



IMPORTANT NOTICE REGARDING COMPENSATION DISCLOSURE

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

ISSUED TO: CALIFORNIA MUTUAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**CANCELLATION/NONRENEWAL - CALIFORNIA
FULL CANCELLATION - INSURER**

It is agreed that:

1. The policy provisions regarding cancellation by the Company are deleted and replaced with the following:

A. CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR LESS

- (a) If this Policy has been in effect for 60 days or less and is not a renewal of a policy we issued, we may cancel this Policy for any reason by mailing to the entity named in Item 1 of the Declarations with a copy to the agent or broker of record written notice of cancellation at least 10 days before the effective date of cancellation.

B. CANCELLATION OF POLICIES IN EFFECT FOR MORE THAN 60 DAYS

If this Policy has been in effect for more than 60 days, or is a renewal of a Policy we issued, we may cancel only for one or more of the following reasons:

- (a) Nonpayment of premium;
- (b) Administrative tribunal or court judgment that insured has violated state law which materially increases risk(s) insured;
- (c) Fraud or material misrepresentation by the named insured;
- (d) Willful or grossly negligent acts or omissions or violation of state safety standards which materially increase the risk(s) insured;
- (e) Failure to implement agreed upon loss control measures;
- (f) Determination by commissioner that:
- (1) loss of or change(s) in reinsurance covering risk would threaten insurer's solvency; or
- (2) continuation of policy would place insurer in violation of law or threaten insurer's solvency;
- (g) Change in insured's activities or property of the commercial or industrial enterprise which materially increases risk(s);
- (h) In addition to the above reasons, umbrella and excess policies may also be canceled for any of the following reasons:
- (1) material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies;
- (2) cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse; or
- (3) a reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.

We will mail written notice of cancellation under this item B., to the entity named in Item 1 of the Declarations with a copy to the agent or broker of record at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or fraud; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason described in B.(b) through (h) above.

2. The following is added and supersedes any other provision to the contrary:

NONRENEWAL

- A. If we decide not to renew this Policy, we will mail written notice of nonrenewal to the entity named in Item 1 of the Declarations with a copy to the agent or broker of record at least 60 days but not more than 120 days before its expiration date, or its anniversary date if it is a Policy written for a term of more than one year or with no fixed expiration date.

- B. Nonrenewal notice is not required if:
- a) transfer or renewal of a policy without changes between insurers of the same group;
 - b) extensions of 90 days or less;
 - c) the insured has obtained or agreed to obtain replacement coverage within 60 days of termination;
 - d) for 60 day policies where notice of renewal is given at the time the policy was issued;
 - e) the insured requests a change in terms, conditions or risk covered by the policy within 60 days prior to the end of the policy period; or
 - f) the insured has made a written offer 60 days prior to the end of the policy term to renew under different terms.
3. Any notice of cancellation or nonrenewal will be sent by certified mail to the entity named in Item 1 of the Declarations with a copy to the agent or broker of record at the last mailing address known to us.
4. Mailing time must be added to the notice period as follows:
- a. add 5 days when mailing to an addressee in California;
 - b. add 10 days for an addressee outside of California; or
 - c. add 20 days for an addressee outside the United States.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above mentioned policy, except as expressly stated herein. This endorsement is effective at the inception date stated in the Declarations and this endorsement is part of such policy and incorporated therein.

SERVICE OF LAWSUIT ENDORSEMENT

This endorsement changes the following:

It is agreed that in the event of the failure of the Travelers Excess and Surplus Lines Company (the Insurer) to pay any amount claimed to be due hereunder, the Insurer shall honor the decision of the court that is authorized to hear the case; provided that the Insurer has the right to appeal that decision. It is further agreed that service of process for any lawsuit brought against the Insurer may be made upon the Insurer by serving its Corporate Secretary, or the Corporate Secretary's designee, at One Tower Square, Hartford, CT 06183 and such person shall be authorized to receive the papers on behalf of the Insurer. However, the Insured may also serve or send papers involving such lawsuit to the Commissioner, Director or Superintendent of Insurance for the state in which the lawsuit is being filed. The Insurer designates that appropriate officer, or that person's successor, to mail a copy of the paper to the Insurer.

California Clause:

For the State of California, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

CSC-Lawyers Incorporating Service
2730 Gateway Oaks Drive, Suite 100
Sacramento, California 95833

Rhode Island Clause:

For the State of Rhode Island, it is agreed that service of process in a lawsuit against the Insurer may be made upon:

Corporation Service Company
222 Jefferson Blvd., Suite 200
Warwick, Rhode Island 02888

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: Travelers Excess and Surplus Lines Company
Policy Number: 105610074

NOTICE

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE "SURPLUS LINE" INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE WWW.INSURANCE.CA.GOV.
5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER, YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER, OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER:
1-800-927-4357.
6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE THE PREMIUM WILL BE PRORATED AND ANY BROKER FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.



**IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY
DECLARATIONS**

THIS POLICY REPLACES AND SUPERSEDES POLICY NO. 104769914 EXECUTED ON JUNE 27, 2006

**Travelers Excess and Surplus Lines Company
Hartford, Connecticut**

POLICY NUMBER:

105610074

POLICY PERIOD:

Inception Date: **June 27, 2011** Expiration Date: **June 27, 2012**
12:01 A.M. standard time both dates at the Principal Address stated in ITEM 1.

MASTER POLICY HOLDER:

**California Mutual Insurance Company
650 San Benito, Suite 250
Hollister, CA 95023**

FILING A CLAIM

Travelers Bond & Financial Products
Attn: Claim Department
Phone: 1-800-842-8496
Email: Bondclaimidfraud@travelers.com

PREMIUM:	Surplus Lines Tax:	Stamping Fee:	Total Premium:
\$2,271	\$68.13	\$5.68	\$2,344.81

INSURANCE AFFORDED is only with respect to the following coverage(s), subject to all terms of this Policy having reference thereto.

(1) Identity Fraud Expense Reimbursement Coverage:

Limit of Insurance: \$20,000

Deductible: \$250

ENDORSEMENTS:

- ID-1012 (03-04)
- ID-1013 (05-10)
- ILT-5008 (05-02)
- ILT-1069 (07-08)
- ILT-1037 (01-09)
- 73044 (01-08)

Countersigned by (if required)

Bernadette Gousolres
Authorized Company Representative

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its authorized officers.

Thomas M. Hunkel
Executive Vice President

Wendy C. Shy
Corporate Secretary

THIS POLICY REPLACES AND SUPERSEDES POLICY NO. 104769914 EXECUTED ON JUNE 27, 2006

CONSIDERATION CLAUSE

In consideration of the payment of the premium for this Policy and subject to the Insuring Agreements, Conditions, and other terms of this Policy, the Company agrees with the **Master Policy Holder**:

INSURING AGREEMENT

(1) IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

To reimburse an **Insured Person** for **Expenses** incurred by the **Insured Person** as the direct result of any one **Identity Fraud Discovered** during the policy period.

Only an **Insured Person** will be entitled to coverage under this Insuring Agreement **(1) Identity Fraud Expense Reimbursement Coverage**.

CONDITIONS

1. Definitions

- (a) **Discovers, Discovered, or Discovery** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Master Policy** has been or will be incurred, even though the exact details of loss may not then be known.
- (b) **Expenses** means
 - (i) costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, healthcare providers, merchants or other credit grantors that have required that such affidavits be notarized.
 - (ii) costs for certified mail to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors.
 - (iii) lost wages or salaried earnings, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, during absence from employment:
 - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors;
 - b. to complete fraud affidavits or similar documents; or
 - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal.
 - (iv) loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - (v) costs for long distance telephone calls, cellular telephone calls and facsimiles, to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors to report or discuss any actual **Identity Fraud**.
 - (vi) reasonable attorney fees incurred, with the Company's prior written consent, for:

- a. defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
 - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**;
 - c. challenging the accuracy or completeness of any information in a consumer credit report;
 - d. pursuing the release of medical records solely for the purpose of investigating medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
 - e. contesting wrongfully incurred tax liability; or
 - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
- (vii) costs for daycare and eldercare incurred solely as a direct result of any one Identity Fraud **Discovered** during the policy period.
- (viii) reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:
- a. participate in the defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
 - b. challenge the accuracy or completeness of any information in a consumer credit report;
 - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
 - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
- (ix) fees for the re-application and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and social security cards, compromised as a result of **Identity Fraud**; and
- (x) fees charged for copies of medical records, including x-rays, obtained solely for the purpose of investigating medical-related **Identity Fraud**.
- (c) **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured Person** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
- (d) **Insured Person** means any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy.
- (e) **Master Policy Holder** means the entity named in the Declarations as the **Master Policy Holder**.
- (f) **Membership Program** means a membership program or affinity group sponsored by the **Master Policy Holder** and that is specifically named within an endorsement attached to this Policy.
- (g) **Policy Period** means the period stated in the Declarations.

2. Exclusions

This Policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by an **Insured Person** or any person acting in concert with an **Insured Person**, or by any authorized representative of an **Insured Person**, whether acting alone or in collusion with others;
- (b) to loss other than **Expenses**;

- (c) to an **Identity Fraud** that was **Discovered**, or **Expenses** incurred, when an individual was not an **Insured Person**.
 - (d) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing; or
 - (e) to loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.
3. **Policy Period – Discovery** – This Policy applies only to **Identity Fraud**, occurring anywhere in the world, which is **Discovered** during the **Policy Period** and is reported to the Company during the **Policy Period** or within 30 days following the termination of either
- (a) this Policy; or
 - (b) membership of the **Insured Person** in a **Membership Program**.

4. **Limits of Insurance** - Under Insuring Agreement (1), the limit of the Company's liability per **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations. Under this Policy, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise out of one occurrence and shall be treated as one loss. However, solely with respect to Insuring Agreement (1), should one such act cause a covered loss to more than one **Insured Person**, the available Limit of Insurance under this Policy and the deductible amount shall apply to each **Insured Person** separately.

Regardless of the number of **Membership Programs** that an **Insured Person** is a member of, the Company's liability to such **Insured Person** for loss covered under this Policy shall not exceed the applicable Limit of Insurance shown in the Declarations.

5. **Deductible** - The Company shall be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in the Declarations. This Deductible Amount applies to each and every loss and shall have no aggregate limitation.
6. **Recoveries** - Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Policy will be distributed as follows:
- (a) first, to the **Insured Person**, until the **Insured Person** is reimbursed for any loss that was sustained by the **Insured Person** that exceeds the Limit of Insurance and the Deductible Amount, if any;
 - (b) then to the Company, until the Company is reimbursed for the settlement made; and
 - (c) then to the **Insured Person** until the **Insured Person** is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

7. **Ownership Interests Covered** - This Policy shall be for the sole use and benefit of the **Insured Persons** and the **Master Policy Holder**. It provides no rights or benefits to any other person, entity, or organization.
8. **Insured Person's 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 this Policy, the **Insured Person** shall give notice thereof as soon as practicable to the Company, and file detailed proof of loss, duly sworn to, with the Company within six months after the **Discovery** of loss and provide any subsequently obtained supplemental information within twelve months after the **Discovery** of such loss. If the loss involves a violation of law, the **Insured Person** shall also notify the police.

Upon the Company's request, the **Insured Person** shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of this Policy are conditions precedent to recovery under this Policy.

The **Insured Person** shall keep books, receipts, bills and other records in such manner that the Company can accurately determine therefrom the amount of any loss. At any time subsequent to the reporting thereof to the

Company, the Company may examine and audit the **Insured Person's** books and records as they relate to a loss under this Policy.

9. **Other Insurance** - If there is any other valid and collectible insurance which would apply in the absence of this Policy, the insurance under this Policy shall apply only as excess insurance over such other insurance.
10. **Action Against Company** - No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Policy, nor until 90 days after the required proof of loss has been filed with the Company, nor at all unless commenced within two years from the date when the **Insured Person** first **Discovers** the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.
11. **Subrogation** - In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured Person's** rights of recovery therefor against any person or organization, and the **Insured Person** shall execute and deliver instruments and papers and shall take whatever other actions are necessary to secure such rights for the Company. The **Insured Person** shall not take any action after the **Discovery** of any loss that would prejudice such rights.
12. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or stop 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 by the Company and made to form a part of this Policy.
13. **Cancellation:**
 - (a) The **Master Policy Holder** may cancel this Policy by mailing or delivering to the Company advance written notice of cancellation.
 - (b) The Company may cancel this Policy by mailing or delivering to the **Master Policy Holder** written notice of cancellation at least:
 - (i) ten (10) days before the effective date of cancellation if the Company cancels for nonpayment of premium; or
 - (ii) thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
 - (c) The Company will deliver notice to the **Master Policy Holder's** last mailing address known to it.
 - (d) Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
 - (e) If this Policy is canceled by the Company, the Company will send the **Master Policy Holder** any premium refund due and the refund will be pro rata. If the **Master Policy Holder** cancels, the refund may be less than pro rata. The cancellation will be effective even if the Company has not made or offered a refund.
 - (f) If notice is mailed, proof of mailing will be sufficient proof of notice.
14. **Assignment** - Assignment of interest under this Policy shall not bind the Company until its consent is endorsed herein.
15. **Concealment or Misrepresentation** - This Policy is void as to any **Insured Person** if, at any time, said **Insured Person** intentionally conceals or misrepresents a material fact concerning either this insurance or a claim under this insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF MEMBERSHIP PROGRAMS

This endorsement changes the following:

Identity Fraud Expense Coverage Master Policy

It is agreed that:

"Membership Program" as used in the attached Policy shall solely mean the programs listed in the schedule below:

SCHEDULE

<u>Name of Membership Program (1)</u>	<u>Number of Insureds (2)</u>	<u>Added to Coverage Effective</u>	<u>Limit of Insurance</u>	<u>Deductible Amount</u>
Homeowner Policyholders	1,024	06/27/11	\$20,000	\$250

- (1) The Master Policy Holder will use its best efforts to notify the Company within 60 days of the change in Name of the Membership Program.
- (2) At Policy Inception – 06/27/11

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

Issuing Company: **Travelers Excess and Surplus Lines Company**
Policy Number: **105610074**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FAMILY COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY

It is agreed that:

CONDITIONS, 1. Definitions, (d) *Insured Person* is replaced with:

- (d) ***Insured Person*** means:
- (i) any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by this Policy; and
 - (ii) any spouse, person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, child under 25 years of age or parent of such natural person, residing in the same household.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, exclusions or limitations of the above-mentioned policy, except as expressly stated herein. This endorsement is part of such policy and incorporated therein.

This endorsement is effective at the Policy Period inception date stated in the Declarations or effective at 12:01 A.M. on **June 27, 2011**, if indicated herein. Complete the following only when this endorsement is not prepared with the policy or is to be effective on a date other than the Inception Date of the policy.

Accepted by:

On behalf of the entity named in
ITEM 1 of the Declarations.

Bernadette Gonzalez
Authorized Company Representative



**IDENTITY FRAUD EXPENSE REIMBURSEMENT MASTER POLICY
CERTIFICATE OF INSURANCE**

This Certificate of Insurance is a coverage description intended to provide important information about the protection available to an **Insured Person** under the Identity Fraud Expense Reimbursement Master Policy (the "Master Policy"). Keep this coverage description for your records. This coverage description is not an insurance policy and does not amend, extend or alter the coverage afforded by the Master Policy described herein. Terms shown in **bold** in this coverage description are defined in the Master Policy. The insurance afforded by the Master Policy as described herein is subject to all the terms, exclusions and conditions of such Master Policy. The **Policy Period** is specified in the Master Policy.

The Master Policy has been issued to California Mutual Insurance Company

(the "**Master Policy Holder**")

Policy Number: 105610074

underwritten by: Travelers Casualty and Surety Company of America
Hartford, CT 06183 ("Travelers")

to provide insurance to an **Insured Person** for as described in this Certificate

Limit of Insurance

\$20,000

Deductible

\$250

Filing a Claim

To file a claim under the Master Policy, please contact:

Travelers Bond & Financial Products Claim Department at 1-800-842-8496
Email: Bondclaimidfraud@travelers.com

General Information

Below is a general description of certain provisions found in the Master Policy. The description does not include all provisions of the Master Policy, and does not amend any provision in the Master Policy. If you wish to view a complete copy of the Master Policy or have questions regarding the **Membership Program** provided by the **Master Policy Holder**, please call for general information at 1-800-842-8496.

INSURING AGREEMENT

(1) IDENTITY FRAUD EXPENSE REIMBURSEMENT COVERAGE

To reimburse an **Insured Person** for **Expenses** incurred by the **Insured Person** as the direct result of any one **Identity Fraud Discovered** during the **Policy Period**.

Only an **Insured Person** will be entitled to coverage under this Insuring Agreement **(1) Identity Fraud Expense Reimbursement Coverage**.

CONDITIONS

1. Definitions:

- (a) **Discovers, Discovered, or Discovery** means the moment when the **Insured Person** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this **Identity Fraud Expense Reimbursement Master Policy** has been or will be incurred, even though the exact details of loss may not then be known.
- (b) **Expenses** means
- (i) costs for notarizing fraud affidavits or similar documents for credit agencies, financial institutions, healthcare providers, merchants or other credit grantors that have required that such affidavits be notarized.
 - (ii) costs for certified mail to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors.
 - (iii) lost wages or salaried earnings, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, during absence from employment:
 - a. to communicate with law enforcement agencies, legal counsel, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors;
 - b. to complete fraud affidavits or similar documents; or
 - c. due to wrongful incarceration arising solely from someone having committed a crime in the **Insured Person's** name; provided, that lost wages will not apply in the case of wrongful incarceration absent all charges being dismissed or an acquittal.
 - (iv) loan application fees for re-applying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - (v) costs for long distance telephone calls, cellular telephone calls and facsimiles, to law enforcement agencies, credit agencies, financial institutions, healthcare providers, merchants or other credit grantors to report or discuss any actual **Identity Fraud**.
 - (vi) reasonable attorney fees incurred, with the Company's prior written consent, for:
 - a. defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
 - b. the removal of any criminal or civil judgments wrongly entered against the **Insured Person**;
 - c. challenging the accuracy or completeness of any information in a consumer credit report;
 - d. pursuing the release of medical records solely for the purpose of investigating medical-related **Identity Fraud**, upon the exhaustion of the healthcare provider's medical record and personal information request and appeal process;
 - e. contesting wrongfully incurred tax liability; or
 - f. contesting the wrongful transfer of ownership of an **Insured Person's** tangible property;
 - (vii) costs for daycare and eldercare incurred solely as a direct result of any one **Identity Fraud Discovered** during the policy period.
 - (viii) reasonable costs for travel and accommodations incurred by the **Insured Person**, up to a maximum payment of \$1,000 per week for a maximum period of five weeks, to:

- a. participate in the defense of lawsuits brought against the **Insured Person** by financial institutions, healthcare providers, merchants, other credit grantors or their collection agencies;
 - b. challenge the accuracy or completeness of any information in a consumer credit report;
 - c. participate in the criminal prosecution of the perpetrators of the **Identity Fraud**; or
 - d. file in person loss affidavits and civil or criminal complaints with local law enforcement in the jurisdiction in which the **Identity Fraud** occurred, as required by local law;
- (ix) fees for the re-application and re-issuance of government issued personal identification documentation, including passports, commercial and non-commercial drivers licenses, state and federal personal identification cards, and social security cards, compromised as a result of **Identity Fraud**; and
- (x) fees charged for copies of medical records, including x-rays, obtained solely for the purpose of investigating medical-related **Identity Fraud**.
- (c) **Identity Fraud** means the act of knowingly transferring or using, without lawful authority, a means of identification of an **Insured Person** with the intent to commit, or to aid or abet, any unlawful activity that constitutes a violation of Federal law or a felony under any applicable state or local law.
- (d) **Insured Person** means:
- (i) any natural person who is currently subscribed to a **Membership Program** that has been specifically expanded by the **Master Policy Holder** to include the protection afforded by the Master Policy; and
 - (ii) any spouse, person qualifying as a domestic partner under the provisions of any applicable federal, state or local law, child under 25 years of age or parent of such natural person residing in the same household.
- (e) **Membership Program** means a membership program sponsored by the **Master Policy Holder** and that is specifically named within an endorsement attached to the Master Policy.

2. Exclusions

The Master Policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by an **Insured Person** or any person acting in concert with an **Insured Person**, or by any authorized representative of an **Insured Person**, whether acting alone or in collusion with others;
- (b) to loss other than **Expenses**;
- (c) to an **Identity Fraud** that was **Discovered**, or **Expenses** incurred, when an individual was not an **Insured Person**.
- (d) to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or due to any act or condition incident to any of the foregoing; or
- (e) to loss due to war, whether or not declared, civil war, insurrection, rebellion, revolution, or to any act or condition incident to any of the foregoing.

3. **Other Conditions:**

- A. Policy Period - Discovery** – The Master Policy applies only to **Identity Fraud**, occurring anywhere in the world, which is **Discovered** during the **Policy Period** and is reported to the Company during the **Policy Period** or within 30 days following the termination of either
- (a) the Master Policy; or
 - (b) membership of the **Insured Person** in a **Membership Program**.

- B. Limits of Insurance** - Under Insuring Agreement (1), the limit of the Company's liability per **Insured Person** for loss covered under the Master Policy shall not exceed the applicable Limit of Insurance shown in the Declarations. Under the Master Policy, all losses incidental to an act or series of related acts or arising from the same method of operation, whether committed by one or more persons, shall be deemed to arise out of one occurrence and shall be treated as one loss. However, solely with respect to Insuring Agreement (1), should one such act cause a covered loss to more than one **Insured Person**, the available Limit of Insurance under the Master Policy and the deductible amount shall apply to each **Insured Person** separately.

Regardless of the number of **Membership Programs** that an **Insured Person** is a member of, the Company's liability to such **Insured Person** for loss covered under the Master Policy shall not exceed the applicable Limit of Insurance shown in the Declarations.

- C. Deductible** - The Company shall be liable only for the amount by which any loss exceeds the applicable Deductible Amount as shown in the Declarations. This Deductible Amount applies to each and every loss and shall have no aggregate limitation.

- D. Recoveries** - Any recoveries, less the cost of obtaining them, made after settlement of loss covered by the Master Policy will be distributed as follows:

- (a) first, to the **Insured Person**, until the **Insured Person** is reimbursed for any loss that was sustained by the **Insured Person** that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (b) then to the Company, until the Company is reimbursed for the settlement made; and
- (c) then to the **Insured Person** until the **Insured Person** is reimbursed for that part of the loss equal to the Deductible Amount, if any.

Recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the Company's benefit.

- E. Ownership Interests Covered** - This Policy shall be for the sole use and benefit of the **Insured Persons** and the **Master Policy Holder**. It provides no rights or benefits to any other person, entity, or organization.

- F. Insured Person's 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 the Master Policy, the **Insured Person** shall give notice thereof as soon as practicable to the Company, and file detailed proof of loss, duly sworn to, with the Company within six months after the **Discovery** of loss and provide any subsequently obtained supplemental information within twelve months after the **Discovery** of such loss. If the loss involves a violation of law, the **Insured Person** shall also notify the police.

Upon the Company's request, the **Insured Person** shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto. Compliance with all terms and conditions of the Master Policy are conditions precedent to recovery under the Master Policy.

The **Insured Person** shall keep books, receipts, bills and other records in such manner that the Company can accurately determine therefrom the amount of any loss. At any time subsequent to

the reporting thereof to the Company, the Company may examine and audit the **Insured Person's** books and records as they relate to a loss under the Master Policy.

- G. **Other Insurance** - If there is any other valid and collectible insurance which would apply in the absence of the Master Policy, the insurance under the Master Policy shall apply only as excess insurance over such other insurance.
- H. **Action Against Company** - No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all terms of the Master Policy, nor until 90 days after the required proof of loss has been filed with the Company, nor at all unless commenced within two years from the date when the **Insured Person** first **Discovers** the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of the Master Policy, the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.
- I. **Subrogation** - In the event of any payment under the Master Policy, the Company shall be subrogated to all the **Insured Person's** rights of recovery therefore against any person or organization, and the **Insured Person** shall execute and deliver instruments and papers and shall take whatever other actions are necessary to secure such rights for the Company. The **Insured Person** shall not take any action after the **Discovery** of any loss that would prejudice such rights.
- J. **Changes** - Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of the Master Policy or stop the Company from asserting any right under the terms of the Master Policy; nor shall the terms of the Master Policy be waived or changed, except by endorsement issued by the Company and made to form a part of the Master Policy.
- K. **Assignment** - Assignment of interest under the Master Policy shall not bind the Company until its consent is endorsed herein.
- L. **Concealment or Misrepresentation** - The Master Policy is void as to any **Insured Person** if, at any time, said **Insured Person** intentionally conceals or misrepresents a material fact concerning either the insurance afforded by the Master Policy or a claim under the Master Policy.



May 4, 2011

California Mutual Insurance Company
650 San Benito, Suite 250
Hollister, CA 95023

Re: Policy Number: **104769914**
Policy Type: **ID Fraud**
Underwriting Company: **Travelers Excess and Surplus Lines Company**

We wish to inform you that your policy will not be renewed. Your insurance coverage will cease on the policy expiration date of June 27, 2011.

The reason for nonrenewal is:

Pursuant to our mutual agreement, your policy has been rewritten.

If you have any questions regarding this notice, please contact your agent or broker.

Sincerely,

A handwritten signature in cursive script that reads "Bernadette Gonsalves".

Bernadette Gonsalves

Copy: **Claire Melvin**
NAMIC INSURANCE AGENCY
P. O. BOX 68700
INDIANAPOLIS, IN 46268