IDENTITY FRAUD EXPENSE REIMBURSEMENT TERMS AND CONDITIONS
PLEASE READ ALL TERMS CAREFULLY.

CONSIDERATION CLAUSE

IN CONSIDERATION of the payment of the premium, subject to the Declarations, and pursuant to all the terms, conditions, exclusions, and limitations of this **Identity Fraud Expense Reimbursement Policy**, the Company and the **Insurance Representative** agree as follows:

I. INSURING AGREEMENT

The Company will reimburse any **Insured Person** for **Expenses** incurred by the **Insured Person** as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

Only **Insured Persons** will be entitled to coverage under this Insuring Agreement.

II. DEFINITIONS

Wherever appearing in this **Identity Fraud Expense Reimbursement Policy**, the following words and phrases appearing in bold type will have the meanings set forth in this section II. DEFINITIONS:

A. ***Discovers***, ***Discovered,*** or ***Discovery*** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Policy** has been or will be incurred, even though the exact details of loss may not then be known.

B. ***Expenses*** means:

1. costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, merchants or other credit grantors that have required that such affidavits be notarized;
2. costs for certified mail to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors;
3. costs for long distance telephone calls to law enforcement agencies, credit agencies, financial institutions, merchants or other credit grantors to report or discuss any actual **Identity Fraud**;
4. lost wages, up to a maximum payment of $1,000 per week for a maximum period of five weeks, as a result of absence from employment:
   a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, merchants or other credit grantors;
   b. to complete fraud affidavits or similar documents; or
   c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal;
5. loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information;
6. reasonable attorney fees incurred, with the Company's prior written consent, for:
   a. defense of lawsuits brought against the **Insured Person** by financial institutions, merchants, other credit grantors or their collection agencies;
   b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**; or

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c. challenging the accuracy or completeness of any information in a consumer credit report; and

7. costs for daycare and eldercare incurred solely as a direct result of any **Identity Fraud Discovered** during the **Policy Period**.

Expenses does not include any expense or loss not listed in paragraphs 1. through 7. of this Definition B.

C. ***Identity Fraud*** means the act of knowingly transferring or using, without lawful authority, a means of identification of any **Insured Person** with the intent to commit, aid, or abet any unlawful activity that constitutes a violation of federal law or a felony under any applicable jurisdiction.

D. ***Identity Fraud Expense Reimbursement Policy*** means, collectively, the Declarations, the Application, the Identity Fraud Expense Reimbursement Terms and Conditions, and any endorsements attached thereto.

E. ***Insurance Representative*** means the entity named in ITEM 1 of the Declarations.

F. ***Insured Person*** means any natural person:

1. whose labor and service is engaged by and directed by the **Insurance Representative** or any **Subsidiary** and who is on the payroll of the **Insurance Representative** or any **Subsidiary**;
2. who is a duly elected or appointed member of the board of directors, officer, member of the board of trustees, or member of the board of managers, or a functional equivalent thereof, of the **Insurance Representative** or any **Subsidiary**;
3. who is specifically scheduled as an **Insured Person** by endorsement to this **Identity Fraud Expense Reimbursement Policy**;
4. who is the lawful spouse, or person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, of any person that meets the criteria set forth in paragraphs 1., 2., or 3. of this Definition F;
5. who is a child of any person that meets the criteria set forth in paragraphs 1., 2., 3., or 4. of this Definition F. and is:
   a. under the age of 18 years of age; and
   b. a resident of the same household of such **Insured Person**; or
6. who is a parent of any person that meets the criteria set forth in paragraphs 1., 2., 3., or 4. of this Definition F. and is a resident of the same household of such **Insured Person**.

G. ***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 **Identity Fraud Expense Reimbursement Policy**.

H. ***Subsidiary*** means:

1. any corporation, partnership, limited liability company or other entity organized under the laws of any jurisdiction in which, on or before to the Inception Date set forth in ITEM 2 of the Declarations, the **Insurance Representative** 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, natural person general partners, or functional equivalent; or
2. subject to the provisions set forth in section IV. CONDITIONS H. ACQUISITIONS, any organization that the **Insurance Representative** acquires or forms during the **Policy Period** in which the **Insurance Representative** 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, natural person general partners, or functional equivalent.

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III. EXCLUSIONS

A. This Identity Fraud Expense Reimbursement Policy will not apply to loss other than Expenses.

B. This Identity Fraud Expense Reimbursement Policy will not apply to, and the Company will have no obligation to reimburse Expenses for:

1. loss due to any fraudulent, dishonest or criminal act by the **Insured Person** who is seeking reimbursement of **Expenses** under this **Identity Fraud Expense Reimbursement Policy** or any person acting in collusion with such **Insured Person**;
2. an **Identity Fraud Discovered** during such time that an individual was not an **Insured Person**;
3. loss resulting directly or indirectly from war, whether or not declared; civil war; insurrection; rebellion or revolution; military, naval or usurped power; governmental intervention, expropriation or nationalization; or any act or condition related to any of the foregoing.

IV. CONDITIONS

A. TERRITORY

This **Identity Fraud Expense Reimbursement Policy** applies to Identity Fraud occurring anywhere in the world.

B. PERIOD TO REPORT DISCOVERED LOSS

This **Identity Fraud Expense Reimbursement Policy** applies only to **Identity Fraud** that is **Discovered** during the **Policy Period** and reported to the Company during the **Policy Period** or within 30 days thereafter.

C. INSURED PERSON'S DUTIES IN THE EVENT OF LOSS

Upon knowledge or **Discovery** of a loss or an occurrence that may give rise to a claim under the terms of this **Identity Fraud Expense Reimbursement Policy** the **Insured Person** will:

1. give the Company notice thereof as soon as practicable, but in no event later than 30 days after the end of the **Policy Period**;
2. keep books, receipts, bills and other records in such manner that the Company can accurately determine the amount of any loss;
3. file a detailed proof of loss, duly sworn to, with the Company within four months after the **Discovery** of such loss;
4. notify law enforcement authorities;
5. at the request of the Company, submit to examination under oath and give the Company a signed statement of the answers;
6. at the request of the Company, produce for the Company's examination all pertinent books, receipts, bills, and other records, at such reasonable times and places as the Company will designate; and
7. cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

Compliance with all terms and conditions of this **Identity Fraud Expense Reimbursement Policy** is a condition precedent to recovery under this **Identity Fraud Expense Reimbursement Policy**.

D. RETENTION

The Company will be liable only for the amount by which any loss exceeds the applicable Retention amount set forth in ITEM 5 of the Declarations. This Retention amount applies to each and every loss and will have no aggregate limitation.

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E. LIMIT OF INSURANCE

The maximum limit of insurance per **Insured Person** for each **Identity Fraud** covered under this **Identity Fraud Expense Reimbursement Policy** will not exceed the applicable Limit of Insurance stated in ITEM 5 of the Declarations. All acts incidental to an **Identity Fraud**, any series of related **Identity Frauds**, and all **Identity Frauds** arising from the same method of operation or a common scheme or plan, whether committed by one or more persons, will be deemed to arise out of one act and will be treated as one **Identity Fraud**. If an act causes a covered loss to more than one **Insured Person**, the applicable Limit of Insurance under this **Identity Fraud Expense Reimbursement Policy** and the applicable Retention amount will apply to each **Insured Person** separately.

F. ACTION AGAINST THE COMPANY

No action will lie against the Company, unless:

1. there will have been full compliance with all the terms of this **Identity Fraud Expense Reimbursement Policy**;
2. it is brought 90 days after the **Insured Person** has filed proof of loss with us; and
3. it is brought within two years from the date when the **Insured Person** first **Discovers** the loss.

If any limitation in this Condition F. is deemed to be inconsistent with applicable state law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

G. RECOVERIES

All recoveries for payments made under this **Identity Fraud Expense Reimbursement 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 **Insured Person** to reimburse such **Insured Person** for **Expenses** he or she has paid which would have been paid under this **Identity Fraud Expense Reimbursement Policy** but for the fact that it is in excess of the applicable Limit of Insurance;
2. second, to the Company in satisfaction of amounts paid or to be paid to the **Insured Person** in settlement of any covered claim; and
3. third, to the **Insured Person** in satisfaction of any applicable Retention;

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

H. ACQUISITIONS

If, during the **Policy Period**, the **Insurance Representative** acquires or forms a **Subsidiary**, this **Identity Fraud Expense Reimbursement Policy** will provide coverage for the **Insured Persons** of such **Subsidiary**, subject to all other terms and conditions of this **Identity Fraud Expense Reimbursement 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 acquisition or formation. Coverage for the **Insured Persons** of such acquired or formed **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 **Insurance Representative** 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 **Insurance Representative** as reflected in the **Insurance Representative'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.**

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I. SUBROGATION

In the event of payment under this **Identity Fraud Expense Reimbursement Policy**, the Company will be subrogated to all of the **Insured Person's** rights of recovery against any person or organization to the extent of such payment and the **Insured Person** will execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured Person** will do nothing to prejudice such rights.

J. CANCELLATION

The Company may cancel this **Identity Fraud Expense Reimbursement Policy** for failure to pay a premium when due, in which case 20 days written notice will be given to the **Insurance Representative**, unless, payment in full is received within 20 days of the **Insurance Representative's** receipt of such notice of cancellation. The Company will have the right to the premium amount for the portion of the **Policy Period** during which this **Identity Fraud Expense Reimbursement Policy** was in effect.

The **Insurance Representative** may cancel this **Identity Fraud Expense Reimbursement 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. In the event the **Insurance Representative** cancels, the earned premium will be computed in accordance with the customary short rate table and procedure. 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 **Identity Fraud Expense Reimbursement Policy** upon its expiration. If the Company elects not to renew, it will provide to the **Insurance Representative** written notice to that effect at least 30 days before the Expiration Date set forth in ITEM 2 of the Declarations.

K. OTHER INSURANCE

This **Identity Fraud Expense Reimbursement Policy** will apply only as excess insurance over, and will not contribute with any other valid and collectible insurance available to the **Insured Person**. As excess insurance, this **Identity Fraud Expense Reimbursement Policy** will not apply or contribute to the payment of any loss or **Expenses** until the amount of such other insurance or indemnity has been exhausted by payment of loss or **Expenses** covered thereunder. If the limit of the other insurance or indemnity is insufficient to cover the entire amount of loss or **Expenses**, this **Identity Fraud Expense Reimbursement Policy** will apply to that part of **Expenses** not recoverable or recovered under the other insurance or indemnity. This **Identity Fraud Expense Reimbursement Policy** will not be subject to the terms of any other insurance.

L. ASSIGNMENT

This **Identity Fraud Expense Reimbursement Policy** will not be assigned or transferred, and any such attempted assignment or transfer will be void and without effect unless the Company has provided its prior written consent to such assignment or transfer.

M. INTERESTS COVERED

This **Identity Fraud Expense Reimbursement Policy** will be for the sole use and benefit of the **Insured Persons** and the **Insurance Representative**. It provides no rights or benefits to any other person, entity, or organization.

N. CONCEALMENT OR MISREPRESENTATION

This **Identity Fraud Expense Reimbursement Policy** is void as to any **Insured Person** if, at any time, such **Insured Person** intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this **Identity Fraud Expense Reimbursement Policy**.

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O. CHANGES

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

P. LIBERALIZATION

If, during the **Policy Period**, the Company is required, by law or by insurance supervisory authorities of the state in which this **Identity Fraud Expense Reimbursement Policy** was issued, to make any changes in the form of this **Identity Fraud Expense Reimbursement Policy**, by which the insurance afforded by this **Identity Fraud Expense Reimbursement 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 Person** as of the date the revision or change is approved for general use by the applicable department of insurance.

Q. ENTIRE AGREEMENT

The Declarations, the Application, the Identity Fraud Expense Reimbursement Terms and Conditions, and any endorsements attached thereto, constitute the entire agreement between the Company, the **Insurance Representative**, and the **Insured Person**.

R. HEADINGS

The titles of the various paragraphs of this **Identity Fraud Expense Reimbursement 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.

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