

PREMIUM IS > \$5000

INSURED

This section is for policy:	60432-88-14
Assembled-on Date:	11/07/12
Assembled-on Time:	00:58:29
Full Policy Number:	A6043288140013
Transaction Number:	001
Operator id:	R4240

TRANSACTION:
AUTOMATIC-RENEWAL

PO BOX 149040
AUSTIN, TX 78714-9040

PRODUCER#: 04 07 07 391
DEBBIE BRILL
PO BOX 1498
AVON CO 81620

DEBBIE BRILL
PO BOX 1498
AVON
PRODUCER#: 04 07 07 391
CO 81620

WESTGATE ASSOCIATION

C/O VAIL COMMERCIAL ADVISORS
953 S FRONTAGE RD STE 201
VAIL
CO 81657

Make Check Or Money Order Payable To Company Shown Below



FARMERS

INVOICE

MID-CENTURY INSURANCE COMPANY

WESTGATE ASSOCIATION

C/O VAIL COMMERCIAL ADVISORS
953 S FRONTAGE RD STE 201
VAIL CO 81657

NOVEMBER 07, 2012

Date

07-07-391

Agent's Number

60432-88-14

Policy Number

Loan Number

Renewal Statement - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.

This Invoice Reflects:

Effective Date: 01/17/13

New Business Reinstatement Change Of Coverage Added Coverage

Previous Balance Owing
Premium
Membership, Policy, Reinstatement, Reissue or Service Fees
Pro Rata Premium Due
5,373.00 Premium For Renewing Entire Present Coverage From 01/17/13 To 01/17/14
5,373.00 Total Charges
BALANCE DUE UPON RECEIPT

Optional Amount
Refund

WE WANT TO BE YOUR FIRST CHOICE FOR BUSINESS AND PERSONAL LINES INSURANCE. IF YOU PLACE A PERSONAL LINES POLICY WITH FARMERS YOU MAY BE ELIGIBLE TO RECEIVE A DISCOUNT, CONTACT YOUR AGENT TODAY.

IF YOU DO NOT WISH TO PAY THE TOTAL NOW DUE, PAY THE OPTIONAL AMOUNT OF WHICH INCLUDES A \$7.00 SERVICE CHARGE. YOU WILL RECEIVE A REMINDER NOTICE FOR WHICH WILL BE DUE 60 DAYS FROM THE RENEWAL DATE. \$2,693.50 \$2,686.50

Please Write Your Policy Number On Check Or Money Order. KEEP THIS ORIGINAL FOR YOUR RECORDS

State Required Notification:

**DETACH AND RETURN LOWER INVOICE PORTION WITH YOUR PAYMENT
DUE UPON RECEIPT (except Monthly Billed Policy(ies))**

**I
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V
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E**

MAKE CHECK PAYABLE TO: MID-CENTURY INSURANCE COMPANY

PLEASE WRITE YOUR POLICY NUMBER ON YOUR CHECK. YOUR CANCELLED CHECK IS YOUR RECEIPT.

POLICY NUMBER	TOTAL PREMIUM	SERVICE CHARGE	OPTIONAL PAYMENT
07 60432-88-14	5,373.00	\$7.00	\$2,693.50 SEE BELOW

If you do not wish to pay the total premium, pay the optional payment amount which includes the service charge. The balance of \$2,686.50 which does not include a service charge will be due 60 days after the renewal date.

WESTGATE ASSOCIATION

A6043288140013

001 R4240

C/O VAIL COMMERCIAL ADVISORS
953 S FRONTAGE RD STE 201
VAIL CO 81657

1108070604328814000053730000002693508

NOVEMBER 07, 2012
07-07-391

PAYMENT PROCESSING CENTER
PO BOX 0913
CAROL STREAM IL 60132-0913





FARMERS®

Big Discounts on Business Services!

Introducing the Farmers Value Program

Welcome to the Farmers Value Program! Here we have assembled a group of world-class service providers to help small business owners save money and effectively run their business. Visit often to enjoy special money-saving offers on a variety of products and services.

Step 1

Visit www.Farmers.com

Step 2

Click on the business section

Step 3

On the bottom right corner, click on the Farmers Value Program

Or

Type directly into your browser the following:
<http://www.farmersbusinessinsurance.com/farmers-value-program.html>

Notice to Policyholders Regarding Changes to Your Employment Practices Liability Coverage



FARMERS®

Dear Customer,

Thank you for choosing Farmers® for your insurance needs. We appreciate your business and want to keep you informed about changes to your policy and the coverage it provides.

Here is your renewal policy. As you review your renewal policy you'll notice we attached a new endorsement to your policy, *J6847 - Limitation of Employment Practices Liability Coverage*. It explains that coverage for Employment Practices Liability is limited to scheduled premises insured by this policy.

This notice provides a summary of the changes to your policy. It's not a part of your insurance contract. Please read your policy carefully, including the attached endorsements, for complete information.

If you have questions about the changes to your policy or wish to discuss coverage options, please consult your Farmers agent.

Common Policy Declarations

MID-CENTURY INSURANCE COMPANY
(A STOCK COMPANY)

Members Of The Farmers Insurance Group Of Companies
Home Office: 4680 Wilshire Blvd., Los Angeles, California 90010

COMMERCIAL REAL ESTATE - PREMIER

1.

Named · WESTGATE ASSOCIATION
Insured ·
Mailing · C/O VAIL COMMERCIAL ADVISORS
Address · 953 S FRONTAGE RD STE 201
· VAIL CO 81657

Acct. No.	Prod. Count
07-07-391	60432-88-14
Agent No.	Policy Number

The named insured is an individual unless otherwise stated:

Partnership Corporation Joint Venture Organization (Any other)

Type of Business REAL ESTATE

2. Policy Period from 01/17/13 (not prior to time applied for) to 01/17/14 12:01 a.m. Standard Time

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

This Policy Consists Of The Following Coverage Parts Listed Below And For Which A Premium Is Indicated. This Premium May Be Subject To Change.

	Premium After Applicable Discount and Modification
BUSINESSOWNERS POLICY	\$5,338.00
EMPLOYMENT PRACTICES INSURANCE COVERAGE	INCLUDED
CYBER LIABILITY AND DATA BREACH COVERAGE	\$35.00
CERTIFIED ACTS OF TERRORISM - SEE DISCLOSURE ENDORSEMENT	INCLUDED
Total *see Additional Fee Information below	See Invoice Attached



Forms applicable to all Coverage Parts:

IL00030498

IL00171198

56-5166ED5

Countersigned _____ By _____
(Date) (Authorized Representative)

Agent: **DEBBIE BRILL**

Agent Phone: **970-845-8910**

Additional Fee Information

The following additional fees apply on an account, not a per-policy, basis.

In consideration of our agreement to allow you to pay in installments, the following service fee(s) will apply:

For the Monthly Recurring Electronic Funds Transfer (EFT) and fully enrolled in on-line billing (paperless) option, a service charge of \$ 0.00 per Installment is applied per account.

For the Monthly EFT payment plan, a service charge of \$ 2.00 per installment is applied per account.

For the 2-Pay payment plan option, a service charge of \$ 7.00 is applied per renewal term.

For all payment plans other than those listed above, a service charge of \$ 5.00 per installment is applied per account.

If your account is for payment of premium on more than one policy, any change in these fees will not be effective until the updated service fee information is provided for each of the policies.

In addition, the following fees also apply:

Late Fee: \$10.00 (applied per account)

Returned Payment Charge \$20.00 (applied per each check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account)

Reinstatement Fee: \$25.00 (applied per account; over 30 days but under 6 months)

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.



FARMERS®

J6300
2nd Edition

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts)	\$	53.00
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Additional information, if any, concerning the terrorism premium:

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

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

MID-CENTURY INSURANCE COMPANY

**Members Of The Farmers Insurance Group Of Companies
Home Office: 4680 Wilshire Blvd., Los Angeles, California 90010**

Policy Declarations

1. **COMMERCIAL REAL ESTATE - PREMIER**

Named :	WESTGATE ASSOCIATION	Acct. No.	Prod. Count
Insured :			
Mailing :	C/O VAIL COMMERCIAL ADVISORS	07-07-391	60432-88-14
Address :	953 S FRONTAGE RD STE 201	Agent No.	Policy Number
	VAIL CO 81657		

The named insured is an individual unless otherwise stated:

Partnership Corporation Joint Venture Organization (Any other)

Type of Business **REAL ESTATE**

2. Policy Period from **01/17/13** (not prior to time applied for) to **01/17/14** 12:01 a.m. Standard Time
If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

3. Insured location same as mailing address unless otherwise stated:
001 001 1060 W BEAVER CREEK BLVD AVON CO 81620

4. We provide insurance only for those coverages described below and for which a specific limit of insurance is shown.

Property

Coverages And Limits Of Insurance

COVERAGES	PREM NO. 001 001
BUILDINGS	\$3,980,200
AUTOMATIC BUILDING INCREASE	8%
PROPERTY DEDUCTIBLE	\$2,500
OUTDOOR TREES, SHRUBS, PLANTS	\$2,500
BACKUP OF SEWER AND DRAIN	\$25,000
WINDSTORM OR HAIL % DEDUCTIBLE	N/A
Business Income (All Listed Premises) 18 months-Actual Loss Sustained	

Additional Coverages

Coverage	All Premises
LOCK REPLACEMENT	\$10,000
DEBRIS REMOVAL	\$25,000



Coverage Extensions - Optional Higher Limits of Insurance Per Occurrence

Coverage	All Premises
ACCOUNTS RECEIVABLE	\$25,000
VALUABLE PAPERS	\$25,000
OFF PREMISES PERSONAL PROPERTY	\$5,000
POLLUTION CLEAN-UP	\$25,000

Optional Coverages: We provide insurance for those Optional Coverages described below.

Coverage	All Premises
OUTDOOR SIGNS	\$25,000
EMPLOYEE DISHONESTY	\$25,000
MONEY AND SECURITIES	\$25,000

Liability And Medical Payments - Except for Fire Legal Liability, each paid claim for the following coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Liability Coverage Form.

Coverage	Limits Of Insurance			
LIABILITY	\$2,000,000	PER OCC/	\$4,000,000	GEN AGG
MEDICAL EXPENSES	\$5,000	PER PERSON		
TENANTS LIABILITY	\$100,000	PER OCCURRENCE		

Mortgage Holders:

Premises No.	Mortgage Holder Name, Address

Countersigned _____ (Date) By _____ (Authorized Representative)

Policy Forms and Endorsements attached at inception:

Number	Title
E3432-ED4 BP00021299 BP00060197 BP00090197 BP04120187 BP04170196 BP04340197 BP04390196 IL00210498 E3342-ED1 E6036-ED1 25-2110 E0051-ED2 J6353-ED1 IL01690498 IL02280498 E4009-ED4 BP04550197 BP05140103 E2028-ED2 E2010-ED2 E3027-ED1 J6316-ED1 J6345-ED1 J6351-ED1 J6300-ED2 BP04300196 E6289-ED1 E2042-ED2 J6740-ED1 J6828-ED1 25-8932 25-8933 BP04040196 E8162-ED4 E3020-ED1 S0753-ED1 25-2595 562377-ED1 J6577-ED1 J6847-ED1 S0755-ED1 56-5931 J6610-ED1 25-8934	COML REAL ESTATE PREMIER PCKG END BUSINESSOWNERS SPECIAL PROP COVG FORM BUSINESS LIABILITY COVG FORM BUSINESSOWNERS COMMON POLICY CONDITIONS LIMITATION OF COVG TO DESIG PREM OR PROJ EMPLOYMENT-RELATED PRACTICES EXCL SPECIAL FORM COMPUTER COVG ABUSE OR MOLESTATION EXCL NUCLEAR ENERGY LIAB EXCL PERSONAL & ADVERTISING INJURY COVG AMEND LEAD POISONING & CONTAMINATION EXCL WORK COMP EXCLUSION ASBESTOS & SILICA EXCLUSION END CHANGE TO LIMITS OF INSURANCE CO CHGS-CONCLMNT, MISREP OR FRAUD CO CHGS-CANC & NONRENEWAL MOLD & MICROORGANISM EXCLUSION BUSINESS LIAB COVG-TENANTS LIAB WAR LIABILITY EXCLUSION OTHER TYPES OF LOSS ENDORSEMENT CONDITIONAL EXCLUSION OF TERRORISM NO COVG-CERTAIN COMPUTER RELATED LOSSES EXCL OF LOSS DUE TO VIRUS OR BACT EXCL-VIOLATION OF STATUTES LIMITED TERRORISM EXCLUSION DISCL OF PREM-CERT ACTS OF TERROR PROTECTIVE SAFEGUARDS BUSINESS INCOME & EXTRA EXPENSE-18 MOS MULTIPLE DAMAGES EXCL TWO OR MORE COVERAGE FORMS LTD COVG FOR FUNGI, WET/DRY ROT P/H LETTER-CYBER LIAB P/H CYBER OPT OUT HIRED & NON-OWNED AUTO EQUIPMENT BREAKDOWN COVG END OUTDOOR TREES, SHRUBS & PLANTS COLORADO AMENDATORY ENDORSEMENT EPLI DISCLOSURE NOTICE EPLI DEC EPLI - STANDARD LIMITATION OF EPLI COVG COLORADO AMENDATORY ENDORSEMENT CYBER LIABILITY DEC CYBER LIABILITY & DATA BREACH COLORADO POLICYHOLDER LETTER

Countersigned _____ By _____
 (Date) (Authorized Representative)



DECLARATIONS
EMPLOYMENT PRACTICES INSURANCE COVERAGE - STANDARD

THIS IS A CLAIMS MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE INSURER AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS DEFENSE COSTS SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE INSURER SHALL NOT BE LIABLE FOR ANY DEFENSE COSTS OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THIS POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Policy Number: 60432-88-14

1. Named Insured: WESTGATE ASSOCIATION

[X] Individual [] Partnership [] Corporation [] Joint Venture [] Other

2. Policy Period: 01/17/13 to 01/17/14 at 12:01 a.m. (Standard Time at Your address shown below)

3. Address: C/O VAIL COMMERCIAL ADVISORS VAIL CO 81657

4. Limit Of Liability (Includes Cost Of Defense):

(a) Each Insured Event Limit \$50,000
(b) Aggregate Limit of Liability \$50,000

5. Self Insured Retention (Includes Cost Of Defense):

Any One Insured Event 2500

6. Prior Knowledge Date: 01/17/09

7. Retroactive Date: 01/17/09

8. Premium: 164.00

9. Authorized Representatives: Kissel Pesce Hirsch & Wilmer LLP Tarrytown, NY 10591

In the event of a claim please notify Farmers claims department at:1-800-HelpPoint (435-7764)

10. Endorsements At Inception:

Refer to Policy Declaration, Policy forms and Endorsements section for applicable Employment Practice Liability Insurance Coverage Forms.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER: 60432-88-14



FARMERS

J6847
1st Edition

**LIMITATION OF EMPLOYMENT PRACTICES LIABILITY
COVERAGE**

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE - STANDARD
EMPLOYMENT PRACTICES LIABILITY INSURANCE - PREFERRED

SCHEDULE

Description And Location Of Premises:	
LOC 00001 SUB LOC 001	
1060 W BEAVER CREEK BLVD	
AVON CO 81620	
Annual Aggregate Limit	\$ 50,000

A. The following are added to Section IX. **EXCLUSIONS: WHAT IS NOT COVERED**, with respect to Employment Practices Liability Coverage:

This insurance does not apply to any **Insured Event** or **Third Party Insured Event** arising out of:

1. The ownership, maintenance, management, use, or any other operations of any premises not described in the Schedule above; or
2. The ownership, maintenance, management or use of any premises or operations insured under a policy number other than the one listed above and on the Declarations for Employment Practices Liability Insurance coverage.

B. The following is added to Section VIII. **CONDITIONS** and supersedes any provision to the contrary:

L. Two Or More Coverage Forms

If this Employment Practices Liability Insurance and any other Employment Practices Liability Insurance coverage form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an **Insured** under the policies and apply to the same **Insured Event** or **Third Party Insured Event**, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy.

C. The annual aggregate maximum Limit of Insurance shown on the Schedule above is the most we will pay for all **Insured Events** or **Third Party Insured Events**, regardless of the number of **Insureds**, **claims** made or persons making **claims** during the Policy Period.

Important Policyholder Notice Regarding Cyber Liability and Data Breach Expense Coverage



FARMERS[®]

Dear Policyholder,

We are pleased to inform you of a valuable coverage protection provided with your business insurance policy - Cyber Liability and Data Breach Expense Coverage. This coverage is included to address growing concerns that all businesses today face regarding data security breaches and compromises of customer data. This important addition to your protection is provided for an additional premium charge which is shown on your policy's Cyber Liability and Data Breach Expense Coverage Declarations.

Please read the remainder of this notice to learn more about Cyber Liability and Data Breach Expense Coverage and the benefits and options available to you and your customers.

What is Cyber Liability and Data Breach Expense Coverage?

Cyber Liability and Data Breach Expense Coverage provides third party liability coverage for information security and privacy coverage, regulatory defense and penalties and privacy breach response services.

Third party liability coverage includes information security and privacy coverage for:

- Theft, loss or unauthorized disclosure of your customers' personally identifiable or third party corporate information;
- Unauthorized access, theft of or destruction of data, denial of service attacks and virus transmission involving your computer systems resulting from computer security breaches; and
- Regulatory defense and penalties costs associated with response to a regulatory proceeding resulting from an alleged violation of privacy law causing a security breach

Privacy breach response services provided in the event of an actual or alleged breach of personally identifiable information include:

- Forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps needed to comply with applicable laws;
- Notification to your customers who must be notified under applicable law; and
- Discretionary notice to individuals potentially affected by a breach in which there is a resulting risk of financial, reputational or other harm to the individuals, when a breach does not trigger a legal duty to notify such individuals

What additional benefits are provided?

Your policy's Cyber Liability and Data Breach Expense Coverage includes free data security risk management services, which provide:

- Expert on-line support for your understanding and handling of data security issues;
- Compliance and breach response information;
- Email alerts of key legal and regulatory developments; and
- On-line training programs, employee training bulletins and webinars for privacy compliance and IT

You ^{staff} may access this information by registering at www.FarmersCyber.com. To register, go to www.FarmersCyber.com and click the "New Here? Register Now" link located on the login page. Enter the requested information and your Farmers[®] business insurance policy number.

Please allow 14 business days after binding your Farmers business insurance policy to process and set up your access to the online data security risk management service.

What if I already have this coverage from another carrier or simply do not want this protection?

If the Cyber Liability and Data Breach Expense Coverage duplicates coverage you have provided to you by another carrier, or you do not desire to include this coverage, simply notify your agent and complete the "opt out" request form. The Cyber Liability and Data Breach Expense Coverage will be removed from your policy, and you will receive a refund on your premium.

Coverage provided is on a Claims-Made basis. What is that?

Claims-made coverage means that the loss, in order for coverage to apply, must be reported to Farmers during the policy period.

Does the policy provide for an Extended Reporting Period?

Yes, the policy provides a limited reporting period of 30 days following termination of coverage. An optional Extended Reporting period can be purchased to protect against claims made after termination of the policy.

Farmers' recognizes that data security breaches and compromises of customer data are faced by all types of business enterprises today and continue to be reported at a high frequency. When a breach occurs, business owners need to be ready to respond quickly and effectively to mitigate their exposure to brand damage and legal liability. The addition of Cyber Liability and Data Breach Expense Coverage to your policy is a means to ensure that you are prepared should a covered claim occur.

This notice provides a summary of the Cyber Liability and Data Breach Expense Coverage included on your policy. Please refer to the actual policy language to determine the applicable terms and conditions.



POLICYHOLDER NOTICE - COLORADO

IMPORTANT NOTICE TO ALL COLORADO POLICYHOLDERS REGARDING CLAIMS-MADE POLICIES:

CYBER LIABILITY AND DATA BREACH EXPENSE COVERAGE FORM

THIS DISCLOSURE FORM IS NOT A PART OF YOUR COVERAGE. IT DESCRIBES SOME OF THE MAJOR FEATURES OF THE CLAIMS-MADE AND REPORTED COVERAGE FORM. PLEASE READ YOUR COVERAGE FORM CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED. ONLY THE PROVISIONS OF YOUR COVERAGE FORM DETERMINE THE SCOPE OF YOUR INSURANCE PROTECTION.

THIS COVERAGE FORM IS A CLAIMS-MADE AND REPORTED COVERAGE FORM WHICH PROVIDES COVERAGE ONLY IF A CLAIM IS MADE DURING THE POLICY PERIOD, THE 30-DAY LIMITED REPORTING PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF PURCHASED.

DEFINITIONS

1. **Claim** means:

- a. a written demand received by any **Insured** for money or services, including the service of a suit or institution of regulatory or arbitration proceedings;
- b. with respect to coverage provided under **INSURING AGREEMENT I.C.** only, institution of a **Regulatory Proceeding** against any **Insured**; and
- c. written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in paragraph a. above.

Multiple **Claims** arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple **Security Breaches** arising from a failure of **Computer Security**, shall be considered a single **Claim** for the purposes of this Coverage Form, irrespective of the number of claimants or **Insureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

2. "Claims-made and reported coverage" means an insurance policy or Coverage Form that provides coverage only if a **Claim** is made during the Policy or Coverage Form Period or any applicable extended reporting period for an act, error or omission giving rise to a **Claim** that occurs after the Retroactive Date and before the end of the Policy or Coverage Form Period, provided that the **Claim** is reported to the Insurer in the manner and time period(s) set forth in the policy.
3. "Optional Extended Reporting Period" means the period of time allowed for making **Claims** after the expiration of a claims-made Coverage Form. This is also known as a "tail".
4. "Occurrence coverage" means an insurance Coverage Form that provides liability coverage only for injury or damage that occurs during the Coverage Form term, regardless of when the **Claim** is actually made. A **Claim** made in the current Coverage Form year of an occurrence Coverage Form could be charged against a prior Coverage Form year, or may not be covered, if it arises from an occurrence prior to the effective date.

YOUR COVERAGE FORM

Your Coverage Form is a claims-made and reported Coverage Form. It provides coverage only for **Claims** made during the Coverage Form Period, the **Limited Reporting Period** or the **Optional Extended Reporting Period**, if applicable, for any negligent act, error or omission as provided for in I. **INSURING AGREEMENTS** of the Coverage Form occurring before or during the Coverage Form Period and reported to your Insurer prior to the end of the Coverage Form Period or the Extended Reporting Period, if applicable. The **Optional Extended Reporting Period** may be purchased if the Insurer or the **Named Insured** cancels or refuses to renew the Coverage Form.

There is no difference in the kind of injury or damage covered by occurrence or claims-made policies. **Claims** for damages may be assigned to a different Coverage Form Period, however, depending on which type of Coverage Form you have.

PRINCIPAL BENEFITS

This Coverage Form provides for payment of **Damages** and **Claims Expenses** as defined in the Coverage Form, in excess of the retention amount up to the Limit of Liability specified in the Coverage Form.

The principal benefits and coverages are explained in detail in your claims-made and reported Coverage Form. Please read it carefully and consult your insurance producer about any questions you might have.

EXCEPTIONS, REDUCTIONS AND LIMITATIONS

Your claims-made and reported Coverage Form contains certain exceptions, reductions and limitations. Please read them carefully and consult your insurance producer about any questions you might have.

RENEWALS AND EXTENDED REPORTING PERIODS

It is important for you to be certain that no gaps occur in your insurance coverage when policies are renewed or replaced. These gaps can occur in several ways, especially where a claims-made and reported Coverage Form replaces an occurrence Coverage Form, or vice versa, or where a replacement Coverage Form provides for a retroactive date. This Coverage Form has a Retroactive Date, as specified in the Declarations. We set forth below some of the most common causes of gaps in insurance coverage:

1. If you switch from an occurrence Coverage Form to a claims-made Coverage Form, the coverage afforded by the new claims-made Coverage Form should begin to cover claims made immediately upon the expiration of the occurrence Coverage Form. This means that the retroactive date, if any, of the replacement Coverage Form should be no later than the expiration date of the occurrence Coverage Form.
2. When replacing a claims-made Coverage Form with another claims-made Coverage Form, you should consider the following:
 - a. The retroactive date in the replacement Coverage Form, if any, should extend far enough back in time to cover any events with long periods of liability exposure, or
 - b. If the retroactive date in the replacement claims-made Coverage Form does not extend far enough back in time to cover events with long periods of liability exposure, you should consider purchasing extended reporting period coverage under the old claims-made Coverage Form.
3. If you replace this claims-made and reported Coverage Form with an occurrence Coverage Form, the occurrence Coverage Form will not cover a **Claim** arising out of an act, error or omission occurring during the Coverage Form Period of this claims-made and reported Coverage Form and you may not have coverage for such a **Claim** unless you have purchased the Optional Extended Reporting Period. The extended reporting period coverage must be offered to you by law for at least one year after the expiration of the claims made Coverage Form at a premium not to exceed 200% of your last Coverage Form premium.

CAREFULLY REVIEW YOUR COVERAGE FORM REGARDING THE AVAILABLE EXTENDED REPORTING PERIOD COVERAGE, INCLUDING THE LENGTH OF COVERAGE, THE PRICE AND THE TIME PERIOD DURING WHICH YOU MUST PURCHASE OR ACCEPT ANY OFFER FOR EXTENDED REPORTING PERIOD COVERAGE.



**DECLARATIONS
CYBER LIABILITY AND DATA BREACH EXPENSE COVERAGE**

THIS IS CLAIMS MADE AND REPORTED COVERAGE. SUBJECT TO ITS TERMS, THE COVERAGE FORM APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY AS SOON AS PRACTICABLE. WITHOUT NEGATING THE FOREGOING REQUIREMENTS, SUCH NOTICE OF CLAIM MUST ALSO BE REPORTED NO LATER THAN 30 DAYS AFTER THE END OF THE POLICY PERIOD OR, IF APPLICABLE, DURING THE OPTIONAL EXTENDED REPORTING PERIOD. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. PLEASE READ THE COVERAGE FORM CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT.

Policy Number: 60432-88-14

Item 1. Named Insured: WESTGATE ASSOCIATION

Address: C/O VAIL COMMERCIAL ADVISORS
VAIL CO 81657

Item 2. Policy Period:

From: 01/17/13

To: 01/17/14

Both dates at 12:01 a.m. Local Time at the Address stated in Item 1.

Item 3. Retroactive Date: 01/17/13

Item 4. Limit of Liability: \$50,000

Coverage Form Aggregate Limit of Liability for Insuring
Agreements I.A. (Information Security & Privacy Liability), I.B. \$ 50,000
(Privacy Breach Response Services), and I.C. (Regulatory
Defense & Penalties):

Item 5. Retentions:

A. Insuring Agreements I.A. (Information Security & Privacy
Liability) and I.C. (Regulatory Defense & Penalties) - each \$ 2500
Claim (includes Claims Expenses):

B. Insuring Agreement I.B. (Privacy Breach Response Services)
Each Incident, event or related incidents or events giving rise to
coverage of Privacy Breach Response Services: \$ 2500

Item 6. Notification under this coverage form:

Help Point® Claim Services
800-435-7764

Item 7. Forms and endorsements at Inception:

Refer to Policy Declaration, Policy forms and Endorsements section
for applicable Cyber Liability and Data Breach Expense Coverage Forms

**CYBER LIABILITY AND DATA BREACH EXPENSE COVERAGE FORM**

THIS IS A CLAIMS MADE AND REPORTED COVERAGE FORM. SUBJECT TO ITS TERMS, THIS COVERAGE FORM APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE, PROVIDED SUCH CLAIM IS REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD OR THE OPTIONAL EXTENDED REPORTING PERIOD, IF APPLICABLE. AMOUNTS INCURRED AS CLAIMS EXPENSES, WHICH INCLUDES DEFENSE COSTS, SHALL REDUCE AND MAY EXHAUST THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTIONS. THE COMPANY SHALL NOT BE LIABLE FOR ANY CLAIMS EXPENSES OR FOR ANY JUDGMENT OR SETTLEMENT AFTER THE LIMIT OF LIABILITY HAS BEEN EXHAUSTED. READ THIS COVERAGE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

Except as specifically set forth herein, the provisions of the policy to which this coverage form is attached shall not apply to this coverage form. Any words or phrases that appear in bold text (other than in headings and titles) shall have special meaning applicable to this coverage form only. Refer to Section VI. DEFINITIONS.

The Company agrees with the **Named Insured**:

I. INSURING AGREEMENTS**A. Information Security and Privacy Liability**

To pay on behalf of the **Insured** for:

Damages and Claims Expenses, in excess of the retention, which the **Insured** shall become legally obligated to pay because of any **Claim**, including a **Claim** for violation of a **Privacy Law**, first made against any **Insured** during the **Policy Period** or **Optional Extended Reporting Period**, if applicable and reported in writing to the Company during the **Policy Period** or as otherwise provided in **Clauses IX. WHEN COVERAGE IS PROVIDED** and **X. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** of this Coverage Form for:

1. Theft, loss, or **Unauthorized Disclosure of Personally Identifiable Non-Public Information** or **Third Party Corporate Information** that is in the care, custody or control of the **Insured Organization**, or a third party for whose theft, loss or **Unauthorized Disclosure of Personally Identifiable Non-Public Information** or **Third Party Corporate Information** the **Insured Organization** is legally liable (a third party shall include a **Business Associate** as defined by the Health Insurance Portability and Accountability Act ("HIPAA"), provided such theft, loss or **Unauthorized Disclosure** first takes place on or after the **Retroactive Date** and before the end of the **Policy Period**;
2. One or more of the following acts or incidents that directly result from a failure of **Computer Security** to prevent a **Security Breach**, provided that such act or incident first takes place on or after the **Retroactive Date** and before the end of the **Policy Period**:
 - (a) The alteration, corruption, destruction, deletion, or damage to a **Data Asset** stored on **Computer Systems**;
 - (b) The failure to prevent transmission of **Malicious Code** from **Computer Systems** to **Third Party Computer Systems**; or
 - (c) The participation by the **Insured Organization's Computer System** in a **Denial of Service Attack** directed against a **Third Party Computer System**;

3. The **Insured Organization's** failure to timely disclose an incident described in Insuring Agreement I.A.1. or I.A.2. in violation of any **Breach Notice Law**; provided such incident giving rise to the **Insured Organization's** obligation under a **Breach Notice Law** must first take place on or after the **Retroactive Date** and before the end of the **Policy Period**;

B. Privacy Breach Response Services

To pay on behalf of the **Insured Organization** costs to provide **Privacy Breach Response Services** in excess of the retention because of an incident (or reasonably suspected incident) described in Insuring Agreement I.A.1. or I.A.2. that first takes place on or after the **Retroactive Date** and before the end of the **Policy Period** and is discovered by the **Insured** and is reported to the Company during the **Policy Period** or as otherwise provided for in Clauses IX. **WHEN COVERAGE IS PROVIDED** and X. **NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** of this Coverage Form. However, **Privacy Breach Response Services** shall not include any internal salary or overhead expenses of the **Insured Organization**.

1. Privacy Breach Response Services means the following:

- a. Services of a computer security expert to determine the existence and cause of any electronic data breach resulting in an actual or reasonably suspected theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Non-Public Information** which may require the **Insured Organization** to comply with a **Breach Notice Law** and to determine the extent to which such information was accessed by an unauthorized person or persons;
- b. Services of an attorney to determine the applicability of and actions necessary by the **Insured Organization** to comply with **Breach Notice Laws** due to an actual or reasonably suspected theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Non-Public Information**;

Solely with respect to coverage provided under this Insuring Agreement I.B.1.b., no retention will apply if the **Insured** (i) promptly notifies the Company of an actual or reasonably suspected theft, loss or **Unauthorized Disclosure** of **Personally Identifiable Non-Public Information**, (ii) uses an attorney recommended by the Company to determine the applicability of and actions necessary by the **Insured Organization** to comply with **Breach Notice Laws**, and (iii) uses service providers recommended by the Company for all other **Privacy Breach Response Services** covered under this Insuring Agreement I.B.

c. Provision of notification to:

- (1) Individuals who are required to be notified by the **Insured Organization** under the applicable **Breach Notice Law**; and
- (2) In the Company's discretion, to individuals affected by an incident in which their **Personally Identifiable Non-Public Information** has been subject to theft, loss, or **Unauthorized Disclosure** in a manner which compromises the security or privacy of such individual by posing a significant risk of financial, reputational or other harm to the individual.

2. For incidents involving more than 250 Notified Individuals: Privacy Breach Response Services also means:

- a. **Call Center Services** to **Notified Individuals**; and
- b. Offer of a **Credit Monitoring Product** to **Notified Individuals** residing in the United States whose **Personally Identifiable Non-Public Information** was compromised or reasonably believed to be compromised as a result of theft, loss or **Unauthorized Disclosure**. To be covered, such offer must be provided in a mailed notification communication provided pursuant to Insuring Agreement I.B.1.c. above. However, if the **Insured** uses an attorney and other service providers recommended by the Company for all **Privacy Breach Response Services** in accordance with the second paragraph of Insuring Agreement I.B.1.b., then the threshold of 250 **Notified Individuals** set forth above shall not apply to the **Credit Monitoring Product**, but the monetary retention set forth in Item 5.B. of the Declarations will continue to apply.

C. Regulatory Defense and Penalties

To pay on behalf of the **Insured** for:

Claims Expenses and **Penalties** in excess of the retention, which the **Insured** shall become legally obligated to pay because of any **Claim** in the form of a **Regulatory Proceeding**, first made against any **Insured** during the **Policy Period** or Optional Extended Reporting Period, if applicable and reported in writing to the Company during the **Policy Period** or as otherwise provided in accordance with Clause IX. **WHEN COVERAGE IS PROVIDED** and Clause X. **NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** during the **Policy Period** resulting from a violation of a **Privacy Law** and caused by an incident described in Insuring Agreement I.A.1., I.A.2. or I.A.3. that first takes place on or after the **Retroactive Date** and before the end of the **Policy Period**.

II. DEFENSE AND SETTLEMENT OF CLAIMS

- A. The Company shall have the right and duty to defend, subject to all the provisions, terms and conditions of this coverage form:
1. Any **Claim** against the **Insured** seeking **Damages** which are payable under the terms of this coverage form, even if any of the allegations of the **Claim** are groundless, false or fraudulent; and
 2. Under Insuring Agreement I.C., any **Claim** in the form of a **Regulatory Proceeding**.
- B. The Limit of Liability available to pay **Damages** and **Penalties** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages**, **Penalties**, and **Claims Expenses** shall be applied against the applicable retention payable by the **Insured**.

III. THE INSURED AND THE INSURED ORGANIZATION

As used throughout this coverage form, whether expressed in singular or plural, **Insured** shall mean:

- A. The **Named Insured** and any subsidiaries for which the **Named Insured** has **Management Control** (and only during the time during which the **Named Insured** has **Management Control**) (together the "**Insured Organization**");
- B. A director, officer or **Manager** of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- C. An employee (including a part time or temporary employee) of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
- D. A principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- E. Any person who previously qualified as an **Insured** under III.B., III.C. or III.D. above prior to the termination of the required relationship with the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
- F. The estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Insurance; and
- G. The lawful spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable federal, state, or local law in the United States, of any **Insured**, but solely by reason of any act, error or omission of an **Insured** other than such spouse or domestic partner.

IV. TERRITORY

The coverage provided by this coverage form applies to **Claims** made, acts committed, or **Loss** occurring anywhere in the world.

V. EXCLUSIONS

The coverage under this coverage form does not apply to any **Claim** or **Loss**:

- A. For, arising out of or resulting from **Bodily Injury** or **Property Damage**;
- B. For, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees, whether such **Claim** is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person; provided, however, that this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement I.A.1., I.A.2., or I.A.3. by a current or former employee of the **Insured Organization**; or to **Privacy Breach Response Services** involving current or former employees of the **Insured Organization**;
- C. For, arising out of or resulting from any actual or alleged act, error or omission or breach of duty by any director, officer or **Manager** in the discharge of their duty if the **Claim** is brought by the **Named Insured**, a subsidiary, or any principals, directors, officers, **Managers**, stockholders, members or employees of the **Named Insured** or a subsidiary in his or her capacity as such;
- D. For, arising out of or resulting from any contractual liability or obligation, or arising out of or resulting from breach of contract or agreement either oral or written, provided, however, that this exclusion will not apply:
 - 1. Only with respect to the coverage provided by Insuring Agreement I.A.1., to any obligation of the **Insured Organization** to maintain the confidentiality or security of **Personally Identifiable Non-Public Information** or of **Third Party Corporate Information**; provided, however, that this exception shall not apply to fines, costs or other amounts an **Insured** is responsible to pay under a **Merchant Services Agreement**; or
 - 2. To the extent the **Insured** would have been liable in the absence of such contract or agreement;
- E. For, arising out of or resulting from any actual or alleged antitrust violation, restraint of trade, unfair competition, or false or deceptive or misleading advertising or violation of the Sherman Antitrust Act, the Clayton Act, or the Robinson-Patman Act, as amended;
- F. For, arising out of or resulting from:
 - 1. The actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Non-Public Information** or other personal information by, on behalf of, or with the consent or cooperation of the **Insured Organization**; or the failure to comply with a legal requirement to provide individuals with the ability to assent to or withhold assent (e.g. opt-in or opt-out) from the collection, disclosure or use of **Personally Identifiable Non-Public Information**; provided, that this exclusion shall not apply to the actual or alleged unlawful collection, acquisition or retention of **Personally Identifiable Non-Public Information** by a third party committed without the knowledge of the **Insured Organization**; or
 - 2. The distribution of unsolicited email, direct mail, or facsimiles, wire tapping, audio or video recording, or telemarketing, if such distribution, wire tapping or recording is done by or on behalf of the **Insured Organization**;
- G. For, arising out of or resulting from any act, error, omission, incident or failure of **Computer Security**, or **Security Breach** committed or occurring prior to the effective date of this coverage form:
 - 1. If any member of the **Control Group** on or before the earlier of (i) the effective date of this coverage form, or (ii) if the policy to which this coverage form is attached is a renewal, the effective date of the first policy issued by the Company to the **Named Insured**, provided that the policy to which this coverage form is attached is a continuous renewal or replacement and this coverage form was included on all such renewals or replacements, knew or could have reasonably foreseen that such act, error or omission, incident, failure of **Computer Security**, or **Security Breach** might be expected to be the basis of a **Claim** or **Loss**; or

2. In respect of which any **Insured** has given notice of a circumstance, which might lead to a **Claim** or **Loss**, to the insurer of any other policy in force prior to the effective date of this coverage form;
- H. For, arising out of or resulting from any related or continuing acts, errors, omissions, incidents or events, where the first such act, error, omission, incident or event was committed or occurred prior to the **Retroactive Date**;
- I. For, arising out of, or resulting from any actual or alleged violation of:
1. The Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended;
 2. Any actual or alleged violation of any securities law, regulation or legislation;
 3. Any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, each as amended; or any law or legislation similar to the above;
- J. Arising out of or resulting from any criminal, dishonest, fraudulent, or malicious act, error or omission, any intentional **Security Breach**, or intentional or knowing violation of the law, if committed by any present or former member of the **Control Group**, or by others if any present or former member of the **Control Group** colluded or participated in any such conduct or activity;
- K. For, arising out of, or resulting from any actual or alleged:
1. Infringement of patent or patent rights or misuse or abuse of patent;
 2. Infringement of copyright;
 3. Use or misappropriation of any ideas, trade secrets or **Third Party Corporate Information** (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;
 4. Disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, **Manager**, principal, partner or subsidiary of the **Insured Organization**; or
 5. Under Insuring Agreement I.A.2., theft of or **Unauthorized Disclosure** of a **Data Asset**;
- L. For, in connection with, or resulting from a **Claim** brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any other state, federal, local or foreign governmental entity, in such entity's regulatory or official capacity; provided, this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement I.C. or to the providing of **Privacy Breach Response Services** under Insuring Agreement I.B. to the extent such services are legally required to comply with a **Breach Notice Law**;
- M. For, arising out of, or resulting from a **Claim** by or on behalf of one or more **Insureds** under this Insurance against any other **Insured** or **Insureds** under this Insurance; provided this exclusion shall not apply to an otherwise covered **Claim** under Insuring Agreement I.A.1., I.A.2., or I.A.3. made by a current or former employee of the **Insured Organization**;
- N. For, arising out of, or resulting from:
1. Any **Claim** made by any business enterprise in which any **Insured** has greater than a fifteen percent (15%) ownership interest or made by any parent company or other entity which owns more than fifteen percent (15%) of the **Named Insured**; or
 2. The **Insured's** activities as a trustee, partner, member, **Manager**, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Insured Organization**;

- O. For, arising out of, or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; any loss, transfer or theft of monies, securities or tangible property of others in the care, custody or control of the **Insured Organization**; (2) the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or (3) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;
- P. For, arising out of, or resulting from the distribution, exhibition, performance, publication, display or broadcasting of content or material in broadcasts, publications, or advertising;
- Q. Arising out of or resulting from, directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority;
- R. Either in whole or in part, directly or indirectly arising out of or resulting from, or in consequence of, or in any way involving:
1. Asbestos, or any materials containing asbestos in whatever form or quantity;
 2. The actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

The Company will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

3. The existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property; or
4. The actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed.

VI. DEFINITIONS

- A. **Bodily Injury** means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.
- B. **Breach Notice Law** means any United States federal, state, or territory statute or regulation that requires notice to persons whose **Personally Identifiable Non-Public Information** was accessed or reasonably may have been accessed by an unauthorized person.

Breach Notice Law also means a foreign statute or regulation that requires notice to persons whose **Personally Identifiable Non-Public Information** was accessed or reasonably may have been accessed by an unauthorized person; provided, however, that the **Credit Monitoring Product** provided by Insuring Agreement I.B.2.b. shall not apply to persons notified under Insuring Agreement I.B.1.c. pursuant to a foreign statute or regulation.

C. **Call Center Services** means coverage for a call center to answer calls during standard business hours for a period of 90 days (or longer if required by applicable law or regulation) following the issuance of a notification communication pursuant to Insuring Agreement I.B.1.c. Such notification communication shall include a toll free telephone number that connects to the call center during standard business hours. Call center employees will answer questions about the incident from **Notified Individuals** and will provide information required by a HIPAA/Health Information Technology for Economic and Clinical Health Act ("HITECH") media notice or by other applicable law or regulation. **Call Center Services** will only be covered for incidents involving more than 250 **Notified Individuals**, subject also to satisfaction of the monetary retention set forth in Item 4.B. of the Declarations.

D. **Claim** means:

1. A written demand received by any **Insured** for money or services, including the service of a suit or institution of regulatory or arbitration proceedings;
2. With respect to coverage provided under Insuring Agreement I.C. only, institution of a **Regulatory Proceeding** against any **Insured**; and
3. A written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in paragraph 1. above.

Multiple **Claims** arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple **Security Breaches** arising from a failure of **Computer Security**, shall be considered a single **Claim** for the purposes of this coverage form, irrespective of the number of claimants or **Insureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

E. **Claims Expenses** means:

1. Reasonable and necessary fees charged by an attorney designated by the Company;
2. All other legal costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit, or proceeding arising in connection therewith, or circumstance which might lead to a **Claim**, if incurred by the Company, or by the **Insured** with the prior written consent of the Company; and
3. The premium cost for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required in any **Claim** against an **Insured**; provided the Company shall have no obligation to appeal or to obtain bonds.

Claims Expenses do not include any salary, overhead, or other charges by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** or circumstance that might lead to a **Claim** notified under this coverage form, or costs to comply with any regulatory orders, settlements or judgments.

F. **Computer Security** means software, computer or network hardware devices, as well as the **Insured Organization's** written information security policies and procedures, the function or purpose of which is to prevent **Unauthorized Access or Use**, a **Denial of Service Attack** against **Computer Systems**, infection of **Computer Systems** by **Malicious Code** or transmission of **Malicious Code** from **Computer Systems**. **Computer Security** includes anti-virus and intrusion detection software, firewalls and electronic systems that provide access control to **Computer Systems** through the use of passwords, biometric or similar identification of authorized users.

- G. Computer Systems** means computers and associated input and output devices, data storage devices, networking equipment, and back up facilities:
1. Operated by and either owned by or leased to the **Insured Organization**; or
 2. Systems operated by a third party service provider and used for the purpose of providing hosted computer application services to the **Insured Organization** or for processing, maintaining, hosting or storing the **Insured Organization's** electronic data, pursuant to written contract with the **Insured Organization** for such services.
- H. Control Group** means the individuals holding the following positions in the **Insured Organization**: President; members of the Board of Directors; executive officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, staff attorneys employed by the **Insured Organization**; Chief Information Officer; Chief Security Officer; Chief Privacy Officer; **Manager**; and any individual in a substantially similar position as those referenced above, or with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual and any individual who previously held any of the above referenced positions.
- I. Credit Monitoring Product** means a credit monitoring product that provides three-bureau daily credit monitoring and the following services to **Notified Individuals** who subscribe to the **Credit Monitoring Product**:
1. Access to their credit report from one of the three credit bureaus at the time of enrollment;
 2. ID theft insurance for certain expenses resulting from identity theft;
 3. Notification of a critical change to their credit that may indicate fraud (such as an address change, new credit inquiry, new account opening, posting of negative credit information such as late payments, and public record posting); and
 4. Fraud resolution services if they become victims of identity theft as a result of the incident for which notification is provided pursuant to Insuring Agreement **I.B.1.c.**
- Each **Notified Individual** will have a period of up to 60 days from the mailing of the notification to enroll and the **Credit Monitoring Product** will be available for 12 months following the individual's enrollment. To be eligible, the individual must be an adult U.S. Citizen, must verify their identity, have a credit file on record, complete the enrollment process, and must agree to the terms of service of the **Credit Monitoring Product**.
- If the **Credit Monitoring Product** becomes commercially unavailable, it shall be substituted with a similar commercial product that provides individual credit monitoring for potential identity theft.
- J. Data Asset** means any software or electronic data that exists in **Computer Systems** and that is subject to regular back up procedures, including computer programs, applications, account information, customer information, private or personal information, marketing information, financial information and any other information maintained by the **Insured Organization** in its ordinary course of business.
- K. Damages** means a monetary judgment, award or settlement; provided that the term **Damages** shall not include or mean:
1. Future profits, restitution, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of complying with orders granting injunctive or equitable relief;
 2. Any damages which are a multiple of compensatory damages, fines, taxes or loss of tax benefits, sanctions or penalties;
 3. Punitive or exemplary damages, unless insurable by law;
 4. Discounts, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
 5. Liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement; or

6. Any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**.
- L. **Denial of Service Attack** means an attack intended by the perpetrator to overwhelm the capacity of a **Computer System** by sending an excessive volume of electronic data to such **Computer System** in order to prevent authorized access to such **Computer System**.
- M. **Loss** means **Damages, Claims Expenses, Penalties, and Privacy Breach Response Services**.
- N. **Malicious Code** means any virus, Trojan horse, worm or any other similar software program, code or script intentionally designed to insert itself into computer memory or onto a computer disk and spread itself from one computer to another.
- O. **Management Control** means:
1. Owning, directly or indirectly, more than 50 percent (50%) of the outstanding securities representing the present right to vote for the election of an entity's directors (in the case of a corporation), members of the board of managers (in the case of a limited liability company), management committee members (in the case of a joint venture or partnership) or persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States; or
 2. Having the right, pursuant to a written contract or the bylaws, charter, operating agreement or similar documents of an entity to elect, appoint or designate a majority of: the board of directors of a corporation; the management committee of a joint venture or partnership; the management board of a limited liability company; or persons serving in a functionally equivalent role for such an entity operating or organized outside of the United States.
- P. **Manager** means a manager of a limited liability company.
- Q. **Merchant Services Agreement** means any agreement between an **Insured** and a financial institution, credit/debit card company, credit/debit card processor or independent service operator enabling an **Insured** to accept credit card, debit card, prepaid card, or other payment cards for payments or donations.
- R. **Named Insured** means the entity or individual set forth in Item 1. of the Declarations.
- S. **Notified Individual** means an individual person to whom notice is given or attempted to be given under Insuring Agreement I.B.1.c.; provided any persons notified under a foreign **Breach Notice Law** shall not be considered **Notified Individuals**.
- T. **Optional Extended Reporting Period** means the period of time after the end of the **Policy Period** for reporting **Claims** as provided in Clause IX.D., **Optional Extended Reporting Period**, of this coverage form.
- U. **Penalties** means:
1. Any civil fine or money penalty payable to a governmental entity that was imposed in a **Regulatory Proceeding** by the Federal Trade Commission, Federal Communications Commission, or any other federal, state, local or foreign governmental entity, in such entity's regulatory or official capacity; and
 2. Amounts which the **Insured** is legally obligated to deposit in a fund as equitable relief for the payment of consumer claims due to an adverse judgment or settlement of a **Regulatory Proceeding** (including such amounts required to be paid into a "Consumer Redress Fund"); but and shall not include payments to charitable organizations or disposition of such funds other than for payment of consumer claims for losses caused by an event covered by Insuring Agreements A.1., A.2. or A.3.;
- but shall not mean (a) costs to remediate or improve **Computer Systems**, (b) costs to establish, implement, maintain, improve or remediate security or privacy practices, procedures, programs or policies, (c) audit, assessment, compliance or reporting costs, or (d) costs to protect the confidentiality, integrity and/or security of **Personally Identifiable Non-Public Information** from theft, loss or disclosure, even if it is in response to a regulatory proceeding or investigation.

V. **Personally Identifiable Non-Public Information** means:

1. Information concerning the individual that constitutes "nonpublic personal information" as defined in the Gramm-Leach Bliley Act of 1999, as amended, and regulations issued pursuant to the Act;
2. Medical or health care information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to the Act;
3. Information concerning the individual that is defined as private personal information under statutes enacted to protect such information in foreign countries, for **Claims** subject to the law of such jurisdiction;
4. Information concerning the individual that is defined as private personal information under a **Breach Notice Law**; or
5. The individual's drivers license or state identification number; social security number; unpublished telephone number; and credit, debit or other financial account numbers in combination with associated security codes, access codes, passwords or pins;

if such information allows an individual to be uniquely and reliably identified or contacted or allows access to the individual's financial account or medical record information but does not include publicly available information that is lawfully made available to the general public from government records.

W. **Coverage Form Aggregate Limit of Liability** means the aggregate Limit of Liability set forth in Item 4. of the Declarations.

X. **Policy Period** means the policy period as set forth in Item 2. of the Declarations.

Y. **Privacy Law** means a federal, state or foreign statute or regulation requiring the **Insured Organization** to protect the confidentiality and/or security of **Personally Identifiable Non-Public Information**.

Z. **Property Damage** means physical injury to or destruction of any tangible property, including the loss of use thereof.

AA. **Regulatory Proceeding** means a request for information, civil investigative demand, or civil proceeding commenced by service of a complaint or similar proceeding brought by or on behalf of the Federal Trade Commission, Federal Communications Commission, or any federal, state, local or foreign governmental entity in such entity's regulatory or official capacity in connection with such proceeding.

BB. **Retroactive Date** means the date specified in Item 3. of the Declarations.

CC. **Security Breach** means:

1. **Unauthorized Access or Use of Computer Systems**, including **Unauthorized Access or Use** resulting from the theft of a password from a **Computer System** or from any **Insured**;
2. A **Denial of Service Attack** against **Computer Systems** or **Third Party Computer Systems**; or
3. Infection of **Computer Systems** by **Malicious Code** or transmission of **Malicious Code** from **Computer Systems**,

whether any of the foregoing is a specifically targeted attack or a generally distributed attack.

A series of continuing **Security Breaches**, related or repeated **Security Breaches**, or multiple **Security Breaches** resulting from a continuing failure of **Computer Security** shall be considered a single **Security Breach** and be deemed to have occurred at the time of the first such **Security Breach**.

- DD. **Third Party Computer Systems** means any computer systems that are not owned, operated or controlled by an **Insured**; but does not include computer systems of a third party on which an **Insured** performs services. Computer systems include associated input and output devices, data storage devices, networking equipment, and back up facilities.
- EE. **Third Party Corporate Information** means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report or other item of information of a third party not insured under this coverage form which is not available to the general public and is provided to the **Insured** subject to a mutually executed written confidentiality agreement or which the **Insured Organization** is legally required to maintain in confidence; however, **Third Party Corporate Information** shall not include **Personally Identifiable Non-Public Information**.
- FF. **Unauthorized Access or Use** means the gaining of access to or use of **Computer Systems** by an unauthorized person or persons or the use of **Computer Systems** in an unauthorized manner.
- GG. **Unauthorized Disclosure** means the disclosure of or access to information in a manner that is not authorized by the **Insured Organization** and is without knowledge of, consent, or acquiescence of any member of the **Control Group**.

VII. LIMIT OF LIABILITY AND COVERAGE

- A. The **Coverage Form Aggregate Limit of Liability** stated in Item 4. of the Declarations is the Company's combined total limit of liability for all **Damages, Penalties, Privacy Breach Response Services, and Claims Expenses** payable under this coverage form. The **Coverage Form Aggregate Limit of Liability** is in addition to the overall Limits of Insurance provided under the policy to which this coverage form is attached.
- Neither the inclusion of more than one **Insured** under this coverage form, nor the making of **Claims** by more than one person or entity shall increase the combined total limit of liability payable under this coverage form.
- B. The Company shall not be obligated to pay any **Damages, Penalties, Privacy Breach Response Services** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding, after the **Coverage Form Aggregate Limit of Liability** set forth in the Declarations has been exhausted by payment of **Damages, Penalties, Privacy Breach Response Services, or Claims Expenses**, or after deposit of the **Coverage Form Aggregate Limit of Liability** in a court of competent jurisdiction. Upon such payment, the Company shall have the right to withdraw from the further defense of any **Claim** under this coverage form by tendering control of said defense to the **Insured**.

VIII. RETENTION

- A. The retention set forth in Item 5.A. of the Declarations applies separately to each incident, event or related incidents or events, giving rise to a **Claim**. The retention shall be satisfied by monetary payments by the **Named Insured** of **Damages, Claims Expenses** or **Penalties**.
- B. The retention set forth in Item 5.B. of the Declarations applies separately to each incident, event or related incidents or events, giving rise to a **Claim** or an obligation to provide **Privacy Breach Response Services**. The retention shall be satisfied by monetary payments by the **Named Insured** for the corresponding **Privacy Breach Response Services**.
- C. Satisfaction of the applicable retention is a condition precedent to the payment by the Company of any amounts hereunder, and the Company shall be liable only for the amounts in excess of such retention subject to the Company's total liability not exceeding the **Coverage Form Aggregate Limit of Liability**. The **Named Insured** shall be responsible for all payments within the retention and shall make all such payments directly to the other parties designated by the Company.

IX. WHEN COVERAGE IS PROVIDED

- A. This coverage form applies only to **Claims** first made or brought during the **Policy Period** and which are reported to the Company in accordance with the notice provisions as set forth in Clause X. **NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM.**
- B. All **Claims** arising from the same or a series of related or repeated acts, errors, or omissions, or from any continuing acts, errors, omissions, or from multiple **Security Breaches** arising from a failure of **Computer Security**, shall be considered a single **Claim** for the purposes of this coverage form, irrespective of the number of claimants or **Insureds** involved in the **Claim**. All claims because of one failure of **Computer Security** to prevent a **Security Breach** will be considered to have been made or brought on the date that the first of those **Claims** were first made or brought.

C. Limited Reporting Period

With respect to a **Claim** provided for under Insuring Agreement I.A., or an incident that gives rise to coverage under Insuring Agreement I.B., first made against an Insured during the **Policy Period**, the Insured shall report such **Claim** in accordance with Clause X. **NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM** as soon as practicable, but in no event shall such notice be given later than 30 days after the **Policy Period** ends.

D. Optional Extended Reporting Period

1. In the event of the termination of this coverage form for any reason except the non-payment of premium, the **Named Insured** designated in Item 1. of the Declarations shall have the right, in exchange for payment of an additional premium, to have issued an endorsement providing an **Optional Extended Reporting Period** of up to 12 months for **Claims** first made against any **Insured** and reported to the Company during the **Optional Extended Reporting Period**, and arising out of any act, error or omission committed on or after the **Retroactive Date** and before the end of the **Policy Period**, subject to the conditions set forth herein. In order for the **Named Insured** to invoke the **Optional Extended Reporting Period** option, the payment of the additional premium for the **Optional Extended Reporting Period** must be paid to the Company within 30 days of the termination of this Insurance. If notice of election of the **Optional Extended Reporting Period** and full premium payment is not given to the Company within such 30 day period, there shall be no right to purchase the **Optional Extended Reporting Period**.
2. The Limit of Liability for the **Optional Extended Reporting Period** shall be part of, and not in addition to, the **Coverage Form Aggregate Limit of Liability** for the **Policy Period** and the exercise of the **Optional Extended Reporting Period** shall not in any way increase the **Coverage Form Aggregate Limit of Liability**. The **Optional Extended Reporting Period** does not apply to Insuring Agreement I.B.
3. The right to the **Optional Extended Reporting Period** shall not be available to the **Named Insured** where the premium for the policy to which this coverage form is attached has not been paid in full, or where cancellation or non-renewal by the Company is due to non-payment of premium or failure of an **Insured** to pay such amounts in excess of the applicable limit of liability or within the amount of the retention.
4. The additional premium for a 12 month **Optional Extended Reporting Period** will be 100 percent (100%) of the premium charged for the last **Policy Period**. Once that premium is paid, the **Optional Extended Reporting Period** endorsement may not be cancelled, the entire premium shall be fully earned, and in the event the **Named Insured** terminates the **Optional Extended Reporting Period** for any reason prior to its natural expiration, the Company will not be liable to return any premium paid for the **Optional Extended Reporting Period**.

X. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE THAT MIGHT LEAD TO A CLAIM

- A. If any **Claim** is made against the **Insured**, the **Insured** shall forward as soon as practicable to the Company, through persons named in Item 6. of the Declarations, written notice of such **Claim** together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative. In no event shall such notice to the Company be later than the end of the **Policy Period**, or as otherwise provided for in Clause IX.C. **Limited Reporting Period** or Clause IX.D. **Optional Extended Reporting Period**.
- B. With respect to Insuring Agreement I.B., for the costs of any legal obligation to comply with a **Breach Notice Law** because of an incident described in Insuring Agreement I.A.1. or I.A.2., such incident must be reported as soon as practicable during the **Policy Period**, or as otherwise provided for in Clause IX.C. **Limited Reporting Period** or Clause IX.D. **Optional Extended Reporting Period**. If this coverage form and the policy to which this coverage form is attached is renewed by the Company and **Privacy Breach Response Services** are provided because of such incident or suspected incident that was discovered by the **Insured**, and first reported during the **Limited Reporting Period** or **Optional Extended Reporting Period**, then any subsequent **Claim** arising out of such incident or suspected incident is deemed to have been made during the **Policy Period**.
- C. If during the **Policy Period**, the **Insured** first becomes aware of any circumstance that could reasonably be the basis for a **Claim** it may give written notice to the Company through persons named in Item 6. of the Declarations as soon as practicable during the **Policy Period**. Such a notice must include:
1. The specific details of the act, error, omission, or **Security Breach** that could reasonably be the basis for a **Claim**;
 2. The injury or damage which may result or has resulted from the circumstance; and
 3. The facts by which the **Insured** first became aware of the act, error, omission or **Security Breach**.
- Any subsequent **Claim** made against the **Insured** arising out of such circumstance which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Company.
- D. A **Claim** or legal obligation under paragraph A. or B. above shall be considered to be reported to the Company when written notice is first received by the Company through persons named in Item 6. of the Declarations of the **Claim** or legal obligation, or of an act, error, or omission, which could reasonably be expected to give rise to a **Claim** if provided in compliance with paragraph C. above.

XI. ASSISTANCE AND COOPERATION

- A. The Company shall have the right to make any investigation it deems necessary, and the **Insured** shall cooperate with the Company in all investigations. The **Insured** shall execute or cause to be executed all papers and render all assistance as is requested by the Company. The **Insured** agrees not to take any action which in any way increases the Company's exposure under this coverage form.
- B. Upon the Company's request, the **Insured** shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of acts, errors or omissions, incidents or events with respect to which insurance is afforded under this coverage form; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

- C. In connection with the **Privacy Breach Response Services** covered under Insuring Agreement I.B., the **Insured** must assist and cooperate with the Company and any third parties assisting with the provision of **Privacy Breach Response Services**. Such assistance and cooperation shall include, without limitation, responding to requests and inquiries in a timely manner and entering into contracts required for the provision of **Privacy Breach Response Services**.
- D. The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Company.
- Compliance with a **Breach Notice Law** will not be considered as an admission of liability for purposes of this Clause XI.D.

XII. MERGERS OR CONSOLIDATIONS

If during the **Policy Period** the **Named Insured** consolidates or merges with or is acquired by another entity, or sells substantially all of its assets to any other entity, then this coverage form shall remain in full force and effect, but only with respect to a **Security Breach**, or other act or incidents that occur prior to the date of the consolidation, merger or acquisition. There shall be no coverage provided by this coverage form for any other **Claim** or **Loss**.

XIII. ASSIGNMENT

The interest hereunder of any **Insured** is not assignable. If the **Insured** shall die or be adjudged incompetent, such insurance shall cover the **Insured's** legal representative as the **Insured** as would be permitted under this coverage form.

XIV. CANCELLATION

The **Named Insured** may only cancel this policy by mailing to the Company written notice stating when, not less than thirty (30) days thereafter such cancellation shall be effective. The Company may cancel this policy for any reason, including non-payment of premium, by mailing to the **Named Insured** at the address shown in the Declarations, written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.

If this policy is cancelled, the Company will send the **Named Insured** any unearned premium refund due. If the Company cancels, the refund will be pro rata. Refund premium adjustments may be made at the time cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If the **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund. However, premium shall be deemed fully earned if any **Claim** under this policy is reported to the Company on or before the date of cancellation.

XV. NONRENEWAL

If the Company decides not to renew this policy, the Company will mail or deliver to the first **Named Insured** shown in the Declarations, written notice of the non-renewal not less than 60 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient notice of non-renewal.

XVI. BANKRUPTCY

Bankruptcy or insolvency of the **Named Insured** shall not relieve the Company of its obligations under this coverage form.

XVII. ACTION AGAINST THE COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, the **Insured** shall have fully complied with all terms of this coverage form nor until the amount of the **Insured's** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and the Company. Nothing contained herein shall give any person or organization any right to join the Company as a party to any **Claim** against the **Insured** to determine their liability, nor shall the Company be impleaded by the **Insureds** or their legal representatives in any **Claim**.

XVIII. SUBROGATION

In the event of any payment under this coverage form, the Company shall be subrogated to all the **Insureds'** rights of recovery therefore against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **Damages, Penalties, Privacy Breach Response Services and Claims Expenses** paid by the Company, and third to the retention. Any additional amounts recovered shall be paid to the **Named Insured**.

XIX. NAMED INSURED AS AGENT

The **Named Insured** shall be considered the agent of all **Insureds**, and shall act on behalf of all **Insureds** with respect to the giving of or receipt of all notices pertaining to this coverage form, and the **Named Insured** shall be responsible for the payment of all premiums and retentions.

XX. ENTIRE AGREEMENT

By acceptance of this coverage form, all **Insureds** agree that this coverage form embodies all agreements between them and the Company relating to this coverage form. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this coverage form or estop the Company from asserting any right under the terms of this coverage form; nor shall the terms of this coverage form be waived or changed, except by written endorsement issued to form a part of this coverage form, signed by the Company.



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COLORADO AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBER LIABILITY AND DATA BREACH EXPENSE COVERAGE FORM

1. IX. WHEN COVERAGE IS PROVIDED D. **Optional Extended Reporting Period** paragraph 1. is amended by deleting "30 days of the termination" and replacing it with "60 days of the termination" and by deleting "such 30 day period" and replacing it with "such 60 day period".

2. XIV. **CANCELLATION** is amended by deleting the first paragraph and replacing it with the following:

The **Named Insured** may only cancel this coverage form by mailing to the Company written notice stating when, not less than thirty (30) days thereafter such cancellation shall be effective. If this Coverage Form has been in effect for less than sixty (60) days and is not a renewal Coverage Form, the Company may cancel this Coverage Form for any reason.

If this Coverage Form has been in effect for sixty (60) days or more or is a renewal Coverage Form, the Company may only cancel the Coverage Form for any of the following reasons:

1. nonpayment of premium;
2. a false statement knowingly made by the **Insured** on the **Application** for insurance; or
3. a substantial change in the exposure or risk other than that indicated in the **Application** and underwritten as of the effective date of the Coverage Form unless the **Insured** has notified the Company of the change and the Company accepts such change.

If the Company cancels this Coverage Form for the reason set forth in 1. above, the Company shall mail by first class mail written notice of cancellation to the Named Insured at the address shown in Item 1. of the Declarations at least ten (10) days before the effective date of cancellation. If the Company cancels this Coverage Form for any of the reasons set forth in 2. or 3. above, the Company shall mail by first class mail written notice of cancellation to the Named Insured at the address shown in Item 1. of the Declarations at least forty-five (45) days before the effective date of cancellation. The notice of cancellation shall state the reason for cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Coverage Form Period**.

3. XV. **NONRENEWAL** is deleted and replaced with the following:

If the Company decides not to renew this Coverage Form, or to condition renewal upon an increase in premium or decrease in the coverage benefits, the Company shall mail by first class mail written notice to the Named Insured, at the Named Insured's last known address, at least forty-five (45) days before the end of the **Coverage Form Period**. The notice of nonrenewal shall state the reason for nonrenewal. If the Company fails to give such timely notice, the Coverage Form shall be continued with no change in terms or conditions for a period of forty-five (45) days after the Company gives notice, with the premium for this period prorated based on the premium applicable to the existing Coverage Form. If the Company fails to give notice before the end of the **Coverage Form Period**, the Company shall be deemed to have renewed the Named Insured's Coverage Form for an identical **Coverage Form Period** at the same terms, conditions and premium as the existing Coverage Form.

4. The Coverage Form is amended by the addition of the following:

XXI. RIGHT TO CLAIM INFORMATION

Once an **Insured** has made a **Claim** during the **Coverage Form Period**, the Company must provide the Named Insured, within thirty (30) days of its request, sufficient information about closed or paid **Claims** made against the **Insureds**, **Claims** made against the **Insureds** for which the Company has established reserves, and **Claims** made against the **Insureds** for which the Company has received notices of any negligent act, error or omission of the **Insured** in rendering or failure to render Professional Services, which could give rise to **Claims**, to allow the **Insured** to determine how much of the aggregate coverage remains available under the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

Cyber Liability and Data Breach Expense Coverage OPT-OUT ACKNOWLEDGEMENT



F A R M E R S[®]

I acknowledge that Cyber Liability and Data Breach Expense Coverage has been offered as part of my Businessowners Policy. I understand that Cyber Liability and Data Breach Expense Coverage provides liability protection to an insured for Information Security and Privacy Liability arising from the unauthorized acquisition or disclosure of client information held within a computer system or elsewhere. Additionally, I understand that Cyber Liability and Data Breach Expense Coverage may provide coverage for Privacy Breach Response Services and expenses incurred to notify parties affected by a security breach, including fees and costs related to hiring a company to operate a call center; and reimbursing an insured for post-event credit monitoring costs for victims of the breach.

I have independently evaluated my business's environment and the potential exposure to claims of unauthorized acquisition or disclosure of client information or security breach. Based on my evaluation, I have determined not to accept Cyber Liability and Data Breach Expense Coverage protection.

By my signature, below, I choose to reject this Cyber Liability and Data Breach Expense Coverage and request that the coverage be removed from my policy, effective with the date it was first added. I understand that I will not have Cyber Liability and Data Breach Expense Coverage under my policy.

Policy Number _____

Named Insured's Signature

Date



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LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM

- A. The following is added under B.1. Exclusions as item h. in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item i. in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:

"Fungi", Wet Rot, Dry Rot And Bacteria

Presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria.

But if "fungi", wet or dry rot or bacteria results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
 - (2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.
- B. Paragraph B.2.k.(2) in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph B.2.l.(2) in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM is replaced by the following:
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.
- C. The following is added under B.2.k. in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph B.2.l. in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:
- (8) Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.
- D. Paragraph A.5.l.(5) in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and paragraph A.5.i.(5) in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM is replaced by the following:
- (5) Under this Additional Coverage, we will not pay any costs associated with:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
 - (b) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.
- E. The following is added under Section A.5. Additional Coverages as item n. in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item p. in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:

Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

If "fungi", wet or dry rot or bacteria results from a "specified cause of loss" (other than fire or lightning) that occurs during the policy period, and if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- (1) We will pay for loss or damage by "fungi", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", wet or dry rot or bacteria;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet or dry rot or bacteria; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.
- (2) The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is \$15,000. The \$15,000 aggregate limit is subject to and not in addition to the applicable Limit of Insurance on the affected property and is applied regardless of the number of premises involved in such occurrence(s).
- (3) We will not pay more than the total of \$15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- (4) Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
- (5) If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
- (6) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages 5.d. **Collapse** or 5.e. **Water Damage, Other Liquids, Powder or Molten Material Damage**.
- (7) This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.
- (8) The following applies only if Business Income and Extra Expense coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
 - (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet or dry rot or bacteria, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.

G. The following is added under Section H. **Property Definitions** as item 8. in the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM and item 14. in Section I - PROPERTY of the BUSINESSOWNERS COVERAGE FORM:

"Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.



FARMERS®

Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers®. We appreciate your business.



ADDITIONAL CONDITIONS

Applicable only if this policy is issued by the Truck Insurance Exchange or Farmers Insurance Exchange

RECIPROCAL PROVISIONS

As used in these provisions the term "Underwriters Association" means the Truck Underwriters Association or the Farmers Underwriters Association respectively, attorney-in-fact for the Insurance Exchange issuing the policy.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the policy Declarations, and in consideration of the Subscription Agreement, which is provided to you and is incorporated herein by reference. You acknowledge that you have read, understood and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact.

Nothing in this policy is intended, or shall be construed, to create either:

- a. A partnership or mutual insurance association, or
- b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be under the Underwriters Association attorney-in-fact. Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, they may be applied as a credit to membership fees required you for other insurance which we agree to write.

We hold the Annual Meeting of the members of the Truck Insurance Exchange at our Home Office at Los Angeles, California, on the first Tuesday following the first Monday following the 15th day of March of each year at 1:00 p.m. If this policy is issued by the Farmers Insurance Exchange such meeting is held at the same place on the first Monday following the 15th of March of each year at 2:00 P.M. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreements.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice. The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is nonassessable.

SPECIAL PROVISIONS

(Applicable only if this policy is issued by Mid-Century Insurance Company.)

Policy fees which you pay are not part of the premium. They are fully earned when the policy is issued. They are not returnable. However, they may be applied as a credit to policy fees required of you for other insurance which we agree to write.

This policy shall not be effective unless countersigned on the Declarations page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below.

FARMERS INSURANCE EXCHANGE

By Farmers Underwriters Association,
Attorney-in-Fact

MID-CENTURY INSURANCE COMPANY

TRUCK INSURANCE EXCHANGE

By Truck Underwriters Association,
Attorney-in-Fact

Secretary

President