



## A Binder for

### **BAY CITIES JOINT POWERS INSURANCE AUTHORITY**

1750 CREEKSIDE OAKS DR STE 200  
SACRAMENTO, CA 958333648

### **Proposed Term**

07/01/2024 to 07/01/2025

### **Submitted to**

ALLIANT INSURANCE SERVICES, INC.  
560 MISSION ST FL 6  
SAN FRANCISCO, CA 941052917

### **Original Binder Release Date**

07/09/2024

### **This Binder is provided by**

JENNA LOTT - MARKET FACING CRIME UNDERWRITER II  
JENNA.LOTT@ZURICHNA.COM  
410-559-8855  
POLICY # CCP6893481-04

This is a binder for insurance coverage and is not an insurance policy. Any coverage description shown in this binder may be an abbreviated title and does not indicate insurance policy language. Only the Insurance policy itself provides coverage. This binder is not a part of and is not incorporated into the insurance policy. If there is any conflict between the coverage descriptions shown in this binder and the actual insurance policy, the insurance policy will prevail and supersede this binder. This binder describes the coverages, terms and conditions offered by the Company. Please review them carefully as they may differ from the expiring program or from the specifications requested in the submission.



## Important Notes

Throughout this document the terms "the Company", "the Insured" and "the Producer" are used. These terms refer to the following entities:

The Company:

Zurich American Insurance Company, American Guarantee and Liability Insurance Company, American Zurich Insurance Company and/or Zurich American Insurance Company of Illinois.

The Insured:

BAY CITIES JOINT POWERS INSURANCE AUTHORITY

The Producer:

ALLIANT INSURANCE SERVICES, INC.

This binder is valid for 25 days from 05/14/2024 or until 08/01/2024

The program structure and pricing components were designed using data provided by the Producer. Any errors, omissions or alterations to the Producer specifications may result in a change or withdrawal of this binder or confirmation.

No changes to the terms, conditions or pricing reflected in this document may be made without written authorization from the Company.

This binder is presented to the Insured with the understanding that neither Zurich nor any of its subsidiaries, affiliates, or employees, offer, or purport to offer, advice to the Insured concerning the proper financial, accounting, or tax treatment for the policy(ies) of insurance referenced herein and nothing herein should be considered to constitute such advice. If accounting advice, tax advice, or other expert professional assistance is required, the Insured should consult with their own accountant, adviser, counsel, or other similar competent professional with expertise in the required area.

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**If you want to learn more about the compensation Zurich pays agents and brokers visit:  
<http://www.zurichnaproducercompensation.com> or call the following toll-free number: (866) 903-1192. This Notice is provided on behalf of Zurich American Insurance Company and its underwriting subsidiaries.**



## Account Summary

### Premium Summary

<b>Coverage</b>	<b>Premium</b>	<b>Taxes, Surcharges, Assessments*</b>	<b>Total</b>
CRIME	\$37,981.00	\$0.00	\$37,981.00
<i>Total All Lines</i>	\$37,981.00	\$0.00	\$37,981.00

\* Surcharges, Taxes and Assessments are subject to change per State requirements

### Payment Options

<b>Coverage</b>	<b>Bill Type</b>	<b>Pay Plan Opt1</b>	<b>Pay Plan Opt 2</b>
CRIME	Agency Bill	Prepaid	

### Comments

15.0% COMMISSION
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## Terms and Conditions

The binder is subject to the following terms and conditions.	Comments
N/A	

**This is a binder for insurance coverage and is not an insurance policy. Any coverage description shown in this BINDER may be an abbreviated title and does not indicate insurance policy language. Only the Insurance policy itself provides coverage. This binder is not a part of and is not incorporated into the insurance policy. If there is any conflict between the coverage descriptions shown in this binder and the actual insurance policy, the insurance policy will prevail and supersede this binder. This binder describes the coverages, terms and conditions offered by the Company. Please review them carefully as they may differ from the expiring program or from the specifications requested in the submission.**

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



**COMMON POLICY DECLARATIONS**

Policy Number Binder Renewal of Number CCP 6893481-03

Named Insured and Mailing Address  
BAY CITIES JOINT POWERS  
(SEE NAMED INSURED ENDT)  
1750 CREEKSIDE OAKS DR STE 200  
SACRAMENTO CA 95833-3648

Producer and Mailing Address  
ALLIANT INSURANCE SERVICES, INC.  
560 MISSION ST FL 6  
SAN FRANCISCO CA 94105-2917

Producer Code 43027-951

Policy Period: Coverage begins 07-01-2024 at 12:01 A.M.; Coverage ends 07-01-2025 at 12:01 A.M.

The name insured is  Individual  Partnership  Corporation  
 Other: GOVERNMENTAL

This insurance is provided by one or more of the stock insurance companies which are members of the Zurich-American Insurance Group. The company that provides coverage is designated on each Coverage Part Common Declarations. The company or companies providing this insurance may be referred to in this policy as "The Company", we, us, or our. The address of the companies of the Zurich-American Insurance Group are provided on the next page.

**THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE(S):**

**CRIME AND FIDELITY COVERAGE** PREMIUM \$ 37,981.00  
issued by FIDELITY AND DEPOSIT COMPANY OF MARYLAND

**THIS PREMIUM MAY BE SUBJECT TO AUDIT.** TOTAL \$ 37,981.00  
This premium does not include Taxes and Surcharges.

**Taxes and Surcharges** TOTAL

Form(s) and Endorsement(s) made a part of this policy at time of issue are listed on the **SCHEDULE of FORMS and ENDORSEMENTS.**

Countersigned this \_\_\_\_\_ day of \_\_\_\_\_

Authorized Representative

THIS DECLARATION TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART FORM(S), FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

**Policy Number  
Binder**

**SCHEDULE OF FORMS AND ENDORSEMENTS**

**Fidelity And Deposit Company Of Maryland**

Named Insured BAY CITIES JOINT POWERS

Effective Date: 07-01-24  
12:01 A.M., Standard Time

Agent Name ALLIANT INSURANCE SERVICES, INC.

Agent No. 43027-951

COMMON POLICY FORMS AND ENDORSEMENTS

U-GU-D-365-A	03-94	POLICY COMMON DECLARATIONS
U-GU-619-A CW	10-02	SCHEDULE OF FORMS AND ENDORSEMENTS
U-GU-319-F	01-09	IMPORTANT NOTICE - IN WITNESS CLAUSE
U-GU-621-A CW	10-02	SCHEDULE OF NAMED INSURED(S)
U-GU-1191-A CW	03-15	SANCTIONS EXCLUSION ENDORSEMENT

CRIME FORMS AND ENDORSEMENTS

CR DS 04	08-13	GOVERNMENT CRIME POLICY DECLARATION
CR 00 26	11-15	GOV'T CRIME POLICY (DISCOVERY FORM)
CR 03 10	08-17	CALIFORNIA CHANGES-PREMIUM
CR 20 20	10-10	CALCULATION OF PREMIUM
CR 25 12	10-10	INCLUDE TREASURERS OR TAX COLLECTORS
CR 02 49	09-12	CALIFORNIA CHANGES
CR 25 06	10-10	INCLUDE CHAIRPERSON AS EMPLOYEES
CR 25 08	10-10	INCLUDE OFFICERS AS EMPLOYEES
CR 25 09	10-10	INCLUDE VOLUNTEER WORKERS AS EMPLOYEES
CR 25 10	10-10	INCL VOL WORKERS OTHER THAN FUND SOLICIT
CR 25 19	08-13	ADD FAITHFUL PERF OF DUTY COV GOVT EMPL
CR 25 20	10-10	ADD CREDIT DEBIT OR CHARGE CARD FORGERY
CR 25 40	08-13	INCL EXPENSES INCUR TO ESTB AMT COV LOSS
CR 04 17	11-15	FRAUDULENT IMPERSONATION

**Policy Number**  
**Binder**

**SCHEDULE OF NAMED INSURED(S)**

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND**

**Named Insured**    BAY CITIES JOINT POWERS

**Effective Date:**    07-01-24  
12:01 A.M., Standard Time

**Agent Name**        ALLIANT INSURANCE SERVICES, INC.

**Agent No.**          43027-951

NAMED INSURED

BAY CITIES JOINT POWERS INSURANCE AUTHORITY  
TOWN OF CORTE MADERA  
CITY OF EMERYVILLE  
TOWN OF SAN ANSELMO  
CITY OF MILL VALLEY  
CITY OF BERKELEY  
CITY OF UNION CITY  
CITY OF BRISBANE  
CITY OF LOS ALTOS  
CITY OF ALBANY  
CITY OF PLEASANTON  
CITY OF LARKSPUR  
TOWN OF FAIRFAX  
CITY OF PIEDMONT  
CITY OF REDWOOD CITY  
CITY OF NOVATO  
CITY OF MENLO PARK  
CITY OF MONTE SERENO  
SUCCESSOR AGENCY TO THE BERKELEY REDEVELOPMENT AGENCY  
BERKELEY RENT BOARD AND BERKELEY PUBLIC LIBRARY

# GOVERNMENT CRIME POLICY DECLARATIONS

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

**Coverage Is Written:**

Primary
  Excess
  Coindemnity
  Concurrent

<b>Company Name Area:</b> FIDELITY AND DEPOSIT COMPANY OF MARYLAND
<b>Producer Name Area:</b> ALLIANT INSURANCE SERVICES, INC.
<b>Named Insured:</b> BAY CITIES JOINT POWERS INSURANCE
(Also list any Employee Benefit Plan(s) included as Insureds)
<b>Mailing Address:</b> 1750 CREEKSIDE OAKS DR STE 200 SACRAMENTO CA 95833-3648
<b>Policy Period</b>
<b>From:</b> 07-01-2024
<b>To:</b> 07-01-2025 12:01 AM at your mailing address shown above.

Insuring Agreements	Limit Of Insurance Per Occurrence	Deductible Amount Per Occurrence
1. Employee Theft – Per Loss Coverage	\$ 1,000,000	\$ 10,000
2. Employee Theft – Per Employee Coverage	NOT COVERED	
3. Forgery Or Alteration	\$ 1,000,000	\$ 10,000
4. Inside The Premises – Theft Of Money And Securities	\$ 1,000,000	\$ 10,000
5. Inside The Premises – Robbery Or Safe Burglary Of Other Property	\$ 1,000,000	\$ 10,000
6. Outside The Premises	\$ 1,000,000	\$ 10,000
7. Computer And Funds Transfer Fraud	\$ 1,000,000	\$ 10,000
8. Money Orders And Counterfeit Money	\$ 1,000,000	\$ 10,000



If "Not Covered" is inserted above opposite any specified Insuring Agreement, such Insuring Agreement and any other reference thereto in this Policy are deleted.

**If Added By Endorsement:**

<b>Insuring Agreement(s)</b>	<b>Limit Of Insurance Per Occurrence</b>	<b>Deductible Amount Per Occurrence</b>
FRAUDULENT IMPERSONATION	\$ 250,000	\$ 50,000

**Endorsements Forming Part Of This Policy When Issued:**

**SEE SCHEDULE OF FORMS AND ENDORSEMENTS**

**Cancellation Of Prior Insurance Issued By Us:**

By acceptance of this Policy, you give us notice cancelling prior Policy Numbers

;

the cancellation to be effective at the time this Policy becomes effective.

**Countersignature Of Authorized Representative**

**Name:**

**Title:**

**Signature:**

**Date:**

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

**INCLUDE TREASURERS OR TAX COLLECTORS  
AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

**SCHEDULE**

<b>Treasurers Or Tax Collectors</b>
ALL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

1. The definition of "employee" is amended to include your treasurers or tax collectors shown in the Schedule.
2. Exclusion **D.2.d. Treasurers Or Tax Collectors** is deleted.

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

**INCLUDE CHAIRPERSON AND MEMBERS OF  
SPECIFIED COMMITTEES AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- EMPLOYEE THEFT AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

**SCHEDULE**

Names Of Committees
ALL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "employee" is amended to include any natural person, whether or not compensated, while performing services for you as the chairperson, or a member of any committee named in the Schedule.

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

**INCLUDE SPECIFIED NON-COMPENSATED  
OFFICERS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- EMPLOYEE THEFT AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

**SCHEDULE**

Names Or Titles Of Non-compensated Officers
ALL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The definition of "employee" is amended to include your non-compensated officers shown in the Schedule.

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

## **INCLUDE VOLUNTEER WORKERS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

The definition of "employee" is amended to include any noncompensated natural person:

1. Other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee"; or
2. While acting as a fund solicitor during fundraising campaigns.

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

**INCLUDE VOLUNTEER WORKERS OTHER  
THAN FUND SOLICITORS AS EMPLOYEES**

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
EMPLOYEE THEFT AND FORGERY POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

The definition of "employee" is amended to include any noncompensated natural person other than one who is a fund solicitor, while performing services for you that are usual to the duties of an "employee".

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

**ADD FAITHFUL PERFORMANCE OF DUTY COVERAGE  
FOR GOVERNMENT EMPLOYEES**

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY  
GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Insuring Agreements designated below:

**SCHEDULE**

Insuring Agreement	Limit Of Insurance
<input checked="" type="checkbox"/> <b>Employee Theft – Per Loss Coverage</b>	\$1,000,000
<input type="checkbox"/> <b>Employee Theft – Per Employee Coverage</b>	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** The following is added to the Employee Theft Insuring Agreement designated above:

We will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit Of Insurance shown in the Schedule. That Limit is part of, not in addition to, the Limit Of Insurance shown in the Declarations.

**B.** The following exclusions are added to Section **D.2. Exclusions:**

- a. Loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
- b. Damages for which you are legally liable as a result of:
  - (1) The deprivation or violation of the civil rights of any person by an "employee"; or
  - (2) The tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

**C.** The **Indemnification** Condition is replaced by the following:

**Indemnification**

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

**D.** Paragraph **(1)** of the **Termination As To Any Employee** Condition is replaced by the following:

**(1)** As soon as:

- (a)** You; or
- (b)** Any official or employee authorized to manage, govern or control your "employees" not in collusion with the "employee";

learns of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement; or

**E.** The coverage provided by this endorsement does not apply to any employee benefit plan covered under the Employee Theft Insuring Agreement shown in the Schedule.



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

**ADD CREDIT, DEBIT OR CHARGE CARD FORGERY**

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- EMPLOYEE THEFT AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Forgery Or Alteration Insuring Agreement:

**SCHEDULE**

Limit Of Insurance	Covered Instruments
\$ 1,000,000	<input checked="" type="checkbox"/> Includes written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes
	<input type="checkbox"/> Limited to written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

1. Covered Instruments either includes or is limited to, whichever is indicated as applicable in the Schedule, written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.
2. The most we will pay in any one "occurrence" is the Limit Of Insurance shown in the Schedule.
3. The following exclusion is added to Section D.:  
 The Forgery Or Alteration Insuring Agreement does not apply to:  
**Non-compliance With Credit, Debit Or Charge Card Issuer's Requirements**  
 Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

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

**INCLUDE EXPENSES INCURRED  
TO ESTABLISH AMOUNT OF COVERED LOSS**

This endorsement modifies insurance provided under the following:

- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- EMPLOYEE THEFT AND FORGERY POLICY
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- GOVERNMENT EMPLOYEE THEFT AND FORGERY POLICY

and applies to the Insuring Agreement(s) designated below:

**SCHEDULE**

<input checked="" type="checkbox"/> <b>Employee Theft Insuring Agreement</b>	
<b>Costs, Fees Or Other Expenses</b>	
<b>Limit Of Insurance</b>	<b>Covered Loss</b>
\$25,000	
<input checked="" type="checkbox"/> <b>Computer And Funds Transfer Fraud Insuring Agreement</b>	
<b>Costs, Fees Or Other Expenses</b>	
<b>Limit Of Insurance</b>	<b>Covered Loss</b>
\$25,000	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following condition is added to Paragraph E.  
**Conditions:**

1. We will pay for reasonable costs, fees or other expenses that you incur and pay to an independent accounting, auditing or other service used to determine the amount of loss covered under this insurance.
2. The most that we will pay for reasonable costs, fees or other expenses is limited to the lesser of the:
  - a. Limit of Insurance; or
  - b. Percentage of the Covered Loss; shown in the Schedule.

3. We will pay for reasonable costs, fees or other expenses only after settlement of covered loss.
4. We will have no liability to pay any such costs, fees or other expenses if the amount of the covered loss does not exceed the Deductible Amount of the applicable Insuring Agreement.
5. The amount that we will pay is part of, not in addition to, the Limit of Insurance for the applicable Insuring Agreement.
6. Paragraph (3) of the **Indirect Loss** Exclusion is replaced by the following:  
Payment of costs, fees or other expenses you incur in establishing the existence of loss under this insurance.
7. Any reference in this endorsement to the Computer And Funds Transfer Fraud Insuring Agreement does not apply to the Employee Theft And Forgery Policy or the Government Employee Theft And Forgery Policy.

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

## FRAUDULENT IMPERSONATION

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
COMMERCIAL CRIME POLICY  
GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY

### SCHEDULE

Check the appropriate box(es):

- |  |   |                             |
|--|---|-----------------------------|
| <b>I. Fraudulent Impersonation Of "Employees" Included:</b>  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| <input checked="" type="checkbox"/> <b>A.</b> Verification Is Required For All "Transfer Instructions"   |   |                             |
| <input type="checkbox"/> <b>B.</b> Verification Is Required For All "Transfer Instructions" In Excess Of |   |                             |
| <input type="checkbox"/> <b>C.</b> Verification Of "Transfer Instructions" Is Not Required               |   |                             |
| <br>   |   |                             |
| <b>II. Fraudulent Impersonation Of "Customers" And "Vendors" Included:</b>                               | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| <input checked="" type="checkbox"/> <b>A.</b> Verification Is Required For All "Transfer Instructions"   |   |                             |
| <input type="checkbox"/> <b>B.</b> Verification Is Required For All "Transfer Instructions" In Excess Of |   |                             |
| <input type="checkbox"/> <b>C.</b> Verification Of "Transfer Instructions" Is Not Required               |   |                             |

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

With regard to this Fraudulent Impersonation endorsement, the provisions of the Coverage Form or Policy to which this endorsement is attached apply, unless modified by this endorsement.

**A.** The following Insuring Agreement is added to Section **A. Insuring Agreements:**

#### **Fraudulent Impersonation**

##### **1. "Employees" (if indicated in Section I. of the Schedule)**

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by:

- a. An "employee", or any of your partners, "members", "managers", officers, directors or trustees, or you (if you are a sole proprietorship) if coverage is written under the Commercial Crime Coverage Form or Commercial Crime Policy; or

- b. An "employee", or any of your officials if coverage is written under the Government Crime Coverage Form or Government Crime Policy;

but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the person in Paragraph 1.a. or 1.b.

**2. "Customers" And "Vendors" (If indicated in Section II. of the Schedule)**

We will pay for loss resulting directly from your having, in good faith, transferred "money", "securities" or "other property" in reliance upon a "transfer instruction" purportedly issued by your "customer" or "vendor", but which "transfer instruction" proves to have been fraudulently issued by an imposter without the knowledge or consent of the "customer" or "vendor".

**3. Verification**

- a. The following is a precondition to coverage under this Insuring Agreement:

- (1) If option I.A. and/or II.A. is selected in the Schedule, you shall verify all "transfer instructions"; or
- (2) If option I.B. and/or II.B. is selected in the Schedule, you shall verify all "transfer instructions" in excess of the amount shown;

according to a pre-arranged callback or other established verification procedure before acting upon any such "transfer instruction".

- b. If option I.C. and/or II.C. is selected in the Schedule, verification of "transfer instructions" is not a precondition to coverage under this insuring agreement.

**B. Under Section E. Conditions:**

The **Territory** Condition is replaced by the following:

**Territory**

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world.

**C. The following definitions are added to Section F. Definitions:**

- 1. "Customer" means an entity or individual to whom you sell goods or provide services under a written contract.
- 2. "Transfer instruction" means an instruction directing you to transfer "money", "securities" or "other property".
- 3. "Vendor" means an entity or individual from whom you purchase goods or receive services under a written contract.