the Insurer's written consent, for hardware or software to improve a <i>Computer System</i> after a <i>Security Breach</i>, if:<ol style="list-style-type: none">a. the <i>Security Breach</i> has been stopped or contained, and resulted in covered <i>Computer And Legal Expert Costs</i>;b. the <i>Approved Provider</i> that provided computer services in response to such <i>Security Breach</i>:<ol style="list-style-type: none">i. has identified a weakness in a <i>Computer System</i> that caused, or contributed to, the <i>Security Breach</i>; andii. recommends the improvements to prevent a future <i>Security Breach</i> from exploiting such weakness; and

	<ul style="list-style-type: none">c. such improvements are incurred and paid for by the <i>Insured</i> within the earlier of 90 days after:<ul style="list-style-type: none">i. the recommendation by the <i>Approved Provider</i>; orii. the end of the <i>Policy Period</i>. <p>Costs for improvements that are subject to a license, lease, or subscription will be limited to the pro rata portion of such costs for the first 12 months.</p> <ul style="list-style-type: none">2. Does not include wages, benefits, or overhead of any <i>Insured</i>.
<i>Business Interruption Loss.</i>	<ul style="list-style-type: none">1. Means:<ul style="list-style-type: none">a. <i>Income Loss</i> and <i>Extra Expense</i> incurred or paid by the <i>Insured Entity</i> during the <i>Period Of Restoration</i>; andb. <i>Accounting Costs</i>, if the <i>Insured Entity's</i> business operations are interrupted beyond the <i>Wait Period</i>.2. Does not include loss arising out of harm to the <i>Insured Entity's</i> reputation.
<i>Change Of Control.</i>	Means when: <ul style="list-style-type: none">1. more than 50% of the Named <i>Insured's</i> assets are acquired; or2. the Named <i>Insured</i> is merged with, or consolidated into, another entity, and the Named <i>Insured</i> is not the surviving entity.
<i>Claim.</i>	Means: <ul style="list-style-type: none">1. a written demand for monetary or nonmonetary relief, including injunctive relief, commenced by an <i>Insured's</i> receipt of such written demand;2. a civil proceeding, commenced by the service of a complaint or similar pleading;3. an arbitration, mediation, or similar alternative dispute resolution proceeding, commenced by the service of an arbitration petition or similar legal document;4. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding, commenced by an <i>Insured's</i> receipt of such written request; or5. for the Regulatory Proceedings Insuring Agreement only, a <i>Regulatory Proceeding</i>, commenced by:<ul style="list-style-type: none">a. the filing of charges;b. the filing of an investigative order;c. the service of a summons; ord. the service or filing of a similar document, <p>against an <i>Insured</i> for a <i>Wrongful Act</i>. Except under Other Conditions, Notice Of Claim, a <i>Claim</i> is deemed made when commenced.</p>
<i>Client.</i>	Means a person or entity to whom the <i>Insured Entity</i> : <ul style="list-style-type: none">1. provides goods; or2. performs services, for a fee, or under a written agreement.
<i>Computer And Legal Expert Costs.</i>	<ul style="list-style-type: none">1. Means the reasonable fees or costs incurred or paid by the <i>Insured</i> for services recommended and provided by an <i>Approved Provider</i>, to:<ul style="list-style-type: none">a. conduct a forensic analysis to determine the existence and cause of a <i>Privacy Breach</i>, <i>Security Breach</i>, or <i>Cyber Extortion Threat</i>;b. determine whose <i>Confidential Information</i> was lost or stolen; or accessed or disclosed without authorization;c. contain or stop a <i>Privacy Breach</i> or <i>Security Breach</i> in progress;d. certify the <i>Computer System</i> meets <i>Payment Card Security Standards</i>, if a <i>Security Breach Discovered</i> during the <i>Policy Period</i> results in noncompliance with such standards, but only for the first certification; or

	<ol style="list-style-type: none">e. provide legal services to respond to a <i>Privacy Breach</i> or <i>Security Breach</i>. <ol style="list-style-type: none">2. Does not include <i>Defense Costs</i> or <i>Privacy Breach Notification Costs</i>.
<i>Computer Fraud.</i>	<ol style="list-style-type: none">1. Means an intentional, unauthorized, and fraudulent entry or change of data or computer instructions, directly into or within, a <i>Computer System</i>, that:<ol style="list-style-type: none">a. is not made by an <i>Insured Person</i>, an <i>Independent Contractor</i>, or any other person under the direct supervision of the <i>Insured</i>; andb. causes <i>Money</i>, <i>Securities</i>, or <i>Other Property</i> to be transferred, paid, or delivered from inside the <i>Insured Entity's</i> premises or the <i>Insured Entity's</i> financial institution premises to a place outside of such premises.2. Does not include <i>Social Engineering Fraud</i>.
<i>Computer System.</i>	Means a computer and connected input, output, processing, storage, or communication device, or related network, operating system, website, or application software, that is: <ol style="list-style-type: none">1. under the operational control of, and owned by, licensed to, or leased to:<ol style="list-style-type: none">a. the <i>Insured Entity</i>; orb. an <i>Insured Person</i>, while authorized by, and transacting business on behalf of, the <i>Insured Entity</i>, except under the Betterment or Data Restoration Insuring Agreements, or any Cyber Crime Insuring Agreement; or2. operated by an <i>IT Provider</i>, but only the portion of such computer system used to provide hosted computer resources to the <i>Insured Entity</i>, except under the Betterment or Business Interruption Insuring Agreements.
<i>Confidential Information.</i>	Means a third party's or <i>Insured Person's</i> private or confidential information that is in the care, custody, or control of the <i>Insured Entity</i> , or a service provider acting on behalf of the <i>Insured Entity</i> .
<i>Covered Material.</i>	<ol style="list-style-type: none">1. Means content that is created or disseminated, via any form or expression, by, or on behalf of, the <i>Insured Entity</i>.2. Does not include:<ol style="list-style-type: none">a. tangible product designs; orb. content created or disseminated by the <i>Insured Entity</i> on behalf of a third party.
<i>Cyber Extortion Costs.</i>	<ol style="list-style-type: none">1. Means, with the Insurer's prior written consent:<ol style="list-style-type: none">a. <i>Ransom</i>, in direct response to a <i>Cyber Extortion Threat</i>;b. reasonable amounts incurred or paid by the <i>Insured</i> in the process of paying, or attempting to pay, <i>Ransom</i>; orc. reasonable amounts incurred or paid by the <i>Insured</i>, recommended by an <i>Approved Provider</i>, to mitigate <i>Ransom</i>.2. Does not include <i>Computer And Legal Expert Costs</i> or <i>Restoration Costs</i>.
<i>Cyber Extortion Threat.</i>	Means a threat to: <ol style="list-style-type: none">1. access or disclose:<ol style="list-style-type: none">a. <i>Confidential Information</i>; orb. an <i>Insured Entity's</i> information without authorization; or2. commit or continue a <i>Security Breach</i>, made against the <i>Insured Entity</i> for <i>Ransom</i>.
<i>Defense Costs.</i>	<ol style="list-style-type: none">1. Means reasonable fees and costs incurred by the Insurer, or the <i>Insured</i> with the Insurer's prior written consent, in the:<ol style="list-style-type: none">a. investigation;b. defense;c. settlement; or

	<ul style="list-style-type: none">d. appeal, of a <i>Claim</i>. <ul style="list-style-type: none">2. Includes up to \$1,000 per day for loss of earnings due to an <i>Insured Person's</i> attendance in court, if at the Insurer's request.3. Does not include wages, benefits, or overhead of the Insurer or of the <i>Insured</i>.
<i>Discover, Discovered, Discovery.</i>	Means when an <i>Executive Officer</i> first becomes aware of facts that would cause a reasonable person to assume that a <i>First Party Loss</i> has been or will be incurred, regardless of when the act or acts causing or contributing to such <i>First Party Loss</i> occurred, even though the exact amount or details of such <i>First Party Loss</i> may not then be known.
<i>Employee.</i>	<ul style="list-style-type: none">1. Means a natural person while their labor is engaged and directed by the <i>Insured Entity</i>, and who is:<ul style="list-style-type: none">a. a full-time, part-time, seasonal, or temporary worker compensated directly by the <i>Insured Entity</i> through wages, salaries, or commissions;b. a volunteer, student, or intern; orc. a worker whose services have been leased to the <i>Insured Entity</i> by a labor leasing firm under a written agreement.2. Does not include any:<ul style="list-style-type: none">a. agent;b. broker;c. consignee;d. independent contractor; ore. representative, of the <i>Insured Entity</i>.
<i>Executive Officer.</i>	Means a natural person while acting as the <i>Insured Entity's</i> : <ul style="list-style-type: none">1. chief executive officer;2. chief financial officer;3. chief information security officer;4. risk manager;5. in-house general counsel; or6. the functional equivalent of 1 through 5.
<i>Extra Expense.</i>	Means reasonable costs incurred by the <i>Insured Entity</i> , with the Insurer's written consent, that: <ul style="list-style-type: none">1. result from a <i>First Party Event</i>;2. are in excess of the <i>Insured Entity's</i> normal operating costs;3. are intended to reduce <i>Income Loss</i>; and4. would not have been incurred had there been no <i>First Party Event</i>.
<i>First Party Event.</i>	<ul style="list-style-type: none">1. Means:<ul style="list-style-type: none">a. <i>Computer Fraud</i>;b. <i>Cyber Extortion Threat</i>;c. <i>Funds Transfer Fraud</i>;d. <i>IT Provider Breach</i>;e. <i>Media Act</i>;f. <i>Privacy Breach</i>;g. <i>Security Breach</i>;h. <i>Social Engineering Fraud</i>;i. <i>System Failure</i>; orj. <i>Telecom Fraud</i>.

	<ol style="list-style-type: none">2. <i>First Party Events</i> that have a common:<ol style="list-style-type: none">a. nexus;b. set of facts;c. circumstance;d. situation;e. event; orf. decision,are deemed a single <i>First Party Event</i>.
<i>First Party Insuring Agreements.</i>	Means the: <ol style="list-style-type: none">1. Breach Response Insuring Agreements;2. Business Loss Insuring Agreements; and3. Cyber Crime Insuring Agreements.
<i>First Party Loss.</i>	<ol style="list-style-type: none">1. Means:<ol style="list-style-type: none">a. <i>Betterment Costs</i>;b. <i>Business Interruption Loss</i>;c. <i>Computer And Legal Expert Costs</i>;d. <i>Cyber Extortion Costs</i>;e. <i>Money</i>;f. <i>Other Property</i>;g. <i>Privacy Breach Notification Costs</i>;h. <i>Public Relations Costs</i>;i. <i>Reputation Harm</i>;j. <i>Restoration Costs</i>;k. <i>Securities</i>; orl. <i>Telecom Charges</i>.2. Other than <i>Accounting Costs</i>, does not include amounts:<ol style="list-style-type: none">a. to establish <i>First Party Loss</i>; orb. to prepare the <i>Insured Entity's</i> Proof of Loss.
<i>Funds Transfer Fraud.</i>	<ol style="list-style-type: none">1. Means a fraudulent instruction that:<ol style="list-style-type: none">a. is electronically sent to a financial institution that is not an <i>Insured</i>, at which the <i>Insured Entity</i> maintains an account;b. directs the transfer, payment, or delivery of <i>Money</i> or <i>Securities</i> from the <i>Insured Entity's</i> account;c. is purportedly sent by the <i>Insured Entity</i>;d. is sent by someone, other than an <i>Insured</i>; ande. is sent without the <i>Insured Entity's</i> knowledge or consent.2. Does not include <i>Social Engineering Fraud</i>.
<i>Impacted Parties.</i>	Means the persons or entities whose <i>Confidential Information</i> was, or is suspected to have been, stolen or lost, or accessed or disclosed without authorization.
<i>Income Loss.</i>	<ol style="list-style-type: none">1. Means pretax net profit the <i>Insured Entity</i> did not earn, and net loss the <i>Insured Entity</i> incurred, because of a <i>First Party Event</i>. Continuing normal and necessary operating expenses and payroll are part of the pretax net profit or net loss calculation.2. Does not include:<ol style="list-style-type: none">a. <i>Extra Expense</i>;b. contractual penalties;

	<ol style="list-style-type: none">c. costs incurred to replace or improve a <i>Computer System</i> to a level of functionality beyond what existed prior to the <i>First Party Event</i>;d. costs incurred to identify or remediate computer system errors or vulnerabilities;e. interest or investment income; orf. loss incurred due to unfavorable business conditions not related to the <i>First Party Event</i>.
<i>Independent Contractor.</i>	Means a natural person, other than an <i>Employee</i> , while performing services for the <i>Insured Entity</i> under a written agreement.
<i>Insured.</i>	Means: <ol style="list-style-type: none">1. <i>Insured Persons</i>;2. <i>Insured Entities</i>; or3. for the Liability Insuring Agreements only, also includes <i>Additional Insureds</i>.
<i>Insured Entity.</i>	Means: <ol style="list-style-type: none">1. the Named Insured; or2. <i>Subsidiaries</i>.
<i>Insured Person.</i>	Means: <ol style="list-style-type: none">1. <i>Employees</i>;2. natural persons while:<ol style="list-style-type: none">a. officers;b. partners;c. the sole proprietor;d. in-house general counsel; ore. members of a board of directors, trustees, or governors, of the <i>Insured Entity</i>; or3. for the Liability Insuring Agreements only, also includes <i>Independent Contractors</i>.
<i>IT Provider.</i>	Means an entity while under a written agreement with the <i>Insured Entity</i> to provide it with: <ol style="list-style-type: none">1. hosted computer application services;2. cloud services or computing;3. electronic data hosting, back-up, storage, and processing;4. co-location services;5. platform-as-a-service; or6. software-as-a-service.
<i>IT Provider Breach.</i>	Means: <ol style="list-style-type: none">1. unauthorized access to;2. use of authorized access to cause intentional harm to;3. a denial-of-service attack against; or4. the introduction of a <i>Virus</i> into, an <i>IT Provider's</i> computer system, resulting in total or partial interruption.
<i>Loss.</i>	<ol style="list-style-type: none">1. Means:<ol style="list-style-type: none">a. <i>Defense Costs</i>;b. damages, judgments, settlements, or prejudgment or postjudgment interest, that an <i>Insured</i> is legally obligated to pay as a result of a <i>Claim</i>, including:<ol style="list-style-type: none">i. court awarded legal fees; and

- ii. punitive or exemplary damages, or the multiple portion of a multiplied damage award, to the extent insurable under the most favorable applicable law;
 - c. *Payment Card Contract Penalties*;
 - d. for the Regulatory Proceedings Insuring Agreement, means *Regulatory Costs*; or
 - e. for *First Party Insuring Agreements*, means *First Party Loss*.
2. *Loss* does not include voluntary payments made by the *Insured* with respect to a *Claim*.
3. *Loss*, other than *Defense Costs*, does not include:
 - a. civil or criminal fines, penalties, sanctions, or taxes, except for:
 - i. *Payment Card Contract Penalties*; or
 - ii. *Regulatory Costs*;
 - b. amounts uninsurable under applicable law;
 - c. restitution, return, or disgorgement of any profits;
 - d. liquidated damages in excess of the amount for which the *Insured* would be liable absent the liquidated damages provision of a contract; or
 - e. the cost of complying with injunctive or nonmonetary relief.

Media Act. Means, in *Covered Material*:

1. the unauthorized use of copyright, title, slogan, trademark, trade dress, service mark, domain name, logo, or service name;
2. the unauthorized use of a literary or artistic format, character, or performance;
3. a violation of an individual's right of privacy or publicity;
4. defamation, libel, slander, trade libel, or other tort related to disparagement or harm to the reputation or character of any person or entity;
5. the misappropriation of ideas under an implied contract;
6. improper deep-linking or framing; or
7. unfair competition, when alleged in connection with 1 through 6.

Merchant Service Agreement. Means a contract between the *Insured Entity* and an acquiring bank, or other acquiring institution, that establishes the terms and conditions for accepting and processing payment card transactions.

Money. 1. Means:

- a. currency, coins, or bank notes in circulation;
- b. bullion;
- c. *Virtual Currency*;
- d. traveler's checks;
- e. certified or cashier's checks; or
- f. money orders.

2. Does not include *Securities*.

Notification. Means written notice to *Impacted Parties* about a *Privacy Breach* or *Security Breach*. Multiple *Notifications* about the same *Privacy Breach* or *Security Breach* are deemed one *Notification*.

Optional ERP. Means an extended reporting period for the time shown in the Optional ERP Endorsement starting on the effective date this Coverage is:

1. canceled; or
2. not renewed.

Other Property. Means tangible property, other than *Money* or *Securities* that has intrinsic value.

Payment Card Contract Penalties. Means fines, penalties, or assessments imposed under a *Merchant Service Agreement* against an *Insured Entity* for noncompliance with *Payment Card Security Standards*.

<i>Payment Card Security Standards.</i>	Means the Payment Card Industry Data Security Standard (PCI-DSS), or similar standard, to which the <i>Insured Entity</i> has agreed in a <i>Merchant Service Agreement</i> .
<i>Period Of Indemnity.</i>	Means the Period Of Indemnity shown in the CyberRisk Declarations. It begins on the earlier of the date of the first: <ol style="list-style-type: none">1. <i>Notification</i>; or2. <i>Adverse Media Report</i>, whichever is earlier.
<i>Period Of Restoration.</i>	Means the period of time that begins after the <i>Wait Period</i> ends, and ends on the earlier of: <ol style="list-style-type: none">1. the expiration of the Period Of Restoration shown in the CyberRisk Declarations; or2. when the <i>Insured Entity's</i> business operations have been restored for a consecutive 24-hour period to the level of operation that existed immediately before the <i>First Party Event</i>.
<i>Policy Period.</i>	Means the Policy Period shown in the Declarations, which is subject to the cancelation of this Policy.
<i>Pollutant.</i>	Means a solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
<i>Potential Claim.</i>	Means conduct or circumstances that could reasonably be expected to give rise to a <i>Claim</i> .
<i>Privacy And Security Act.</i>	Means: <ol style="list-style-type: none">1. the failure to prevent a <i>Privacy Breach</i>;2. the failure to destroy <i>Confidential Information</i>;3. a violation of law, when alleged in connection with 1 or 2;4. the failure to provide <i>Notification</i> required by law;5. the failure to comply with a <i>Privacy Policy</i>;6. the unauthorized, unlawful, or wrongful collection of <i>Confidential Information</i>; or7. the failure to prevent a <i>Security Breach</i>, directly resulting in the:<ol style="list-style-type: none">a. alteration or deletion of <i>Confidential Information</i>;b. transmission of a <i>Virus</i> into a computer or network system that is not a <i>Computer System</i>;c. participation in a denial-of-service attack directed against a computer or network system that is not a <i>Computer System</i>; ord. failure to provide an authorized user with access to a <i>Computer System</i>.
<i>Privacy Breach.</i>	Means the loss or theft of, or unauthorized access to or disclosure of, <i>Confidential Information</i> .
<i>Privacy Breach Notification Costs.</i>	Means reasonable costs or fees incurred or paid by an <i>Insured Entity</i> , voluntarily or as required by agreement or law, for: <ol style="list-style-type: none">1. printing and delivering notice to;2. providing credit or identity monitoring for up to 24 months, or longer where required by law, to;3. call center services for;4. the costs to purchase an identity fraud insurance policy to benefit natural persons who are; or5. with the Insurer's prior written consent, other services to mitigate <i>Loss</i> or provide notice to, <i>Impacted Parties</i>, if recommended and provided by an <i>Approved Provider</i>.
<i>Privacy Policy.</i>	Means the <i>Insured Entity's</i> publicly available written policies or procedures regarding <i>Confidential Information</i> .

<i>Public Relations Costs.</i>	Means reasonable costs or fees for public relations services recommended and provided by an <i>Approved Provider</i> to mitigate or prevent negative publicity.
<i>Ransom.</i>	<ol style="list-style-type: none">1. Means:<ol style="list-style-type: none">a. <i>Money</i>;b. <i>Securities</i>; orc. the fair market value of property or services, paid or surrendered by, or on behalf of, the <i>Insured</i>.2. Will be valued as of the date paid or surrendered.
<i>Regulatory Costs.</i>	Means: <ol style="list-style-type: none">1. civil money fines;2. civil penalties; or3. amounts deposited in a consumer redress fund, imposed in a <i>Regulatory Proceeding</i>, to the extent insurable under the most favorable applicable law.
<i>Regulatory Proceeding.</i>	Means an administrative or regulatory proceeding, or a civil investigative demand, brought by a domestic or foreign governmental entity.
<i>Reputation Harm.</i>	Means damage to the <i>Insured Entity's</i> reputation incurred during the <i>Period Of Indemnity</i> that results in <i>Income Loss</i> , other than the value of: <ol style="list-style-type: none">1. coupons;2. price discounts;3. prizes;4. awards; or5. consideration given by the <i>Insured</i> in excess of the contracted or expected amount.
<i>Restoration Costs.</i>	<ol style="list-style-type: none">1. Means the reasonable amounts incurred or paid by the <i>Insured</i>, with the Insurer's prior written consent:<ol style="list-style-type: none">a. to restore or recover damaged or destroyed computer programs, software, or electronic data stored within a <i>Computer System</i>, to its condition immediately before a <i>Security Breach</i>; orb. to determine that such computer programs, software, or electronic data cannot reasonably be restored or recovered.2. Does not include:<ol style="list-style-type: none">a. costs to recover or replace computer programs, software, or electronic data that the <i>Insured</i> did not have a license to use;b. costs to design, update, or improve the operation of computer programs or software;c. costs to recreate work product, research, or analysis; ord. wages, benefits, or overhead of the <i>Insured</i>.
<i>Run-Off Period.</i>	Means the period starting on the date of the <i>Change Of Control</i> to the end of the <i>Policy Period</i> .
<i>Securities.</i>	Means written agreements representing <i>Money</i> or property, other than <i>Virtual Currency</i> .
<i>Security Breach.</i>	Means: <ol style="list-style-type: none">1. the unauthorized access to;2. the use of authorized access to cause intentional harm to;3. a denial-of-service attack against; or4. the introduction of a <i>Virus</i> into, a <i>Computer System</i>.

<i>Social Engineering Fraud.</i>	Means intentionally misleading an <i>Insured Person</i> , by providing an instruction that: <ol style="list-style-type: none">1. is not made by an <i>Insured</i>;2. is purportedly from a <i>Vendor, Client, or Insured Person</i>;3. directs the <i>Insured Person</i> to transfer, pay, or deliver <i>Money or Securities</i>;4. contains a misrepresentation of material fact; and5. is relied upon by the <i>Insured Person</i>, believing the material fact to be true.
<i>Subsidiary.</i>	Means: <ol style="list-style-type: none">1. an entity while the Named Insured owns more than 50% of the outstanding securities or voting rights representing the right to select the entity's board of directors, or functional equivalent;2. a nonprofit entity while the Named Insured exercises management control over such entity; or3. an entity while the Named Insured owns exactly 50%, as a joint venture, and while an <i>Insured Entity</i> controls the entity's management and operations under a written agreement.
<i>System Failure.</i>	Means an accidental, unintentional, and unplanned total or partial interruption of a <i>Computer System</i> , not caused by: <ol style="list-style-type: none">1. a <i>Security Breach</i>; or2. a total or partial interruption of a third party computer system or network.
<i>Telecom Charges.</i>	Means amounts charged to the <i>Insured Entity</i> for telephone services by its telephone service provider.
<i>Telecom Fraud.</i>	Means the unauthorized access to, or use of, the <i>Insured Entity's</i> telephone system by a person or entity other than an <i>Insured Person</i> .
<i>Vendor.</i>	Means a person or entity that provides goods or services to the <i>Insured Entity</i> under an agreement.
<i>Virtual Currency.</i>	<ol style="list-style-type: none">1. Means a publicly available digital or electronic medium of exchange used and accepted as a means of payment.2. Does not include:<ol style="list-style-type: none">a. coupons;b. discounts;c. gift cards;d. rebates;e. reward points; orf. similar mediums of exchange.
<i>Virus.</i>	Means malicious code that could destroy, or change the integrity or performance of, electronic data, software, or operating systems.
<i>Wait Period.</i>	Means the Wait Period shown in the CyberRisk Declarations. It begins when a total or partial interruption to an <i>Insured Entity's</i> business operations is caused by a <i>First Party Event</i> . A separate <i>Wait Period</i> applies to each unrelated <i>First Party Event</i> .
<i>Wrongful Act.</i>	<ol style="list-style-type: none">1. Means any:<ol style="list-style-type: none">a. <i>Media Act</i>; orb. <i>Privacy And Security Act</i>.2. All <i>Wrongful Acts</i> that share a common:<ol style="list-style-type: none">a. nexus;b. set of facts;c. circumstance;

- d. situation;
 - e. event; or
 - f. decision,
- are deemed a single *Wrongful Act* that occurred at the time the first such *Wrongful Act* occurred.

Exclusions

- Assumed Liability.**
- 1. The Insurer will not pay *Loss* arising out of liability assumed by an *Insured*.
 - 2. This does not apply:
 - a. when the *Insured* would have been liable in the absence of such assumption of liability;
 - b. to a *Claim for Payment Card Contract Penalties*;
 - c. to *Privacy Breach Notification Costs*; or
 - d. to any privacy or confidentiality obligation that the *Insured* has agreed to under a *Privacy Policy* or nondisclosure agreement.
- Bodily Injury.**
- 1. The Insurer will not pay *Loss* for:
 - a. bodily injury;
 - b. sickness;
 - c. disease;
 - d. death; or
 - e. loss of consortium.
 - 2. This does not apply to:
 - a. emotional distress;
 - b. mental anguish;
 - c. humiliation; or
 - d. loss of reputation.
- Conduct.**
- 1. The Insurer will not pay *Loss* arising out of an *Insured's*:
 - a. intentionally dishonest or fraudulent act or omission; or
 - b. willful violation of law or regulation.
 - 2. This does not apply to:
 - a. *Defense Costs*; or
 - b. *Loss* other than *Defense Costs*, unless a final nonappealable adjudication in the underlying action establishes such conduct occurred.
 - 3. In applying this exclusion, knowledge or conduct of an *Insured* will not be imputed to another *Insured*, except that knowledge or conduct of an *Executive Officer* will be imputed to the *Insured Entity*.
- Cyber Crime.**
- The Cyber Crime Insuring Agreements do not apply to:
- 1. indirect or consequential loss;
 - 2. potential income, including interest and dividends, not realized by an *Insured* or *Client*;
 - 3. loss of confidential information;
 - 4. loss of intellectual property;
 - 5. loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, or other cards;
 - 6. loss resulting from a fraudulent instruction, if the sender or anyone acting in collusion with the sender, ever had authorized access to the *Insured's* password, PIN, or other security code;
 - 7. amounts the *Insured* incurs without a legal obligation to do so;

	<ol style="list-style-type: none">8. loss resulting from forged, altered, or fraudulent negotiable instruments, securities, documents, or instructions used as source documentation to enter electronic data or send instructions, provided this does not apply to the Social Engineering Fraud Insuring Agreement;9. loss resulting from the failure of any party to perform under any contract; or10. loss due to any nonpayment of, or default upon, any loan, extension of credit, or similar promise to pay.
Government Action.	The Insurer will not pay <i>Loss</i> arising out of: <ol style="list-style-type: none">1. seizure;2. confiscation;3. nationalization;4. requisition; or5. destruction of property, by or under the order of domestic or foreign government authority.
Infrastructure.	The Insurer will not pay <i>Loss</i> arising out of a total or partial interruption or failure of any: <ol style="list-style-type: none">1. satellite;2. electrical or mechanical system;3. electric, gas, water, or other utility;4. cable, telecommunications, or Internet service provider; or5. other infrastructure, except when such is under the <i>Insured's</i> control.
Insured vs. Insured.	<ol style="list-style-type: none">1. The Insurer will not pay <i>Loss</i> for a <i>Claim</i> brought by or on behalf of:<ol style="list-style-type: none">a. an <i>Insured</i>; orb. an entity that, at the time the <i>Wrongful Act</i> occurs, or the date the <i>Claim</i> is made:<ol style="list-style-type: none">i. is owned, operated, or controlled by any <i>Insured</i>; orii. owns, operates, or controls any <i>Insured</i>.2. This does not apply to a <i>Claim</i>:<ol style="list-style-type: none">a. by an <i>Insured Person</i> for contribution or indemnity, if resulting from another covered <i>Claim</i>; orb. by or on behalf of an <i>Insured Person</i> or <i>Additional Insured</i> who did not commit or participate in the <i>Wrongful Act</i>.
Intellectual Property.	The Insurer will not pay <i>Loss</i> arising out of an <i>Insured's</i> misappropriation, infringement, or violation of: <ol style="list-style-type: none">1. copyrighted software;2. patent rights or laws; or3. trade secret rights or laws.
Labor Disputes.	The Insurer will not pay <i>Loss</i> under the Business Loss Insuring Agreements arising out of labor disputes.
Licensing And Royalties.	The Insurer will not pay <i>Loss</i> arising out of any obligation to pay licensing fees or royalties.
Ownership Rights.	The Insurer will not pay <i>Loss</i> for a <i>Claim</i> by, or on behalf of, an independent contractor, joint venturer, or venture partner arising out of disputes over ownership rights in <i>Covered Material</i> .
Physical Peril.	The Insurer will not pay <i>Loss</i> arising out of: <ol style="list-style-type: none">1. fire, smoke, or explosion;2. lightning, wind, rain, or hail;

	<ol style="list-style-type: none">3. surface water, waves, flood, or overflow of any body of water;4. earthquake, earth movement, or earth sinking;5. mudslide, landslide, erosion, or volcanic eruption;6. collapse, wear and tear, rust, corrosion, or deterioration;7. magnetic or electromagnetic fields;8. extremes of temperature or humidity; or9. any similar physical event or peril.
Pollution.	<p>The Insurer will not pay <i>Loss</i> arising out of:</p> <ol style="list-style-type: none">1. the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of a <i>Pollutant</i>;2. a request, demand, order, or statutory, or regulatory requirement that an <i>Insured</i> or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess, the effects of, a <i>Pollutant</i>; or3. testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of, a <i>Pollutant</i>.
Prior Acts.	<p>The Insurer will not pay <i>Loss</i> arising out of a <i>Wrongful Act</i> that occurs prior to the Retro Date shown in the CyberRisk Declarations.</p>
Prior Matters.	<p>The Insurer will not pay <i>Loss</i> arising out of any fact, circumstance, situation, event, or <i>Wrongful Act</i>:</p> <ol style="list-style-type: none">1. that is, or reasonably would be regarded as, the basis for a <i>Claim</i> under the Liability Insuring Agreements about which any <i>Executive Officer</i> had knowledge prior to the Knowledge Date shown in the CyberRisk Declarations;2. that, prior to the Inception date shown in the Declarations, was the subject of any notice of claim, or circumstance, given by or on behalf of any <i>Insured</i> and accepted under any policy of insurance that this Coverage directly renews, replaces, or succeeds in time; or3. previously alleged in a civil, criminal, administrative, or regulatory proceeding against any <i>Insured</i> prior to the P&P Date shown in the CyberRisk Declarations.
Property Damage.	<ol style="list-style-type: none">1. The Insurer will not pay <i>Loss</i> under the Liability or Breach Response Insuring Agreements for the:<ol style="list-style-type: none">a. damage to;b. destruction of;c. loss of; ord. loss of use of,any tangible property.2. The Insurer will not pay <i>Loss</i> under the Cyber Crime or Business Loss Insuring Agreements arising out of the:<ol style="list-style-type: none">a. damage to;b. destruction of;c. loss of; ord. loss of use of,any tangible property, other than loss of <i>Other Property</i> covered under the Computer Fraud Insuring Agreement.
Securities Laws.	<p>The Insurer will not pay <i>Loss</i> arising out of:</p> <ol style="list-style-type: none">1. a violation of a securities law or regulation; or2. except under the Cyber Crime Insuring Agreements:<ol style="list-style-type: none">a. the ownership of;b. the sale or purchase of; orc. the offer to sell or purchase, stock or other securities.

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| Unlawful Collection. | <ol style="list-style-type: none">1. The Insurer will not pay <i>Loss</i> arising out of the collection of <i>Confidential Information</i> in violation of law.2. This does not apply to <i>Defense Costs</i>. |
| Unsolicited Communications. | <ol style="list-style-type: none">1. The Insurer will not pay <i>Loss</i> arising out of a violation of a law that restricts or prohibits unsolicited communications.2. This does not apply to a <i>Security Breach</i> under the Breach Response Insuring Agreements. |
| War. | <ol style="list-style-type: none">1. The Insurer will not pay <i>Loss</i> arising out of:<ol style="list-style-type: none">a. war, including undeclared or civil war;b. warlike action, including action in hindering or defending against an actual or expected attack, by any government, military force, sovereign, or other authority using military personnel or other agents; orc. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.2. This does not apply to an actual or threatened attack against a <i>Computer System</i> with intent to cause harm, or further social, ideological, religious, political, or similar objectives, except when in support of 1a through 1c. |

Limits And Retentions

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| Limits Of Insurance. | <ol style="list-style-type: none">1. The most the Insurer will pay for all <i>Loss</i> is the CyberRisk Aggregate Limit shown in the CyberRisk Declarations.2. The most the Insurer will pay for all <i>Loss</i> under an Insuring Agreement is the applicable Limit for such Insuring Agreement shown in the CyberRisk Declarations; but:<ol style="list-style-type: none">a. The most the Insurer will pay for all <i>Payment Card Contract Penalties</i> is the Payment Card Costs Limit shown in the CyberRisk Declarations, which is within and will reduce the Privacy And Security Limit.b. The most the Insurer will pay for all <i>Business Interruption Loss</i> that results from a <i>System Failure</i> is the System Failure Limit shown in the CyberRisk Declarations, which is within and will reduce the Business Interruption Limit.c. Payment of <i>Loss</i> under the Dependent Business Interruption Insuring Agreement and Reputation Harm Insuring Agreement is within and will reduce, the remaining Business Interruption Limit.d. The most the Insurer will pay for all <i>Accounting Costs</i> is the Accounting Costs Limit shown in the CyberRisk Declarations, which is within and will reduce the Limit for the applicable Business Loss Insuring Agreement.e. If a Betterment Coparticipation percentage is shown in the CyberRisk Declarations, such percentage of <i>Betterment Costs</i> will be paid by the <i>Insured</i>. The Insurer will pay the remaining <i>Betterment Costs</i>, up to the Betterment Limit shown in the CyberRisk Declarations.3. The most the Insurer will pay for all <i>Loss</i> with respect to an <i>Additional Insured</i> is the limit agreed to in the agreement between such <i>Additional Insured</i> and the <i>Insured Entity</i>, or the applicable Limit shown in the CyberRisk Declarations, whichever is less.4. If the CyberRisk Declarations indicates that a Shared Limit applies, the most the Insurer will pay under all Shared Coverages is the Shared Limit shown in the Shared Limit Declarations.5. Once the CyberRisk Aggregate Limit or Shared Limit is exhausted, the premium is fully earned, and all obligations of the Insurer, including any duty to defend, will cease. |
| Retention. | <ol style="list-style-type: none">1. The Insurer will only pay <i>Loss</i> once the applicable Retention shown in the CyberRisk Declarations has been paid by the <i>Insured</i>.2. Except for the Betterment Insuring Agreement, if multiple Retentions apply to: |

- a. a *Claim*;
 - b. a *First Party Event*; or
 - c. *Claims* and *First Party Events* that share a common nexus, set of facts, circumstance, situation, event, or decision,
the *Insured* will not pay more than the amount of the largest applicable Retention.
3. The *Insured Person* is deemed indemnified by the *Insured Entity* to the extent permitted or required by law, written agreement, or the by-laws of the *Insured Entity*. For the Liability Insuring Agreements, no Retention will apply to an *Insured Person* if indemnification by the *Insured Entity* is:
- a. not permitted by law; or
 - b. not possible due to the financial insolvency of such *Insured Entity*.
4. The Insurer may pay any amount of Retention. In such event, the *Insured* agrees to repay the Insurer such amounts.

Other Conditions

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| Allocation. | <ol style="list-style-type: none">1. Subject to Other Conditions, Settlement, if an <i>Insured</i> incurs:<ol style="list-style-type: none">a. <i>Loss</i> jointly with others who are not covered for a <i>Claim</i>; orb. <i>Loss</i> covered and loss not covered by this Coverage because a <i>Claim</i> includes both covered and uncovered matters,
then the <i>Insured</i> and the Insurer will use their best efforts to allocate such amount between covered <i>Loss</i> and uncovered loss based upon the relative legal and financial exposures of the parties to covered and uncovered matters.2. If the CyberRisk Declarations shows that the Insurer has the duty to defend <i>Claims</i>, all <i>Defense Costs</i> will be allocated to covered <i>Loss</i>. |
| Cancellation And Nonrenewal. | <ol style="list-style-type: none">1. The Insurer will cancel this Coverage only if premium is not paid when due. If nonpayment occurs, the Insurer will give at least 20 days written notice of cancellation to the Named Insured. Unless payment is received when due, this Coverage will be canceled.2. The Named Insured may cancel any part of this Coverage by giving advanced written notice to the Insurer, stating when such cancellation will be effective.3. If any part of this Coverage is canceled, the Insurer will refund the unearned premium on a pro rata basis.4. The Insurer is not required to renew this Coverage upon its expiration. If the Insurer elects not to renew, it will provide the Named Insured written notice to that effect at least 60 days before the Expiration date shown in the Declarations. |
| Change Of Structure. | <ol style="list-style-type: none">1. Under the Liability and Breach Response Insuring Agreements, if a <i>Change Of Control</i> occurs during the <i>Policy Period</i>, the coverage will continue for the <i>Run-Off Period</i>.2. Coverage during the <i>Run-Off Period</i> is only for <i>Wrongful Acts</i> or <i>First Party Events</i> occurring before such <i>Change Of Control</i>.3. Under the Cyber Crime and Business Loss Insuring Agreements, if an entity ceases to be an <i>Insured Entity</i> during the <i>Policy Period</i>, <i>First Party Loss</i> is only covered if:<ol style="list-style-type: none">a. such <i>First Party Loss</i> is sustained; andb. the applicable <i>First Party Event</i> is <i>Discovered</i>, prior to the time such entity ceased to be an <i>Insured Entity</i>.4. The Named Insured may request to extend the time of the <i>Run-Off Period</i>. |
| Claim Defense. | <ol style="list-style-type: none">1. If the CyberRisk Declarations shows that the Insurer has the duty to defend <i>Claims</i>, the Insurer:<ol style="list-style-type: none">a. has the right and duty to defend covered <i>Claims</i>, even if groundless or false;b. has the right to select defense counsel for such <i>Claims</i>; and |

- c. has no duty to defend, or to continue to defend, *Claims* after the applicable Limit has been exhausted.
2. If the CyberRisk Declarations shows that the Insurer does not have the duty to defend *Claims*:
 - a. the *Insured* has the duty to defend *Claims*;
 - b. the Insurer has the right to participate in the selection of defense counsel;
 - c. the Insurer has the right to participate in the investigation, defense, and settlement of such *Claims*;
 - d. subject to the applicable Limit, the Insurer will reimburse the *Insured* for *Defense Costs*;
 - e. upon written request, the Insurer will advance *Defense Costs*; and
 - f. advanced *Defense Costs* will be repaid to the Insurer to the extent that the *Insured* is not entitled to such payment.
3. With respect to a *Claim*, the *Insured* will not, without the Insurer's prior written consent:
 - a. make an offer to settle, or settle, a *Claim*;
 - b. admit liability; or
 - c. except at the *Insured's* own cost, make a voluntary payment, pay or incur *Defense Costs* or other expense, or assume any obligation.

Cyber Crime And Business Loss Change.

The Cyber Crime and Business Loss Insuring Agreements will end upon:

1. a *Change Of Control*; or
2. the voluntary liquidation or dissolution of the Named Insured.

ERP –Automatic.

1. The *Automatic ERP* applies without additional premium.
2. *Claims* resulting from *Wrongful Acts* that occur prior to cancelation or nonrenewal can be made and reported to the Insurer during the *Automatic ERP*. Such *Claim* is deemed reported on the last day of the *Policy Period*.
3. The most the Insurer will pay for *Loss* resulting from *Claims* reported during the *Automatic ERP* is the remaining portion of the applicable Limit shown in the CyberRisk Declarations as of the effective date of cancelation or nonrenewal.

ERP –Optional.

1. The Named Insured may elect to purchase an *Optional ERP* shown in the CyberRisk Declarations for any reason other than nonpayment of premium. The *Optional ERP* will only take effect if:
 - a. the Insurer receives written notice of such election no later than 90 days after cancelation or nonrenewal; and
 - b. the additional premium for the *Optional ERP* is paid when due.
2. *Claims* or *Potential Claims* resulting from *Wrongful Acts* that occur prior to cancelation or nonrenewal can be made and reported to the Insurer during the *Optional ERP*. Such *Claim* or *Potential Claim* is deemed reported on the last day of the *Policy Period*.
3. For the Privacy Breach Notification, Computer And Legal Experts, and Public Relations Insuring Agreements, *First Party Loss* that results from a *First Party Event* occurring prior to cancelation or nonrenewal can be *Discovered* during the *Optional ERP*. Such *First Party Event* is deemed *Discovered* on the last day of the *Policy Period*.
4. The premium due for the *Optional ERP* is shown in the CyberRisk Declarations. Such premium is fully earned at the start of the *Optional ERP*.
5. The most the Insurer will pay for *Loss* resulting from *Claims* made, or *First Party Events Discovered*, during the *Optional ERP* is the remaining portion of the applicable Limit shown in the CyberRisk Declarations as of the effective date of cancelation or nonrenewal.
6. When the *Optional ERP* applies, it replaces the *Automatic ERP* and the Extended Discovery Period for the Privacy Breach Notification, Computer And Legal Experts, and Public Relations Insuring Agreements.

Extended Discovery Period.

1. For the *First Party Insuring Agreements*, the *Insured* has an extended period of time to *Discover* a *First Party Loss* arising out of a *First Party Event* that occurred prior to the effective date of cancelation. Such *First Party Event* will be deemed *Discovered* on the last day of the *Policy*

	<p><i>Period.</i> This period begins on the effective date such <i>First Party Insuring Agreement</i> is canceled. It ends on the earlier of:</p> <ol style="list-style-type: none">a. 90 days; orb. the effective date of similar coverage purchased by the <i>Insured</i>, even if such insurance does not provide coverage for loss sustained prior to its effective date. <p>2. When <i>Optional ERP</i> is purchased, it replaces the Extended Discovery Period for the Privacy Breach Notification, Computer And Legal Experts, and Public Relations Insuring Agreements.</p>
Income Loss Appraisal.	<p>If, after submission of the Proof of Loss, the Insurer and <i>Insured</i> do not agree on the amount of <i>Income Loss</i>, each party will select an appraiser. If the appraisers do not agree, they will select an umpire. Each appraiser will submit the amount of <i>Income Loss</i> to the umpire. Agreement by the umpire and at least one of the appraisers as to the amount of <i>Income Loss</i> is binding.</p> <p>Each party will:</p> <ol style="list-style-type: none">1. pay its own appraiser, except when covered as <i>Accounting Costs</i>, and2. share the fees and costs of the umpire equally.
Notice Of Claim.	<ol style="list-style-type: none">1. If an <i>Insured</i> gives the Insurer written notice of a <i>Potential Claim</i> during the <i>Policy Period</i>, or any extended reporting period, then a <i>Claim</i> subsequently arising from such <i>Potential Claim</i> will be deemed made on the last day of the <i>Policy Period</i>. Such notice must include a description of the anticipated allegations of <i>Wrongful Acts</i>, potential damages, and the names of potential claimants and <i>Insureds</i> involved.2. Once an <i>Executive Officer</i> becomes aware that a <i>Claim</i> has been made, the <i>Insured</i> must give the Insurer written notice of such <i>Claim</i> as soon as practicable. If such <i>Claim</i> involves facts that are subject to a court order or law enforcement hold, the <i>Insured</i> must give the Insurer written notice of such <i>Claim</i> as soon as practicable once such order or hold is not in effect. Such notice must include a copy of the <i>Claim</i> or description of its particulars.3. All notices under this section must be sent to the Insurer at an address shown in the Declarations.
Notice Of First Party Event.	<ol style="list-style-type: none">1. Upon the <i>Discovery</i> of a <i>First Party Event</i>, the <i>Insured</i> must give the Insurer written notice of the particulars of such event, as soon as practicable.2. If such <i>First Party Event</i> causes <i>First Party Loss</i> under the Cyber Crime or Business Loss Insuring Agreements in an amount more than 25% of the applicable Retention, the <i>Insured</i> must:<ol style="list-style-type: none">a. give the Insurer a detailed, sworn Proof of Loss within 120 days;b. submit to an examination Under Oath, and give the Insurer a signed statement of the <i>Insured's</i> answers; andc. notify law enforcement, if such <i>First Party Event</i> violates law.3. Demands for payment of <i>First Party Loss</i> must be provided to the Insurer by the <i>Insured Entity</i>.4. All notices and demands must be sent to the Insurer at an address shown in the Declarations.
Other Insurance.	<ol style="list-style-type: none">1. The Breach Response and Business Loss Insuring Agreements are primary insurance.2. The Liability and Cyber Crime Insuring Agreements are excess over, and will not contribute with, any other valid and collectible insurance available to the <i>Insured</i>. This applies even if such other insurance is stated to be primary, excess, or otherwise, unless such other insurance states by specific reference that it is excess over this Coverage.
Property Covered.	<p>Coverage under the Cyber Crime Insuring Agreements is limited to property:</p> <ol style="list-style-type: none">1. the <i>Insured Entity</i>:<ol style="list-style-type: none">a. owns;b. leases; orc. holds for others; or2. for which the <i>Insured Entity</i> is legally liable, except property located inside premises of the <i>Insured Entity's</i> client or such client's financial institution.

- Recovery And Subrogation.**
1. The Insurer has no duty to recover amounts paid under this Coverage.
 2. Amounts recovered from a third party, less costs incurred in obtaining such recovery, will be applied in this order:
 - a. to the Insurer for any Retention it paid on behalf of an *Insured*;
 - b. to the *Insured* for *Loss* the Insurer did not pay because the applicable Limit was exhausted;
 - c. to the Insurer for *Loss* it paid;
 - d. to the *Insured* for any Retention it paid; and then
 - e. to the *Insured* for any uncovered loss it paid.
 3. Recoveries do not include amounts from insurance or reinsurance.
 4. The Insurer is subrogated to, and the *Insured* must transfer to the Insurer, all of the *Insured's* rights of recovery against any person or organization for *Loss* the Insurer has paid under this Coverage. The *Insured* agrees to:
 - a. execute and deliver instruments and papers;
 - b. do everything necessary to secure such rights; and
 - c. do nothing to impair or prejudice those rights.
 5. Subrogation will not apply if the *Insured*, prior to the date of a *Wrongful Act* or a *First Party Event*, waived its rights to recovery.
 6. Any of the *Insured Entity's* property that the Insurer pays for becomes the Insurer's property.
- Related Claims.** Multiple *Claims* arising out of the same *Wrongful Act* are a single *Claim* that is deemed first made on the date the earliest of such *Claims* is made, whether before or during the *Policy Period*.
- Representations.**
1. The Insurer has issued this coverage in reliance on the accuracy and completeness of the representations that the *Insured* made to the Insurer.
 2. If any such representation is untrue, and:
 - a. was material to the acceptance of the risk; and
 - b. is material to a covered *Loss*,then this coverage will not apply to such *Loss* with respect to:
 - i. an *Insured Person* who knew; or
 - ii. an *Insured Entity*, if an *Executive Officer* knew,that such representation was untrue on the Inception date shown in the Declarations.
- Settlement.** The Insurer may, with the written consent of the *Insured*, settle a *Claim*. If the Insurer and claimant agree to settle a *Claim* but the *Insured* withholds its consent, the *Insured* will be responsible for 20% of all:
1. *Defense Costs* incurred after the date the *Insured* withheld its consent; and
 2. *Loss*, other than *Defense Costs*, in excess of such settlement offer.
- Subsidiaries.** If a *Subsidiary* is acquired or created by an *Insured Entity* during the *Policy Period*, and its revenues are:
1. less than 35% of the total annual revenues of such *Insured Entity*, then it will be covered for *Wrongful Acts* or *First Party Events* that occur after its acquisition or creation; or
 2. are at least 35% of the total annual revenues of such *Insured Entity*, then it will be covered for:
 - a. *Wrongful Acts* that occur after its acquisition or creation, for *Claims* made; or
 - b. *First Party Events* that occur after its acquisition or creation and that are *Discovered* and reported,within 90 days of its acquisition or creation, or the end of the *Policy Period*, whichever is earlier. Additional coverage may be negotiated at the time of acquisition or creation.

Suits Against The Insurer – Cyber Crime.	The <i>Insured Entity</i> may not bring any legal action against the Insurer involving a <i>First Party Event</i> covered under the Cyber Crime Insuring Agreements: <ol style="list-style-type: none">1. until 60 days after the <i>Insured Entity</i> has filed Proof of Loss; and2. unless such legal action is commenced within two years from the date the <i>Insured Entity Discovers</i> the <i>First Party Event</i>.
Valuation Under First Party Insuring Agreements.	<ol style="list-style-type: none">1. <i>Money</i>, except <i>Virtual Currency</i>, is valued in the U.S. dollar equivalent determined at the rate of exchange published by <u>The Wall Street Journal</u>:<ol style="list-style-type: none">a. for the Cyber Crime Insuring Agreements, on the date the <i>First Party Event</i> was <i>Discovered</i>; andb. for the Breach Response and Business Loss Insuring Agreements, on the date of payment of <i>First Party Loss</i>.2. <i>Securities</i> are valued at market value as of the close of business on the date the <i>First Party Event</i> was <i>Discovered</i>; and at its discretion, the Insurer will:<ol style="list-style-type: none">a. pay the <i>Insured Entity</i> such value;b. replace such <i>Securities</i> in kind, in which case the <i>Insured Entity</i> must assign to the Insurer all rights, title, and interest in such <i>Securities</i>; orc. pay the cost of a Lost Securities Bond required when issuing duplicates of the <i>Securities</i>. Such Lost Securities Bond will have a penalty no more than the value of the <i>Securities</i> at the close of business on the date the <i>First Party Event</i> was <i>Discovered</i>.3. <i>Virtual Currency</i> is valued in the U.S. dollar equivalent determined at the rate of exchange:<ol style="list-style-type: none">a. for the Cyber Crime Insuring Agreements, on the date the <i>First Party Event</i> was <i>Discovered</i>; andb. for the Breach Response and Business Loss Insuring Agreements, on the date of payment of <i>First Party Loss</i>.4. <i>Other Property</i> is valued for the lesser of:<ol style="list-style-type: none">a. the actual cash value of the <i>Other Property</i> on the date the <i>First Party Event</i> was <i>Discovered</i>; orb. the cost to replace <i>Other Property</i> with comparable property, but only after such property is actually replaced.

Add Community Association Management Organization As Insured Entity Endorsement

This endorsement changes the CyberRisk Coverage.

There are three changes described below:

1. Only for the Privacy And Security, Regulatory Proceedings, Privacy Breach Notification, and Computer And Legal Experts Insuring Agreements, Insured Entity also includes any Community Association Management Organization.
2. The following is added to **Definitions**:

Community Association Management Organization. Means any sole proprietor or entity, including any entity shown below in the Community Association Management Schedule, while providing real estate property management services to an *Insured HOA*, but only in its capacity as property manager for an *Insured HOA* and only for property management services for such *Insured HOA* that are specified in a written contract between the *Community Association Management Organization* and the *Insured HOA*.

Insured HOA. Means:

1. the Named Insured; or
2. *Subsidiaries*.

3. The following is added to **Limits And Retentions, Limit Of Insurance**:

The Community Association Management Organization Limit shown below is the most the Insurer will pay for all *Loss* based upon, arising out of, in connection with, or related to, a *Community Association Management Organization*. The Community Association Management Organization Limit is part of, and not in addition to, the CyberRisk Aggregate Limit.

Community Association Management Organization Limit \$50,000

Community Association Management Schedule

Summit Resort Group Inc.