



Dear Policyholder,

By purchasing this policy from HCC Specialty, you have taken a critical step toward protecting your most valuable assets in an increasingly volatile world. In order to maximize the value of the protection your policy offers, please take a few minutes to familiarize yourself with how the policy works. A few simple steps can make a critical difference should an event occur.

Should you require immediate assistance with an incident or possible incident, please contact Unity Resources Group (Unity) at their 24/7 crisisline, +1 410-571-2628.

As an HCC Specialty policyholder, you have access to informative security videos with advice from Unity. We encourage you to watch the videos at the below link:

<http://www.hcccrisismgmt.com>

Username: hccunity

Password: unityhcc

We also encourage you to contact Unity at **crisisresponse@unityresourcesgroup.com** to schedule your complimentary policyholder briefing and learn about the range of services Unity can offer to reduce or limit your exposure to risk.

Prevention Services Offered by Unity

- Risk profiling and assessment
- Corporate crisis management plan development
- Risk and Security Audits/Assessments
- Exercises and Simulations
- Education and Training:
 - Kidnap Avoidance/Hostage Survival Training
 - Hostile Environment Awareness Training (HEAT)
 - Personal Security Awareness Training (PSAT)
 - Evasive Driver Training

We would like to remind you that HCC will contribute 10% of your premium towards any of these services.



HCC Specialty
37 Radio Circle Drive, Mount Kisco, New York 10549
main 914 241 8900 facsimile 914 241 8098

About Unity

Established in 2000, Unity is a leading and trusted international provider of security, risk and crisis response services and is supported by a global network of specialist staff and local nationals operating in all seven continents. Unity is an exclusive retainer to HCC Specialty and provides dedicated services and support to HCC Specialty policyholders.

Security Intelligence Portal

You also have access to critical alerts and advisories, intelligence reports and wider security information via our dedicated kidnap and ransom member's portal at **www.crisisresponse.info**. Please contact your broker if you would like to receive your login credentials or a wallet-sized version of the below card.



HCC Specialty and Unity are here to assist you in protecting what matters most. We urge you to take full advantage of the broad range of services connected to this policy.

HCC Specialty
Crisis Management Division

SPECIAL COVERAGES POLICY



**U.S. SPECIALTY INSURANCE COMPANY
HOUSTON, TEXAS**

Section 1. DECLARATIONS

Policy Number: U715-85265

Broker #: 9994573

Broker Name: Alliant Insurance Services

1. Insured & Address:

Behavioral Health Insurance Pool, Inc.
333 East Osborn Road, Suite 300
Phoenix, AZ 85012

2. Insured Persons:

All Employees, Officers and Directors

3. Policy Period: **From:** March 31, 2015 **To:** December 31, 2017
12:01 A.M. standard time at the address in Item 1

4. Territory: Worldwide

5. Limits of Liability for Insured Losses:

5.1. Ransom	<u>\$5,000,000.</u>	per Insured Event	<u>Nil</u>	Annual Aggregate
5.1.1. Deductible for Ransom:			<u>Nil</u>	Per Insured Event
5.2. Personal Belongings	<u>\$10,000.</u>	per Insured Event		
5.3. Transit	<u>\$5,000,000.</u>	per Insured Event		
5.4. Legal Liability	<u>\$5,000,000.</u>	per Insured Event		
5.5. Additional Expenses	<u>\$5,000,000.</u>	per Insured Event		
5.6. Crisis Response Fees and Expense	<u>Unlimited</u>	per Insured Event	<u>Nil</u>	Annual Aggregate
5.7. Recall Expense	<u>\$100,000.</u>	per Insured Event	<u>Nil</u>	Annual Aggregate
5.8. Annual Aggregate for all Insured Losses (5.1 – 5.7)			<u>Nil</u>	Annual Aggregate

5.9. Accidental Death and Dismemberment

5.9.1 Maximum Benefit \$250,000. per Insured Person
\$1,250,000. Insured Event Aggregate

<u>Description of Loss</u>	<u>% of Maximum Benefit</u>
Death	100%
Loss of Limb	100%
Loss of Sight	100%
Loss of Speech	100%
Permanent Total Disability	100%
Mutilation	50%

6. Additional Covered Event Expenses:

6.1. Threat Response Expense

6.1.1. Limit of Liability \$100,000 per Threat Event \$100,000. Annual Aggregate
 6.1.2. Indemnity Period 90 days

6.2. Disappearance & Investigation Expense

6.2.1. Limit of Liability \$100,000. per Disappearance Event Nil Annual Aggregate
 6.2.2. Indemnity Period 90 days
 6.2.3. Waiting Period 48 hours

7. Notice of Insured Event /Additional Covered Event shall be given to:

UNITY RESOURCES GROUP
 TEL: +1 410-571-2628
 EMAIL: respond@unityresourcesgroup.com

8. List of endorsements – See next page (s)

9. Premium: \$ 3,914..

Endorsement(s)**Loss of Earnings Endorsement**

- | | | | | |
|------------------------|---------------------|-------------------|------------|------------------|
| 1. Limits of Liability | <u>\$5,000,000.</u> | Per Insured Event | <u>Nil</u> | Annual Aggregate |
| 2. Indemnity Period | <u>120 days</u> | | | |
| 3. Waiting Period | <u>6 hours</u> | | | |

Travel Security Evacuation Endorsement

- | | | |
|--|--|--|
| 1. Limits of Liability | <u>\$250,000.</u>
<u>\$250,000.</u> | per Travel Security Evacuation
Annual Aggregate |
| 2. Sub-limits: | | |
| 2.1. Personal Effects | <u>\$10,000.</u> | per Insured Person |
| 2.2. Repatriation Costs | <u>No Sublimit</u> | per Insured Person |
| 2.3. Unity Resources Group Fees & Expenses | <u>Unlimited</u> | per Travel Security Evacuation |
| 3. Excluded Countries | <u>None</u> | |

Child Abduction Endorsement

- | | | | | |
|------------------------|-------------------|---------------------|------------|------------------|
| 1. Limits of Liability | <u>1,000,000.</u> | per Child Abduction | <u>Nil</u> | Annual Aggregate |
|------------------------|-------------------|---------------------|------------|------------------|

Other Endorsements included with this Policy

State Endorsement (s)
TRIA

by



Authorized Representative

April 28, 2015

Date

Section 2. Insuring Agreement

The Company hereby agrees, subject to the terms, limitations and conditions set forth herein, to indemnify the **Insured** and/or **Insured Persons** for any **Insured Losses** in excess of the Deductible and subject to the Limits of Liability set forth in Section 1. Item 5. incurred directly and as a result of an **Insured Event** which first occurs during the Policy Period.

The Company further agrees, subject to the terms, limitations and conditions set forth herein, to indemnify the **Insured** and/or **Insured Persons** for any **Additional Covered Event Expenses** subject to the Limits of Liability set forth in Section 1. Item 6. incurred directly and as a result of an **Additional Covered Event** which first occurs during the Policy Period.

Section 3. Covered Events

1. **Insured Event** shall consist of the following (as defined in Section 5):

- (a) **Kidnapping;**
- (b) **Express Kidnapping;**
- (c) **Hijacking;**
- (d) **Detention;** or
- (e) **Extortion.**

All **Insured Events** resulting from any one occurrence or connected series of occurrences will be deemed to be one **Insured Event**.

2. **Additional Covered Events** shall consist of the following (as defined in Section 5):

- (a) **Threat Event;** or
- (b) **Disappearance Event.**

All **Additional Covered Events** resulting from any one occurrence or connected series of occurrences will be deemed to be one **Additional Covered Event**.

Section 4. Covered Losses and Expenses

1. **Insured Losses** shall consist of the following (as defined in Section 5):

- (a) **Ransom;**
- (b) **Personal Belongings;**
- (c) **Transit Loss;**
- (d) **Legal Liability;**
- (e) **Additional Expenses;**
- (f) **Crisis Response Fees and Expenses;**
- (g) **Accidental Death and Dismemberment;** and/or
- (h) **Recall Expenses.**

2. **Additional Covered Event Expenses** shall consist of the following (as defined in Section 5):

- (a) **Threat Response Expense**; or
- (b) **Disappearance and Investigation Expense**.

Section 5. Definitions

1. **Accidental Death and Dismemberment** means **Loss of Limb, Mutilation, Loss of Sight, Loss of Speech, Permanent Total Disability**, or Death sustained by an **Insured Person** directly and solely as a result of an **Insured Event** provided that such injury or Death occurs within 365 days following the conclusion of an **Insured Event**.
 - (a) **Loss of Limb** means the severance or the total and irrecoverable loss of the arm through or above the wrist, or leg through or above the ankle.
 - (b) **Mutilation** means the permanent severance or total irrecoverable loss of use of a finger, toe, ear, nose, genital organ, or part thereof.
 - (c) **Loss of Sight** means entire and irrevocable the loss of sight in one or both eyes.
 - (d) **Loss of Speech** means the permanent total loss of the capability of speech.
 - (e) **Permanent Total Disability** means any mental or physical condition that necessarily and continuously disables an **Insured Person** from attending to every aspect of his or her normal business or occupation for a period of twelve (12) calendar months following the conclusion of an **Insured Event** and, at the end of such period is certified by two qualified medical practitioners approved by the Company as being beyond hope of improvement. If the **Insured Person** has no business occupation, the disablement must confine the **Insured Person** immediately and continuously to the house and disable him or her from attending to normal duties.

The Company shall pay the Death benefit in one sum to the estate of the deceased.

Any benefit for **Loss of Limb, Mutilation, Loss of Sight, Loss of Speech** or **Permanent Total Disability** will be payable to the victim.

The Company agrees to pay the Death benefit in the event that the victim's body is not recovered within twelve (12) months following the **Insured Event** and sufficient evidence exists for the Company to conclude that the victim has died solely and directly as a result of an otherwise covered **Insured Event** or attempt thereat. Notwithstanding the foregoing, it shall be a specific condition precedent to such payment that the intended beneficiary duly execute an undertaking or agreement to refund such amount, promptly and in its entirety, to the Company if the victim is subsequently found to be alive.

2. **Additional Expenses** means reasonable and necessary expenses incurred by the **Insured** or **Insured Persons** directly and solely as a result of an **Insured Event**, and shall be limited to:
 - (a) Reward monies paid by the **Insured** or **Insured Persons** to an **Informant** for information that leads to the arrest and conviction of parties responsible for any **Insured Event** or the return of an **Express Kidnapping, Kidnapping, Hijacking, or Detention** victim or the remains of said victim;
 - (b) Fees and expenses of persons retained by the **Insured** or **Insured Persons** to aid in the investigation and conclusion of an **Insured Event**, provided that the Company has given its prior consent for the use of said persons;
 - (c) Interest on any loan made to the **Insured** or **Insured Persons** for the purpose of paying any **Insured Losses**. The Company's liability for such interest will cease at the time it tenders payment to the **Insured** for **Insured Losses**. Furthermore, the Company shall not be liable for interest on any loan obtained more than ninety (90) days prior to payment of any **Insured Losses** nor shall the Company be liable for any interest incurred beyond the date that the **Insured** receives reimbursement from the Company for any **Insured Losses**;
 - (d) Travel and/or accommodation expenses, including the travel and/or accommodation expenses of the victim of an **Insured Event** to rejoin his/her family upon the release of said victim and travel and accommodation expenses of any individual temporary performing the duties of said victim;
 - (e) The **Salary** of:

- i. An **Insured Person** while said **Insured Person** is the victim of an **Insured Event** and for a period of ninety (90) days following the conclusion of an **Insured Event**, provided said **Insured Person** is unable to perform his or her normal employment duties or has returned to work and not yet completed job retraining;
 - ii. Any individual temporarily performing the duties of an **Insured Person** who is a victim of an **Insured Event** up to a period of ninety (90) days following the conclusion of an **Insured Event**, provided that such **Salary** does not exceed that of the victim and provided that the victim has not yet returned to work or has returned to work and not yet completed job retraining; and/or
 - iii. Any **Relative** of the victim of an **Insured Event** who leaves his or her employment to assist in the investigation or negotiation of the release of the victim of an **Insured Event** or is otherwise unable to perform his or her normal duties up to a period of ninety (90) days following the conclusion of an **Insured Event**.
- (f) Any personal financial loss suffered by an **Insured Person** solely and directly as a result of the physical inability of the **Insured Person** to attend to personal financial matters during the period of confinement. Coverage as provided hereunder shall include, but not be limited to, failure to renew insurance contracts, failure to exercise stock options, and failure to respond to margin or loan calls by financial institutions;
 - (g) **Salary** and expenses of the **Insured's** salaried employees specifically assigned to assist in investigating or negotiating any **Insured Event** not to exceed the employee's base hourly rate of pay, provided that the **Insured** furnishes an itemized account of such employee's time, services and expenses;
 - (h) Fees and expenses of security guards retained by the **Insured** for the purpose of protecting **Insured Persons** or **Property**, provided that those persons specified in Section 1. Item 7. have recommended the use of said security guards;
 - (i) Costs of advertising, communication and recording equipment to aid in the conclusion of an **Insured Event**;
 - (j) Legal fees, fees and expenses of independent public relations consultants, interpreters, and independent forensic analysts;
 - (k) Job retraining costs of an **Insured Person** who is the victim of an **Insured Event**, including the cost of external training courses;
 - (l) Rest and rehabilitation expenses incurred by an **Insured Person** who is the victim of an **Insured Event** and said victim's spouse, common-law spouse, domestic partner, fiancé, fiancée and/or children incurred within twenty-four (24) months following the conclusion of an **Insured Event**;
 - (m) Medical, psychiatric, cosmetic and/or plastic surgery expenses incurred by an **Insured Person** who is the victim of an **Insured Event** within thirty-six (36) months following the conclusion of an **Insured Event**;
 - (n) Expenses to repatriate the body of an **Insured Person** as a result of a death in the course of an **Insured Event**;
 - (o) Burial expenses as a result of the death of an **Insured Person** in the course of an **Insured Event**; and/or
 - (p) Any other reasonable expenses in negotiating an **Insured Event**.
- 3. **Crisis Response Fees and Expenses** means all fees and expenses of the Crisis Response firm specified in Section 1. Item 7.
 - 4. **Detention** means an arbitrary and capricious act of confinement of an **Insured Person** against such **Insured Person's** will.
 - 5. **Disappearance Event** means the disappearance of an **Insured Person** for a period exceeding the Waiting Period in Section 1. Item 6. from the time of the last reported contact with said **Insured Person**.
 - 6. **Disappearance and Investigation Expense** means the reasonable and necessary investigation expenses of the Crisis Response firm specified in Section 1. Item 7. to investigate a **Disappearance Event**.

7. **Express Kidnapping** means the actual or attempted abduction and holding of an **Insured Person** against such **Insured Person's** will where **Personal Belongings** and/or readily available assets of the captive person are surrendered by the captive person in exchange for his or her release.
8. **Extortion** means a threat, communicated directly or indirectly to the **Insured** or to an **Insured Person** by a person or persons who demand a **Ransom** as a condition for not carrying out such a threat, to:
 - (a) Kill, injure, or **Kidnap** an **Insured Person**; or
 - (b) Cause physical damage or loss to **Property**, including:
 - i. The pollution, contamination or alteration of stock and/or raw materials and/or finished goods;
 - ii. The dissemination of **Publicity** to the effect that the **Insured's** products will be or have been contaminated, polluted or altered;
 - iii. The dissemination, divulgence, or utilization of **Trade Secrets**; or
 - iv. The introduction of unauthorized instructions that are designed to alter, damage, or destroy information within a computer system, including those that are self-replicating or self-propagating and are designed to contaminate computer programs or computer data, consume system resources, or usurp the normal operation of the computer system.
9. **Guest** means:
 - (a) A customer or invitee of the **Insured** while on the premises of the **Insured**, or while traveling with a person identified in Section 1. Item 2;
 - (b) Any person while accompanying a person identified in Section 1. Item 2. in a motor vehicle, aircraft, watercraft, train or railcar or any other form of public or private transportation;
 - (c) Any person while in the home of a person identified in Section 1. Item 2. to whom the **Insured** and/or a person identified in Section 1. Item 2. has extended hospitality without compensation;
 - (d) Any person temporarily employed for the purpose of negotiating and/or delivering a **Ransom**; and/or
 - (e) Any person normally resident or employed in the home of a person identified in Section 1. Item 2.
10. **Hijacking** means the attempted or actual illegal holding of an **Insured Person** against such **Insured Person's** will on board an aircraft, watercraft, motor vehicle, train, railcar or any other form of public or private transportation.
11. **Informant** means any person providing information not otherwise obtainable through any other means.
12. **Insured** means:
 - (a) The individual or company designated in Section 1. Item 1; and
 - (b) Any **Subsidiary** existing at policy inception or created thereafter; and
 - (c) Any newly acquired **Subsidiary** of the company designated in Section 1. Item 1. provided that no similar insurance is in existence for such newly acquired **Subsidiary** and provided that, at the time of acquisition, the total assets do not exceed 10% of the total assets of the company designated in Section 1. Item 1. as reported in the latest financial statement. If the total assets exceed 10% of the total assets of the company designated in Section 1. Item 1., then coverage hereunder shall be amended to include the newly acquired **Subsidiary** for a period of ninety (90) days from the date of acquisition, provided that no similar insurance is in existence for such newly acquired **Subsidiary**. If coverage is desired beyond the ninety (90) day period, written notice must be given to the Company and inclusion specifically endorsed on the Policy.
13. **Insured Persons** means:
 - (a) Any person identified in Section 1. Item 2;
 - (b) Any **Relative**; and

(c) Any **Guest**.

14. **Kidnap** or **Kidnapping** means the actual, alleged, or attempted abduction and holding of an **Insured Person** against such **Insured Person's** will by a person or persons who demand a **Ransom** specifically from the assets of an **Insured** or **Insured Person** in exchange for the release of the captive person.
15. **Legal Liability** means any legal judgments, legal settlements, and/or legal fees in defending litigation, incurred by the **Insured** or **Insured Persons** based on or arising out of an **Insured Event**.
16. **Personal Belongings** means monies and/or property of monetary value that are:
 - (a) Being carried or transported by the victim when an **Express Kidnapping, Kidnapping, Hijacking, or Detention** first occurs; and
 - (b) Are surrendered during the course of an **Express Kidnapping, Kidnapping, Hijacking, or Detention**.
17. **Property** means all real and personal property owned, controlled, or leased by the **Insured** or **Insured Persons**, or for which the **Insured** or **Insured Persons** are legally liable, including but not limited to, **Trade Secrets**, fixtures, fittings, machinery and electronic data processing equipment and other contents.
18. **Publicity** means the reporting in local, regional or national media, including but not limited to, radio, television, newspapers, magazines or the Internet.
19. **Ransom** means monies and/or other consideration of monetary value that are surrendered or to be surrendered by or on behalf of any **Insured** or **Insured Person** to meet an **Express Kidnapping, Kidnapping, Extortion, Hijacking** or **Detention** demand.
20. **Recall Expenses** means any reasonable and necessary expenses incurred by the **Insured** to recall and/or destroy products manufactured or distributed by the **Insured** arising solely and directly out of an **Extortion** subsections (b) i. or ii.
21. **Relative** means the spouse, domestic partner, common-law spouse, siblings, brothers-in-law, sisters-in-law, fiancé, fiancée, aunts, uncles, nieces, nephews, living ancestors, step-parents, step-siblings, parents-in-law, lineal descendants, adopted children, foster children, or step-children of any person identified in Section 1. Item 2.
22. **Salary** means the direct compensation, including but not limited to, bonuses and allowances for personal services rendered, including foreign tax reimbursements, cost of living adjustments and the cost of any health, welfare or pension benefits, and will be based upon the rate of compensation being paid at the time of the **Insured Event**.
23. **Subsidiary** means any entity in which the company designated in Section 1. Item 1. directly or indirectly owns more than 50% of the voting stock.
24. **Threat Event** means a threat or interrelated series of threats in the absences of a **Ransom** demand made by a person or persons to commit or attempt to:
 - (a) Inflict bodily harm to, wrongfully abduct, or detain an **Insured Person**;
 - (b) Damage, destroy, or contaminate **Property**; or
 - (c) Disseminate, divulge, or utilize **Trade Secrets**.
25. **Threat Response Expense** means the reasonable and necessary costs of a threat assessment and the temporary protection of the threatened **Insured, Insured Person, or Property** provided by the Crisis Response firm specified in Section 1. Item 7. solely and directly as a result of a **Threat Event**.
26. **Trade Secret** means:
 - (a) Any confidential or proprietary information; and/or
 - (b) A formula, pattern, compilation, program, device, method, technique, or process, which is used in the **Insured's** business, that derives from not being generally known to, and not being readily ascertainable by proper means by persons other than **Insured Persons**, who can obtain economic value from its disclosure or use and, further, is the subject of reasonable efforts under the circumstances to maintain its secrecy.

27. **Transit Loss** means the actual damage, destruction, disappearance, confiscation, or wrongful abstraction of a **Ransom** while being conveyed or transported by an **Insured Person** or any person who is authorized by the **Insured** or **Insured Persons** to have custody thereof.

Section 6. Exclusions

This Policy does not apply to any **Insured Losses** arising out of, attributable to, or involving directly or indirectly any of the following:

1. The surrender of **Personal Belongings** at the time and location where an **Express Kidnapping, Kidnapping, Hijacking, or Detention** first occurs.
2. The surrender of a **Ransom**:
 - (a) That is being carried by, transported by or otherwise in the possession of an **Insured Person** at the time an **Express Kidnapping, Kidnapping, Hijacking or Detention** first occurs; or
 - (b) At the location where an **Express Kidnapping, Kidnapping, Hijacking or Detention** first occurs, unless brought to such location for the sole purpose of conveying a previously communicated **Ransom** demand.
3. Any **Express Kidnapping, Kidnapping, Hijacking, or Extortion** as a result of fraudulent, dishonest or criminal act(s) by an **Insured Person** or authorized representative (whether acting alone or in collusion with others) unless the person authorizing the **Ransom** payment had, prior to payment, made every reasonable attempt to determine that the **Ransom** demand or threat was genuine.
4. As respects coverage for **Recall Expenses**, the Company shall have no liability for bodily injury, sickness, disease, or death of any person or animal, or damage to or destruction of any property, including loss of use thereof, arising out of the use or disposal of products manufactured or distributed by the **Insured**.
5. Any **Detention** resulting from:
 - (a) Any violation or alleged violation of the criminal laws of the host country by the **Insured**, provided that said violation would also be considered a violation of the laws of the country in which the **Insured's** headquarters are located, had said violation or alleged violation been committed there;
 - (b) Any violation or alleged violation of the criminal laws of the host country by the **Insured Person**, provided that said violation would also be considered a violation of the laws of the country in which the **Insured Person** is a national, had said violation or alleged violation been committed there; or
 - (c) Failure of the **Insured** or an **Insured Person** to maintain and possess duly authorized and issued required documents and visas.

However, this exclusion does not apply if the Company determines that such allegations were intentionally false, fraudulent and malicious and made solely to achieve a political, propaganda, and/or coercive effect upon or at the expense of the **Insured** or an **Insured Person**.

Section 7. Conditions

1. **Policy Period:** This Policy shall become effective upon the effective date shown in Section 1. Item 3 and shall continue in force, unless cancelled in accordance with Condition 13 below, until the expiration date stated in Section 1. Item 3.
2. **Limits of Liability:**
 - (a) **Limit - Each Loss:** With respect to **Insured Losses** or **Additional Covered Event Expenses** or any combination thereof as set forth in Section 4, the Company's total liability arising out of any **Insured Event** or **Additional**



Covered Event first occurring during the Policy Period shall not exceed the amounts stated in Section 1. Items 5. and 6.

- (b) Annual Aggregate: The Company's total liability for all **Insured Losses** and **Additional Covered Event Expenses** shall not exceed the amount stated in Section 1. Item 5.8. The Annual Aggregate in Section 1. Item 5.8. for all **Insured Losses** and/or **Additional Covered Event Expenses** shall not apply to **Accidental Death and Dismemberment**.
 - (c) In the event any **Insured** or **Insured Person** is covered by two or more Special Coverages Policies issued by the Company, at least one of which was issued to another **Insured** or **Insured Person**, it is agreed that the Company's aggregate liability for **Insured Losses** and **Additional Covered Event Expenses** sustained by any such **Insured** or **Insured Person** shall not be cumulative and shall in no event exceed the largest amount available under any one of the policies.
- 3. Deductible: The Deductible amount stated in Section 1. Item 5. shall be paid by the **Insured** and/or **Insured Persons** and shall be applicable to **Ransom** only.
 - 4. Other Insurance: This insurance shall be in excess of the amount of the applicable Deductible of this Policy and any other valid and collectible insurance available to the **Insured** or **Insured Persons**, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this Policy.
 - 5. Valuation: The Company shall not be liable for more than the actual cash value of any consideration at the time of its surrender. If **Insured Losses** and/or **Additional Covered Event Expenses** involve currency other than that of the United States of America, the Company shall not be liable for more than the United States Dollar equivalent of foreign currency based on the rate of exchange in the Wall Street Journal in effect on the day the monies are surrendered and/or expense incurred.
 - 6. Recoveries: If the **Insured** or **Insured Persons** sustain any **Insured Losses** and/or **Additional Covered Event Expenses** covered by this Policy, all recoveries (except from suretyship, insurance, reinsurance or indemnity taken by or for the benefit of the Company) on account of the **Insured Losses** and/or **Additional Covered Event Expenses**, less the actual cost of recovery, shall be distributed as follows:

The **Insured** and/or **Insured Persons** shall be reimbursed for any **Insured Losses** and/or **Additional Covered Event Expenses** that exceed the Limit of Liability provided by this Policy less the Deductible amount, the balance applied to reimbursement of the Company to the extent of its payment and any remainder paid to the **Insured** or **Insured Persons**. If there are no **Insured Losses** or **Additional Covered Event Expenses** in excess of the Limit of Liability provided by this Policy, any such recoveries shall be distributed first in reimbursement to the Company to the extent of its payment and any remainder paid to the **Insured** or **Insured Persons**.
 - 7. Notification: Before surrendering a **Ransom**, the person authorizing the surrender shall have notified or made every reasonable attempt to notify:
 - (a) The Federal Bureau of Investigation or local law enforcement agencies as soon as practicable bearing in mind the safety of the person(s) held or threatened; and
 - (b) At least one other official of the **Insured** if the property to be surrendered is owned or held by the **Insured** or **Insured Persons** or is property for which the **Insured** or **Insured Persons** are legally liable.
 - 8. Multiple Insureds: The inclusion herein of more than one **Insured** or **Insured Persons** shall not operate to increase the Company's Limit of Liability for any one **Insured Event** or **Additional Covered Event**.
 - 9. Changes: Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.
 - 10. Assignment: Assignment of interest under this Policy shall not bind the Company unless its consent is endorsed hereon.
 - 11. Notice of Occurrence: Notice of an **Insured Event** and/or **Additional Covered Event** must be given to the Crisis Response firm identified in Section 1. Item 7. as soon as possible after any occurrence that may lead to **Insured Losses** and/or **Additional Covered Event Expenses** covered by this Policy.



12. Proof of Loss: Written proof of any **Insured Losses** and/or **Additional Covered Event Expenses** must be furnished to the Company c/o Professional Indemnity Agency, Inc. d/b/a HCC Specialty, 37 Radio Circle Dr., Mt. Kisco, NY 10549, within ninety (90) days after the **Insured** or **Insured Persons** become aware or should have become aware of any **Insured Losses** or **Additional Covered Event Expenses**, or as soon as possible thereafter. This requirement applies equally to any **Insured Losses** or **Additional Covered Event Expenses** discovered after the expiry of the Policy Period.
13. Cancellations: This Policy may be cancelled by:
- (a) The **Insured** by mailing to the Company written notice stating when thereafter such cancellation shall be effective.
 - (b) The Company only for non-payment of premium by mailing to the **Insured** written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.
- This mailing shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the Policy Period. Electronic delivery of such written notice by the Company or the **Insured** shall be equivalent to mailing. If cancelled by the **Insured** or the Company, the Company shall retain the pro-rata proportion of the premium.
14. Cooperation: In the event of any **Insured Event**, **Additional Covered Event**, **Insured Losses** and/or **Additional Covered Event Expenses**, the **Insured** and **Insured Persons** shall cooperate with the Company in all matters relating to this insurance. This may include attending hearings and trials, obtaining the attendance of witnesses, securing and giving evidence, assisting in conducting arbitration or other proceedings.
15. Legal Liability: As respects coverage provided in Section 4. Item 1. Subsection (d), **Legal Liability**, the **Insured** and/or **Insured Persons**:
- (a) Shall not, except at their own cost, admit any liability, settle any claim, or incur any costs or expenses without the prior authorization of the Company; and
 - (b) Shall cooperate with the Company in conducting the defense or in negotiating the settlement of any suit.
- Furthermore, legal fees incurred by the Company (or by the **Insured** or **Insured Persons** with prior authorization of the Company) in defending litigation based on or arising out of an **Insured Event** will be payable in addition to the Limit of Liability for **Legal Liability**. However, if the total amount of legal judgments and legal settlements exceeds the Limit of Liability for **Legal Liability**, the Company's Limit of Liability for legal fees will not exceed the proportion to which the Limit of Liability for **Legal Liability** bears to the total of such legal judgments and legal settlements.
16. Subrogation: In the event of any payment under this Policy, the Company shall be subrogated to all of the **Insured's** or **Insured Person's** rights of recovery against any person or organization and the **Insured** and/or **Insured Persons** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.
17. Legal Actions: No action at law or in equity shall be brought to recover under this Policy after thirty-six (36) months following the conclusion of an **Insured Event**, **Additional Covered Event**, or if written Proof of Loss has not been furnished in accordance with the requirements of this Policy.
18. Conformity with State Statutes: Any provision of this Policy which, on its effective date, is in conflict with the statutes of the state in which this Policy was delivered or issued for delivery is hereby amended to conform to the minimum requirements of such statutes.
19. Confidentiality: The **Insured** and **Insured Persons** must at all times use best efforts to ensure that knowledge of the existence of this insurance is restricted as far as possible.
20. Trade Sanctions: This Policy does not apply to the extent any trade or economic sanctions, or other laws or regulations prohibit the Company from providing insurance, including, but not limited to, the payment of claims.

Loss of Earnings Endorsement

It is hereby agreed that Section 4. Item 1. **Insured Losses**, is amended to include **Loss of Earnings** subject to the Limit of Liability set forth in Section 1. Endorsements.

It is further agreed that Section 5. Definitions is amended to include the following:

Loss of Earnings means the reduction in **Earnings**, less charges and expenses which do not necessarily continue during the interruption of business, of the **Insured**, resulting from the necessary interruption of business following an **Insured Event** or as the result of an order by a civil authority to cease, wholly or in part, the **Insured's** business as a result of an **Extortion** subsection (b) contiguous to the **Insured's** premises.

Earnings means net profit plus payroll expenses, taxes, interest, rents and all other operating expenses earned and incurred by the business of the **Insured**.

All other terms and conditions remain unchanged.

Travel Security Evacuation Endorsement

The Company hereby agrees, subject to the terms, limitations and conditions set forth in this Endorsement and in the Policy, to indemnify the **Insured** and/or **Insured Persons** for any **Travel Security Expenses** subject to the Limits of Liability set forth in Section 1. Endorsements incurred directly and solely as a result of a **Travel Security Evacuation** which first occurs during the Policy Period.

It is hereby agreed that Section 3. Item 2. **Additional Covered Events**, is amended to include **Travel Security Evacuation**.

It is further agreed that Section 4. Item 2. **Additional Covered Event Expenses**, is amended to include **Travel Security Expenses**.

It is further agreed that Section 5. Definitions, is amended to include the following:

Travel Security Evacuation means a **Repatriation** necessitated by:

- (a) Officials of the **Resident Country** issuing, for security related reasons, a recommendation that categories of persons which include **Insured Persons** should leave the country in which **Insured Persons** are traveling;
- (b) An **Insured Person** being expelled or declared 'persona non grata' on the written authority of the recognized government of the country of travel; and/or
- (c) The wholesale seizure, confiscation or expropriation of the property, plant and equipment of the **Insured**.

Travel Security Expenses means expenses incurred by the **Insured** or **Insured Person** as a result of a **Travel Security Evacuation** and shall be limited to:

- (a) Reasonable costs of an **Insured Person** to travel to the nearest place of safety or to the **Resident Country**;
- (b) Reasonable accommodation costs of an **Insured Person**, while he or she is the subject of a **Travel Security Evacuation**, for a maximum of seven (7) days;
- (c) Personal effects left behind and irretrievably lost by the evacuated **Insured Person** up to the Limit of Liability set forth in Section 1. Endorsements;
- (d) Fees and expenses of Unity Resources Group; and/or
- (e) Fees and expenses of any alternate security consultants with prior approval by the Company.

Repatriation means the return of an **Insured Person**, or his or her remains in the event of death, to the **Resident Country**.

Resident Country means the country of which an **Insured Person** is a national.

It is further agreed that Section 6. Exclusions, is amended to include the following:

This Policy does not apply to any **Travel Security Expenses** sustained by the **Insured** and/or **Insured Person** arising from or attributable to:

- 1. A violation by the **Insured** or **Insured Person** of the laws or regulations of the country in which the **Travel Security Evacuation** takes place.
- 2. The failure of the **Insured** or **Insured Person** to properly procure or maintain immigration, work, residence, or similar type visas, permits, or documents.
- 3. A debt, insolvency, commercial failure, or repossession of any property by a title holder or any other financial cause.
- 4. The failure of the **Insured** or **Insured Person** to honor any contractual obligation or bond or to adhere to any condition(s) in a license.

5. **Insured Persons** who are nationals of the country in which the **Travel Security Evacuation** takes place.
6. Natural disasters including, but not limited to, earthquake, flood, fire, famine, volcanic eruption and windstorm.
7. Ionizing radiations or contamination by radio activity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
8. The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.
9. A **Repatriation** from an excluded country as stated in Section 1. Endorsements.

It is further agreed that Section 7. Conditions, is amended to include the following:

As respects **Travel Security Evacuation** only:

- (a) The **Insured** and/or **Insured Persons** shall be indemnified solely for the costs of transportation by economy class fares unless unavailable, clearly impractical, or unless travel by any other class of service is essential to ensure the safety of an **Insured Person**.
- (b) Coverage shall apply once per **Insured Person** per **Travel Security Evacuation**.

All other terms and conditions remain unchanged.



Child Abduction Endorsement **(Premises)**

The Company hereby agrees, subject to the terms, limitations and conditions set forth in this Endorsement and in the Policy, to indemnify the **Insured** and/or **Insured Persons** for any **Child Abduction Expenses** subject to the Limits of Liability set forth in Section 1. Endorsements incurred directly and solely as a result of a **Child Abduction** which first occurs during the Policy Period.

It is hereby agreed that Section 3. Item 2. **Additional Covered Events**, is amended to include **Child Abduction**.

It is further agreed that Section 4. Item 2. **Additional Covered Event Expenses**, is amended to include **Child Abduction Expenses**.

It is further agreed that Section 5. Definitions, is amended to include the following:

Child Abduction means the illegal taking of a **Covered Child** from the premises of any location owned or operated by the **Insured** or **Insured Persons**.

Child Abduction Expenses means expenses incurred by the **Insured** or **Insured Person** as a result of a **Child Abduction** and shall be limited to reasonable and necessary:

- (a) Fees and expenses of a public relations consultant incurred during the period of the **Child Abduction** and up to thirty (30) days following the conclusion of a **Child Abduction**;
- (b) Costs of **Publicity** in order to locate a **Covered Child**;
- (c) Costs of psychiatric counseling for the benefit of a **Covered Child** or the **Parent(s)** or the siblings of a **Covered Child**;
- (d) Costs for medical services and hospitalization for a **Covered Child** beginning on the date of recovery of the **Covered Child** and continuing for a maximum of thirty-six (36) months thereafter;
- (e) Funeral and burial expenses of a **Covered Child** in the event of his or her death;
- (f) Reward monies paid by the **Insured** or **Insured Persons** to an **Informant** for information that leads to the location of the **Covered Child** and the arrest and conviction of the party or parties responsible for the **Child Abduction**;
- (g) Travel and accommodation costs incurred by the **Insured Person** or **Parent(s)**;
- (h) Fees and expenses of Unity Resources Group or persons retained by the **Insured** with the prior written authorization of the Company to assist in the location and return of a **Covered Child**;
- (i) **Salary** of the **Parent(s)** during the period of the **Child Abduction** and continuing until seven (7) days after the **Covered Child's** release or twelve (12) months after the date of the **Child Abduction**, whichever shall occur first;
- (j) Fees and expenses of independent forensic analysts engaged by the **Insured** or the **Parent(s)**;

Covered Child means a child of up to eighteen (18) years of age.

Parent(s) shall mean the custodial parent(s) or legal guardian(s) of a **Covered Child** or any individual duly authorized by the custodial parent(s) or legal guardian(s) to have custody of a **Covered Child**.

It is further agreed that Section 6. Exclusions, is amended to include the following:

This Policy does not apply to any one **Child Abduction Expenses** sustained by the **Insured** and/or **Insured Persons** arising from or attributable to a **Child Abduction** committed by the **Parent(s)** of a **Covered Child**.

It is further agreed that Section 7. Conditions, Item 2. Limits of Liability, is amended to include the following:

The taking of more than one **Covered Child** in one **Child Abduction** or interrelated **Child Abduction** shall not operate to increase the Company's Limit of Liability set forth in Section 1. Endorsements.

All other terms and conditions remain unchanged.



ARIZONA STATE ENDORSEMENT

- A. It is agreed that Paragraph 13. Cancellations of **Section 7. Conditions** is deleted in its entirety and replaced with the following:

13. Cancellations and Nonrenewal: This Policy may be cancelled by the **Insured** by mailing to the Company written notice stating when thereafter such cancellation shall be effective. If cancelled by the **Insured**, the Company shall retain the customary short rate proportion of the earned premium.

This Policy may be cancelled by the Company by providing written notice to the **Insured** by certified mail, at the address last shown in the Policy, with a copy also being mailed to the **Insured's** agent, at least (10) days before the effective date of cancellation if cancellation is for nonpayment of premium, and at least forty-five (45) days before the effective date of cancellation if cancellation is for any other reason. The effective date of cancellation stated in the notice shall become the end of the Policy Period. If cancelled by the Company, the notice of cancellation will be accompanied by a refund of the unearned premium, except with respect to a premium that has been financed. The unearned premium shall be computed pro-rata. If this Policy has been in effect for 60 days or more, or if this Policy is a renewal, the Company may not cancel this Policy except for one or more of the following reasons:

- (a) nonpayment of premium;
- (b) conviction of the **Insured** of a crime arising out of acts increasing the hazard **Insured** against;
- (c) an act or omission by the **Insured** constituting fraud or material misrepresentation in obtaining the Policy, in continuing the Policy or in presenting a claim under the Policy;
- (d) a substantial change in the risk assumed, except to the extent that the Company should reasonably have foreseen the change or contemplated the risk in writing the Policy;
- (e) a substantial breach of contractual duties or conditions;
- (f) loss of reinsurance applicable to the risk **Insured** against, but only if the absence of reinsurance has resulted from termination of treaty or facultative reinsurance initiated or implemented by the reinsurer or reinsurers of the Company;
- (g) a determination by the Director of Insurance that the continuation of the Policy would place the Company in violation of the insurance laws of Arizona or would jeopardize the solvency of the Company; or
- (h) an act or omission by the **Insured** or the **Insured's** representative which materially increases the hazard **Insured** against.

Any notice of cancellation by the Company pursuant to this paragraph will state the specific facts which constitute the grounds for cancellation.

If the Company chooses not to renew the Policy, notice of nonrenewal will be provided by the Company to the **Insured** by certified mail, at the address last shown in the Policy, with a copy also being mailed to the **Insured's** agent, at least forty-five (45) days in advance of the expiration of the Policy Period.



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Notice of nonrenewal is not required if either of the following occurs:

- (a) the Company or a Company within the same insurance group has offered to issue a renewal policy;
- (b) the **Insured** has obtained replacement coverage or has agreed in writing to obtain replacement coverage.

B. The following is added to Section 7. Conditions:

The Company will mail or deliver to the **Insured** at the mailing address shown on the Policy, written notice of premium increase, change in deductible, reduction in limits, or substantial reduction in coverage at least thirty (30) days before the expiration of the Policy Period. If the Company fails to provide thirty (30) days notice, the coverage provided to the **Insured** remains in effect until notice is given or until the effective date of replacement coverage obtained by the **Insured**, whichever occurs first.

All other terms and conditions remain unchanged.



POLICYHOLDER DISCLOSURE NOTICE
TERRORISM RISK INSURANCE ACT (TRIA)
PREMIUM NOTICE

The summary of TRIA and the coverage under your Policy contained in this notice is necessarily general in nature. Your Policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your Policy language will control the resolution of all questions of coverage. Please read your Policy.

If you have any questions regarding this Notice please contact your sales representative or agent.

Your Policy includes coverage for losses caused by an "act of terrorism", as defined by Section 102(1) of the Terrorism Risk Insurance Program Reauthorization Act of 2007 (the Act).

Section 102(1) of the Terrorism Risk Insurance Act, as amended in 2007, defines the term "act of terrorism" as any act that is certified by the Secretary of the Treasury of the United States- in concurrence with the Secretary of State of the United States, and the Attorney General of the United States- to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to be a violent act within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Where coverage is provided by this Policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement, as well as insurers' liability, for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for such losses exceed \$100 billion, your coverage may be reduced. The portion of your annual premium that is attributable to coverage for acts of terrorism is **\$0** and does not include any charges for the portion of loss that may be covered by the Federal Government under the act.

The Terrorism Risk Insurance Act as amended on December 26, 2007 and this Notice only affect coverage in our policies for otherwise insured damages relating to certified acts of terrorism. Losses caused by war will still be excluded from coverage under your Policy if your Policy so provides.

All other terms and conditions remain unchanged.



Policy Period Extension Endorsement

It is hereby agreed that, effective June 02, 2015, Section 1. Item 3: Policy Period, is amended to read as follows:

From: March 31, 2015 **To:** January 01, 2018

12:01 A.M. standard time at the address in Item 1.

All other Terms and Conditions remain the same