

EXCESS FIDELITY and CRIME POLICY



Policy No. xxxxxxxxxxxxxx

RLI Insurance Company
(Herein called **Company**)

DECLARATIONS

Item 1. Name of Insured (herein called Insured): xxx

xx
xx
xx
xx
xx
xx

Principal Address: xxx
xx
xx
xx

Item 2. Single Loss Limit Liability \$ xxxxxxxxxxxxxxxxxxxxx
Aggregate Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx

Item 3. Underlying Insurance

(A) Primary Policy:
Insurer xxx
Policy Number \$ xxxxxxxxxxxxxxxxxxxxx
Single Loss Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx
Aggregate Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx
Deductible \$ xxxxxxxxxxxxxxxxxxxxx

(B) Other Policies:
Insurer xxx
Policy Number \$ xxxxxxxxxxxxxxxxxxxxx
Single Loss Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx
Aggregate Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx

(C) Other Policies:
Insurer xxx
Policy Number \$ xxxxxxxxxxxxxxxxxxxxx
Single Loss Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx
Aggregate Limit of Liability \$ xxxxxxxxxxxxxxxxxxxxx

Item 4. Policy Period: from 12:01 a.m. on xxxxxxxxxx to 12:01 a.m. on xxxxxxxxxx standard time at the Principal Address as to each said dates. (MONTH, DAY, YEAR) (MONTH, DAY, YEAR)

Item 5. Endorsement(s) Effective at Inception:
xx

Item 6. The Named Insured by the acceptance of this policy gives notice to the **Company** terminating or canceling prior bond(s) or policy(ies) No.(s) 00000000000000000000000000000000, 000000000000000000, 000000000000 such termination or cancellation to be effective as of the time this policy becomes effective.

In witness whereof, the **Company** issuing this policy has caused this policy to be signed by its authorized officers, but it shall not be valid unless also signed by the duly authorized representative of the **Company**.

In consideration of payment of the premium and in reliance upon all statements made and information furnished to RLI Insurance Company (herein called the **Company**) and to the Insurers of the **Underlying Insurance**, including the statements made in the application and its attachments and any material submitted therewith, all of which are made a part hereof, and subject to the Declarations and the limitations, conditions, provisions, and other terms of this policy (including any endorsements hereto), the **Company** and the **Named Insured** agree as follows:

I. INSURING AGREEMENT

The **Company** shall provide the **Insureds** with insurance coverage during the **Policy Period** excess of the **Underlying Insurance**. Coverage under this policy shall attach only after all of the Single Loss Limit(s) of Liability or Aggregate Limit(s) of Liability, as applicable, of the **Underlying Insurance** has been exhausted by the actual payment of loss(es). Except as otherwise provided herein, coverage under this policy shall then apply in conformance with and subject to the warranties, limitations, conditions, provisions and other terms of the **Primary Policy** as in effect the first day of the **Policy Period**, together with the warrants and limitations of any other **Underlying Insurance**. In no event shall coverage under this policy be broader than coverage under any **Underlying Insurance**.

II. DEFINITIONS

When used in this policy:

- A. **Insured**, either in the singular or plural, means those organizations designated as insureds under the **Primary Policy**.
- B. **Named Insured** means the organization designated in **Item 1.** of the Declarations of this policy.
- C. **Policy Period** means the period of time specified in **Item 4.** of the Declarations of this policy, subject to prior termination in accordance with **Subsection III. H.** of this policy. If this period is less than or greater than one year, the Single Loss Limit of Liability and Aggregate Limit of Liability specified in **Item 2.** of the Declarations of this policy shall be the **Company's** maximum limit of liability under this policy for the entire period.
- D. **Primary Policy** means the policy designated in **Item 3.(A)** of the Declarations of this policy.
- E. **Underlying Insurance** means all those policy(ies) designated in **Item 3.** of the Declarations of this policy.

III. GENERAL CONDITIONS AND LIMITATIONS

A. Maintenance of **Underlying Insurance**

The Single Loss Limit(s) of Liability of the **Underlying Insurance** scheduled in **Item 3.** of the Declarations of this policy shall be maintained during the **Policy Period** in full effect with solvent insurers except for any reduction or exhaustion of the Aggregate Limit(s) of Liability available under the **Underlying Insurance** solely by reason of actual payment of loss(es) thereunder.

In the event of a change to any **Underlying Insurance** by rewrite, endorsement or otherwise, coverage under this policy shall become subject to such change only if and to the extent the **Company's** consent to such change is endorsed in writing to this policy. If such consent is not endorsed in writing on this policy, the **Company** shall not be liable to a greater extent than it would have been in the absence of such change to the **Underlying Insurance**.

B. Reduction/Exhaustion of **Underlying Limit(s)**

In the event and only in the event of the reduction or exhaustion of the Aggregate Limit(s) of Liability of the **Underlying Insurance** solely as the result of actual payment of loss covered thereunder, this policy shall (i) in the event of reduction, pay excess of the reduced Aggregate Limit(s) of Liability of the **Underlying Insurance** and (ii) in the event of exhaustion, continue in force as primary insurance excess of the deductible applicable in the **Primary Policy**, which deductible shall be applied to any subsequent loss as specified in the **Primary Policy**.

Notwithstanding any of the terms of this policy which might be constructed otherwise, this policy shall not drop down for any reason including, but not limited to, uncollectibility (in whole or in part) of any **Underlying Insurance**. The risk of uncollectibility of such **Underlying Insurance** (in whole or in part), whether because of financial impairment or insolvency of the underlying insurer or for any other reason, is expressly retained by the **Insureds** and is not in any way or under any circumstances Insured or assumed by the **Company**.

In the event the insurer of any **Underlying Insurance** fails to pay loss in connection with any claim covered thereunder as a result of the insolvency, bankruptcy or liquidation of said insurer, then the **Insured** shall be deemed self-insured for the amount of the Limit(s) of Liability of said insurer which is not paid as a result of such insolvency, bankruptcy or liquidation.

C. Limit of Liability

The amount set forth in **Item 2.** of the Declarations is the maximum liability of the **Company** for any one loss and in the aggregate under this policy with respect to all loss covered by the **Underlying Insurance** in effect during this **Policy Period**. Upon exhaustion of the Aggregate Limit of Liability by payment, the **Company** shall have no further liability for loss regardless of when discovered and whether or not previously reported to the **Company**.

D. Investigation

The **Company** may, in its sole discretion, elect to participate in the investigation of any matter covered by this policy even if the **Underlying Insurance** has not been exhausted and the **Insureds** shall give the **Company** such information and cooperation as it may reasonably require.

E. Subrogation

In that this policy is "Excess Coverage," the **Insureds'** right of recovery against any person or entity may not be exclusively subrogated to the **Company**. Therefore, in the event of any payment under this policy, the **Company** will act in concert with all other interests (including the **Insureds'**) concerned in the exercise of such rights of recovery. The apportioning of amounts which may be so recovered shall follow the principle that any interests (including the **Insureds'**) that shall have paid an amount over and above any payment hereunder, shall first be reimbursed up to the amount paid by them; the **Company** is then to be reimbursed out of any balance then remaining up to the amount paid hereunder; lastly the interests (including the **Insureds'**) of which this coverage is in excess are entitled to claim the residue, if any. Expenses necessary to the recovery of any such amounts shall be apportioned between the interests (including the **Insureds'**) concerned, in the ratio of their respective recoveries as finally settled.

F. Notice and Proof of Loss

The **Insureds** shall, as a condition precedent to exercising their rights under this policy, give to the **Company** written notice of loss or of an occurrence which may become a loss and proof of loss in the same manner required by terms and conditions of the **Primary Policy**. The **Company** shall be given notice in writing as soon as practicable in the event of **(a)** the termination of any **Underlying Insurance**, **(b)** any additional or return premiums charged or allowed in connection with any **Underlying Insurance**, or **(c)** any change to the **Underlying Insurance** by rewrite, endorsement or otherwise. Written notice to the **Company** shall be given to RLI Insurance Company, Peoria, IL.

G. Ateration

No change in, modification of, or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is signed by an authorized representative of the **Company**.

H. Policy Termination

This policy shall terminate at the earliest of the following times:

1. the effective date of termination specified in written prior notice by the **Named Insured** to the **Company**,
2. sixty (60) days after receipt by the **Named Insured** of a written notice of termination from the **Company**,
3. upon expiration of the **Policy Period** as set forth in **Item 4.** of the Declarations,
4. ten (10) days after receipt by the **Named Insured** of a written notice of termination from the **Company** for failure to pay a premium when due,
5. upon the appointment of a trustee, receiver, or liquidator of any Insured or the taking over of any **Insured** by State or Federal officials,
6. upon the exhaustion of the Aggregate Limit of Liability,
7. at such time as may be agreed upon the **Company** and the **Named Insured**.

The **Company** shall refund the unearned premium computed at customary short rates if the policy is terminated by the **Named Insured** pursuant to **1.** above. Under any circumstances other than expiration of the **Policy Period** or exhaustion of the Aggregate Limit of Liability, the refund shall be computed pro rata.