

IDENTITY FRAUD EXPENSE COVERAGE

(The entries required to complete this endorsement will be shown below or on the "declarations".)

The Identity Fraud Expense Coverage "limit" is \$ _____

AGREEMENT

In return for "your" payment of the required premium, "we" provide the coverage described in this endorsement. Coverage is subject to the "terms" of this endorsement and to the "terms" of the policy to which it is attached, except as amended by this endorsement.

DEFINITIONS

With respect to Identity Fraud Expense Coverage, the following definitions are added:

1. "Expenses" means:

a. the necessary and reasonable:

- 1) costs for obtaining, reproducing, or notarizing affidavits or other pertinent documents required by law enforcement agencies, financial institutions, credit grantors, or credit agencies;
- 2) costs to send required documentation to law enforcement agencies, financial institutions, credit grantors, or credit agencies;
- 3) costs for telephone calls to law enforcement agencies, financial institutions, credit grantors, credit agencies, merchants, or legal counsel; or

- 4) research fees charged by financial institutions, credit grantors, credit agencies, or merchants;

for the purpose of resolving an occurrence of "identity fraud";

- b. actual loss of earnings by an "insured", not to exceed a maximum of \$250 per day, per "insured", or a total of \$5,000 for lost earnings of all "insureds", for time spent away from work to:

- 1) meet or speak with law enforcement agencies, financial institutions, credit grantors, credit agencies, merchants, or legal counsel; or
- 2) obtain, reproduce, complete, or notarize affidavits or other pertinent documents required by law enforcement agencies, financial institutions, credit grantors, or credit agencies;

for the purpose of resolving an occurrence of "identity fraud";

- c. the necessary and reasonable loan application fees for reapplying for a loan or loans when the original application was rejected solely because the credit information provided to the prospective lender was inaccurate due to the occurrence of "identity fraud"; and

- d. the necessary and reasonable attorney fees, incurred with "our" prior consent, to:

- 1) defend lawsuits brought against an "insured" by financial institutions, credit grantors, or merchants or their collection agencies;
- 2) remove any criminal or civil judgments wrongly entered against an "insured"; or
- 3) challenge information provided in a consumer credit report that the "insured" believes is inaccurate or incomplete;

as a result of an occurrence of "identity fraud".

2. "Identity fraud" means the use of personal identifying information of an "insured", without the "insured's" permission, in a manner that violates federal, state, or local law, including but not limited to:
 - a. purchasing goods or services;
 - b. obtaining credit;
 - c. borrowing money; or
 - d. committing a crime.

PROPERTY COVERAGES

INCIDENTAL PROPERTY COVERAGES

The following coverage is added:

Identity Fraud Expense Coverage

- a. "We" pay for "expenses" incurred by an "insured" as the direct result of "identity fraud" occurring at any time prior to the end of the policy period or, in the event of cancellation or termination of the policy or of Identity Fraud Expense Coverage, occurring at any time prior to the date of the cancellation or termination, and discovered by the "insured":

- 1) during the policy period or, in the event of cancellation or termination of the policy or of Identity Fraud Expense Coverage, prior to the date of the cancellation or termination; or
- 2) up to one year from the policy expiration date or, in the event of cancellation or termination of the policy or of Identity Fraud Expense Coverage, up to one year from the date of the cancellation or termination.

However, if any "insured" obtains replacement identity fraud expense insurance, "we" do not pay for "expenses" incurred by that "insured" that result from "identity fraud" discovered on or after the effective date of such other insurance, regardless of whether or not such insurance provides coverage for expenses arising from "identity fraud" that occurs prior to its effective date.

- b. This Identity Fraud Expense Coverage applies without regard to whether the person or persons committing the "identity fraud" are identified.
- c. With respect to Identity Fraud Expense Coverage, discovery takes place when an "insured":

- 1) first becomes aware of information which would cause a reasonable person to presume that "identity fraud" has occurred, although the precise amount or details of the "identity fraud" may not, at that time, be known; or
- 2) receives notice of an actual or possible claim against him or her asserting facts that, if true, would constitute a covered loss under the coverage.

- d. However, "we" do not pay for "expenses":

- 1) incurred as a result of "identity fraud" suffered by a "business" of any "insured";

- 2) resulting from "identity fraud" that is committed alone or in collusion with another by:
- a) any "insured"; or
 - b) a person authorized by an "insured" to act on his or her behalf.

However, this does not apply to otherwise covered "expenses" incurred by an "insured" as the result of "identity fraud" committed by another "insured", provided that the "insured" who is the victim of the "identity fraud":

- a) did not knowingly cooperate with or in any way contribute to the "identity fraud"; and
- b) completes a sworn affidavit for "us" pledging to cooperate in any law enforcement investigation or criminal prosecution of the "insured" who committed the "identity fraud";

- 3) arising out of "identity fraud" discovered by an "insured" prior to the inception of this coverage; or
- 4) arising out of "identity fraud" that is not discovered within one year of the end of the policy period. In the event of cancellation or termination of:
- a) this policy; or
 - b) this Identity Fraud Expense Coverage;

"we" do not pay for "expenses" arising out of "identity fraud" that is not discovered within one year from the date of the cancellation or termination.

- e. The most "we" pay for "expenses" resulting from any one occurrence of "identity fraud" is the "limit" shown in this endorsement for Identity Fraud Expense Coverage. With respect to Identity Fraud Expense Coverage, a series of acts committed by any one person or in which any one person is involved or implicated is considered one occurrence of "identity fraud".

Regardless of the number of years Identity Fraud Expense Coverage remains in force, the "limit" will not accumulate from year to year or policy period to policy period.

WHAT YOU MUST DO IN CASE OF LOSS OR CLAIM

With respect to Identity Fraud Expense Coverage, the following is added under What You Must Do In Case Of Loss Or Claim, Other Duties -- Property Coverages:

At "our" request the "insured" must show receipts, bills, and other records that prove "expenses" incurred, and permit copies to be made of them as often as "we" reasonably request.

HOW MUCH WE PAY FOR LOSS OR CLAIM

1. With respect to Identity Fraud Expense Coverage, Deductible is deleted and replaced by the following:

Deductible -- "We" pay that part of the loss over the deductible. A \$100 deductible applies to Identity Fraud Expense Coverage. This deductible applies per occurrence.

2. With respect to Identity Fraud Expense Coverage, Insurance Under More Than One Policy is deleted and replaced by the following:

Insurance Under More Than One Policy -- This insurance is excess over other valid and collectible insurance that covers "expenses" resulting from "identity fraud".

This insurance is also excess over any other form of redress or recompense available to an "insured", by contract, for his or her obligation to pay any sums to any person or other entity resulting from an occurrence of "identity fraud".

POLICY CONDITIONS

With respect to Identity Fraud Expense Coverage, the Policy Period condition does not apply.