

# IDENTITY FRAUD INSURANCE

## TERMS AND CONDITIONS

Identity Fraud Financial Reimbursement is underwritten by American Bankers Insurance Company of Florida in all states except MN. In MN, Identity Fraud Financial Reimbursement is underwritten by American Security Insurance Company. American Bankers Insurance Company of Florida and American Security Insurance Company are Assurant Specialty Property companies. This benefit is underwritten pursuant to an identity fraud blanket and/or group policy issued to CSIdentity Corporation, a Delaware Corporation, for benefit of its members.

Various provisions in these Terms and Conditions restrict coverage. Read the Terms and Conditions carefully to determine rights, duties and what is and is not covered.

### I. LIMITS OF INSURANCE

<u>Coverage</u>	<u>Aggregate Limit of Liability</u>
Identity Fraud – Expense Reimbursement	\$1,000,000 per Association Member per 12 Month Period

### II. DEFINITIONS

**Access Device** means a card (including credit, debit and ATM cards), code, PIN, password, personal check or other similar means of access to the **association member's** account at a financial institution that may be used by the **association member** to gain access to said account for the purpose of withdrawing or transferring funds, making purchases, or making long distance or cellular/digital (wireless) telephone calls.

**Association** or **Policyholder** means CSIdentity Corporation, a Delaware Corporation.

**Association member** means a member, customer, cardholder, borrower, or employee of the **Policyholder** who is in good standing with the **Policyholder**:

- a. for which the membership fee/ product fee has been paid; and
- b. whose name is shown on the enrollment/registration or membership.

**Data Breach** means the misuse of the **association member's** information as a result of a data compromise of information from a financial institution, a credit reporting agency, a credit grantor or a securities firm that results in monies stolen from the **association member's** accounts or misuse of data to obtain credit or monies using the **association member's** information.

**Date of Discovery** occurs when the **association member** first becomes aware of facts which would cause a reasonable person to assume that a **loss** covered by this insurance has been or will be incurred, even though the exact amount or details of **loss** may not then be known. Discovery also occurs when the **association member** receives notice of an actual or potential claim against the **association member** involving **loss** covered under this insurance.

**Direct Loss** means a **loss** which occurs directly and immediately when a covered cause of **loss** affects covered property.

**Effective Date** refers to the date that the **association member** is enrolled in the membership program that includes this Identity Fraud coverage.

**Expenses** mean:

1. Costs incurred by the **association member** for re-filing applications for loans, grants, or other credit that are rejected solely because the lender received from any source incorrect information as a result of the **identity fraud**;
2. Costs for notarizing affidavits or other similar documents, long distance telephone calls, travel and postage reasonably incurred as a result of the **association member's** efforts to report an **identity fraud** or amend or rectify records as to the **association member's** true name or identity as a result of an **identity fraud**;
3. Costs for contesting the accuracy or completeness of any information contained in a credit report following an **identity fraud**;
4. Payment for reasonable **expenses** incurred that were a result of recovery from an **identity fraud** such as; credit freeze, credit thaw costs, transcript costs, appeal bond, court filing fees, expert witness or courier fees;

5. Actual lost base wages that would have been earned, for time reasonably and necessarily taken off work solely as a result of efforts to amend or rectify records as to the **association member's** identity as a result of an **identity fraud**. Actual lost wages includes remuneration for vacation days, discretionary days, floating holidays, and paid personal days but not for sick days or any cost arising from time taken from self-employment. Coverage is limited to base wages within 12 months after discovery of an **identity fraud**.
6. Child or elderly care costs that would have otherwise not been incurred, resulting from time reasonably and necessarily taken away from providing such care as a result of efforts to amend or rectify records as to the **association member's** identity as a result of an **identity fraud**.

**Family member** means the spouse, parent, siblings, children, relations by marriage and/or any other member of, or persons residing in the **association member's** household.

**Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature, which consists in whole or in part of one's own name signed, in any capacity, for any purpose.

**Fraud or embezzlement** means:

1. An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by the **association member**, but which was in fact fraudulently transmitted by someone else without the **association member's** knowledge or consent; or
2. A written instruction issued by the **association member**, which was altered by someone other than the **association member**, or purported to be issued by the **association member** but was forged or fraudulently issued without the **association member's** knowledge or consent; or
3. An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by the **association member** which purports to have been transmitted by an employee but which was in fact fraudulently transmitted by someone else without the **association member's** or the employee's knowledge or consent.

**Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of the **association member** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal, State or local law.

**Loss** means the **expenses** and **legal costs** incurred by the **association member** as the direct result of a covered transaction.

**Legal Costs** means the costs, up to a maximum of \$75 per hour, for reasonable fees for an attorney selected by the **association member** and related court fees, incurred by the **association member** with **our** consent, for:

1. Defense of any legal action brought against the **association member** by a merchant, creditor or collection agency or entity acting on their behalf for non-payment of goods or services or default on a loan as a result of the **identity fraud**;
2. Defense of or the removal of any criminal or civil judgments wrongly entered against the **association member** as a result of **identity fraud**; and
3. Challenging the accuracy or completeness of any information in a consumer credit report.

**Occurrence** means an incident of an actual or attempted fraudulent, dishonest or criminal act or series of related acts, whether committed by one or more persons.

**Occurrence date** means the earliest possible **date of discovery**.

**Proof of Loss** means receipts for reasonable out of pocket **expenses**.

**Stolen Identity Event** means the theft, unauthorized, or illegal use of the **association member's** name, social security number, or other method of identifying the **association member**.

**We, Us,** and **Our** means the company providing this insurance which is, American Bankers Insurance Company of Florida in all states except MN. In MN, **we, us** and **our** refers to American Security Insurance Company.

### III. COVERAGE

We will reimburse the **association member** for **expenses** and **legal costs** incurred by the **association member**, up to the Aggregate Limit of Liability shown on the Limits of Insurance section of these Terms and Conditions, as the direct result of the following:

**A. Fraud or Embezzlement**

For **loss** arising out of **fraud** or **embezzlement** perpetrated against the **association member**, during the term of the membership.

**B. Theft**

For **loss** resulting directly from **theft** of property related to the **association member's** information, checkbook, savings record, ATM access or securities from the **association member**, during the term of the membership, by a person from whom the **association member** purchased goods or services.

**C. Forgery**

For **loss** resulting directly from **forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay money that are:

1. Made or drawn by or drawn upon the **association member's** account; or
2. Made or drawn by one purporting to act as the **association member's** agent.

**D. Data Breach**

For **loss** resulting directly from the misuse of **association member's** information as a result of a data compromise of information from a financial institution, a credit reporting agency, a credit grantor or a securities firm that results in monies stolen from the **association member's** accounts or misuse of data to obtain property, credit or monies using the **association member's** information.

**E. Stolen Identity Event**

For **loss** resulting from a **stolen identity event** occurring on or arising out of the use of the Internet. The **occurrence** must be during the term of the membership.

**IV. EXCLUSIONS**

Identity Fraud Insurance does not cover:

- a. **loss** due to any fraudulent, dishonest or criminal act by the **association member** or any person acting in concert with the **association member**, or immediate **family member**, whether acting alone or in collusion with others;
- b. **loss** resulting directly or indirectly from any errors or omissions occurring in the following actions:
  1. the input of data to any computer system; or
  2. the processing of data by any computer system; or
  3. the manual or electronic processing of any output produced by any computer system;
- c. **loss** resulting directly or indirectly from the voluntary surrendering by the **association member** of any **access device**, in whole or in part, to any person or entity;
- d. **loss** resulting from any unintentional clerical error in the transfer from or debit of any account of the **association member** which is initiated by a financial institution, or any employee(s) thereof. However, this exclusion shall not apply to a fraudulent act of an employee(s) of a financial institution where said employee(s) is acting without the permission or instruction of their employer;
- e. **loss** in connection with any pre-authorized transfer from any account to or for the benefit of a financial institution, or to any other account of the **association member**;
- f. indirect or consequential **loss** of any nature;
- g. **loss** of potential income not realized by the **association member**;
- h. **loss** other than **expenses**;
- i. **loss** resulting from an **identity fraud** that was discovered prior to **association member's effective date**, or the effective date of the Identity Fraud Blanket or Group Policy under which this coverage is provided;
- j. **loss** arising out of business pursuits of the **association member**;

- k. **loss** of valuable papers, valuable documents, jewelry, silverware and other personal property including the philatelic value of stamps and the numismatic value of coins not in circulation;
- l. property damage, bodily injury or personal injury;
- m. **losses** incurred from financial performance of any investment of financial product;
- n. **loss** from games of chance;
- o. to recovery of actual financial **losses** of any kind from acts of fraud or identity theft;
- p. any **loss**, claims or damages that are not covered under the terms and provisions of these Terms and Conditions;
- r. for legal fees in excess of \$75 per hour;
- s. any **loss** which occurred while the **association member** was not an active and paid **association member** of the **association**.

## V. CONDITIONS

1. **Limits of Insurance** - **Our** maximum limit of liability for **loss** under these Terms and Conditions shall not exceed the applicable limit stated on the Limits of Insurance section of these Terms and Conditions.

All **loss** incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts, whether committed by one or more persons, shall be deemed to arise out of one **occurrence**.

**Our** total aggregate limit of liability shown on the Limits of Insurance section of these Terms and Conditions will be the maximum amount **we** will pay for all covered **losses** per **association member** regardless of the number of **losses** that occur for any one **association member** per twelve (12) month period.

2. **Loss Payment**

**We** will pay any covered **loss** within thirty (30) days after:

- a. **We** reach agreement with the **association member**; or
- b. The entry of final judgment.

3. **Notice of Claim** must be given to **us** by the **association member**:

- a. in writing; and
- b. within a reasonable time period after the **date of discovery**.

4. **Settlement of Claims**

**We** will pay all covered claims within ninety (90) days from the date **we** receive acceptable proof of loss at **our** office.

5. **Duties When Loss Occurs** - Upon knowledge or discovery of **loss** or of an **occurrence** which may give rise to a claim under the terms of these Terms and Conditions, the **association member** is responsible for the following requirements:

- a. Give notice as soon as practicable to:
  1. the appropriate authority and affected institutions, if applicable; and
  2. call 888-883-1852 to make a valid claim within sixty (60) days of the covered **loss**, or as soon as reasonably possible. If the claim is reported after sixty (60) days of the **loss**, the **association member's** claim may be denied.

If the **loss** involves a violation of law, the **association member** shall also notify the police. The **association member** must submit a copy of the police report when filing a claim;

- b. File detailed proof of loss, duly sworn to, with **us** within sixty (60) days after the discovery of **loss**;
- c. Upon **our** request, submit to examination by **us**, and subscribe the same, under oath if required;
- d. Upon **our** request, cooperate to help **us** enforce legal rights against anyone who may be liable to the **association member** to include giving evidence and attending depositions, hearing and trials;

- e. Produce for **our** examination all pertinent records;
- f. Cooperate with **us** in all matters pertaining to **loss** or claims;

all at such reasonable times and places as **we** shall designate.

The **association member** shall not voluntarily assume or admit any liability, nor, except at said **association member's** own cost, voluntarily make any payment or incur any expense without **our** prior written consent, such consent not to be unreasonably withheld.

The **association member** shall keep books, receipts, bills and other records in such manner that **we** can accurately determine the amount of any **loss**. At any time subsequent to the reporting of the **loss** to **us**, **we** may examine and audit the **association member's** books and records as they relate to a **loss** under this coverage.

- 6. **Transfer of Rights of Recovery Against Others to Us** - If any person or organization to or for whom **we** make payment under this insurance has rights to recover damages from another, those rights are transferred to **us**. That person or organization must do everything necessary to secure **our** rights and must do nothing to impair them.
- 7. **Other Insurance** - This insurance is excess in the event coverage is provided under any other policy/certificate.
- 8. **Action Against Us** – No action may be brought against **us** unless there has been full compliance with all of the terms and conditions of these Terms and Conditions and suit is filed within twenty-four (24) months from the date of occurrence. No one will have the right to join **us** as a party to any against the **policyholder** or **association member**.

Identity Fraud Expense Reimbursement is provided under a Blanket Policy issued to CSIdentity Corporation, a Delaware Corporation, in all states except NY, MN and TX. In NY, MN and TX Identity Fraud Expense Reimbursement is provided under Group Policies issued to CSIdentity Corporation, a Delaware Corporation.

To obtain a complete copy of the Identity Fraud Expense Reimbursement policies issued to CSIdentity Corporation, a Delaware Corporation, contact Assurant Specialty Property at 1 (866) 237-5240.