

CRIME COVERAGE

SOCIAL ENGINEERING FRAUD COVERAGE

This endorsement changes the policy. Please read it carefully.

Certain words and phrases in bold font have special meaning as defined below or in the form to which this endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this form; these titles have only been inserted for ease of reading.

This endorsement applies to the Crime 1.0 or 2.0 Form and is subject to the terms, conditions, limitations and exclusions that are applicable to such Form.

1. INSURING AGREEMENT

The Insurer will pay the Insured for loss sustained by the Insured directly resulting from the Insured having transferred, paid or delivered **money, securities or other property**, as the direct result of **social engineering fraud** committed by a person purporting to be a **vendor**, a **client** or an **employee** who was authorized by the Insured to instruct other **employees** or the Insured (if the Insured named in the Declaration Page(s) is a natural person who is a sole proprietor) to transfer **money, securities or other property**.

2. LIMIT OF INSURANCE

The Amount of Insurance on the Declaration Page(s) is an Aggregate amount and is the most the Insurer will pay under this Endorsement during any one **policy period**.

3. DEDUCTIBLE

The Insurer will not pay for loss or damage resulting directly from an **occurrence** unless the amount of loss exceeds any deductible amount shown on the Declaration Page(s) for this Endorsement. The Insurer will then pay the amount of loss in excess of the deductible amount, up to the applicable amount of insurance.

4. ADDITIONAL EXCLUSIONS

This insurance does not apply to:

4.1. INVESTMENT

loss resulting from any investment in **securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;

4.2. MALFUNCTION

loss resulting from the failure or malfunction of any product or service;

4.3. FAILURE TO PERFORM

loss resulting from the failure of any party to perform, in whole or in part, under any contract;

4.4. CREDIT OR DEBIT CARD

loss due to any party's use of or acceptance of any credit card, debit card or similar instrument, whether or not genuine;

4.5. LOAN, CREDIT OR SIMILAR PROMISE TO PAY

loss due to the extension of any loan, credit or similar promise to pay;

4.6. TRADING

loss resulting directly or indirectly from any authorized or unauthorized trading of **money, securities or other property**, whether in the name of the Insured or otherwise, or in a genuine or fictitious account;

4.7. ACT BY EMPLOYEE OR AUTHORIZED REPRESENTATIVE

loss or damage resulting from any fraudulent, dishonest or criminal act by an **employee**, director, trustee or authorized representative of any Insured, whether acting alone or in collusion with others;

4.8. FUNDS TRANSFER FRAUD

loss of **money** or **securities** held in a **transfer account** sustained by the Insured and directly resulting from a **fraudulent instruction** directing a **financial institution** to transfer, pay or deliver such **money** or **securities** from a **transfer account**;

5. TERRITORY

This Endorsement covers acts committed or events occurring within Canada and the United States of America (including their territories and possessions).

6. ADDITIONAL DEFINITION

For the purposes of this Endorsement, the following definition is added to the Crime Form to which this endorsement is attached:

- 6.1. **VENDOR** means any entity or natural person that has provided goods or services to the Insured under a legitimate pre-existing arrangement or written agreement; provided, that **Vendor** does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company or any similar entity.

All other terms and conditions of the policy remain unchanged.