



# Fidelity / Crime Insurance Program

## COVERAGE SUMMARY

**INSURER:**  
Lloyd's of London

**POLICY TERM:**  
July 1, 2015 to  
July 1, 2016

**POLICY NO:**  
B0621PTRU00614



**QUESTIONS:**

**Robert Leong**  
(415) 403-1441  
[rleong@alliant.com](mailto:rleong@alliant.com)

**Van Rin**  
(415) 403-1408  
[vrin@alliant.com](mailto:vrin@alliant.com)

**Hsan Htein**  
(415) 403-1452  
[hhtein@alliant.com](mailto:hhtein@alliant.com)

**NAMED COVERED ENTITY:**

California State University Risk Management Authority (CSURMA)

**LIMITS: CLAIMS MADE COVERAGE**

\$20,000,000 Any One Loss  
\$40,000,000 Aggregate

**MEMBER DEDUCTIBLE:**

\$250,000 Any One Loss

**WARRANTIES:**

All checks for amounts in excess of \$15,000 must include dual check signatures

**TERRITORY:**

Worldwide

**COVERAGES:**

Employee Dishonesty, including Faithful Performance

1. Theft
2. Computer Crime
3. Counterfeiting
4. Forgery

**MAJOR EXCLUSIONS:**

1. Fines or Penalties
2. Errors and omissions committed by you or your employees
3. Loss caused by anyone owing 10% or more of issued share capital
4. Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages (unless the person who discovers is in collision with employee)
5. Costs to establish value of a loss (except auditor's fees)
6. Indirect or consequential loss
7. Income or profit
8. Loss resulting from trading insecurities, commodities, etc.
9. Extortion, unless caused by Employee Dishonesty or Computer Crime

**DISCOVERY PERIOD:**

90 days

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*



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## COVERAGE SUMMARY

### HOW TO REPORT A CLAIM:

#### CLAIMS ADMINISTRATOR:

Financial Lines Claims  
ACE Building  
100 Leadenhall Street  
London, EC3A 3BP

#### CLAIMS REPORTING:

Within 45 days of discovering a loss (to London)

Alliant Insurance Services, Inc.  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101

Diana Walizada  
(415) 403-1453  
[dwalizada@alliant.com](mailto:dwalizada@alliant.com)

*While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.*

## Risk Details

**Type:** Primary Fidelity Insurance

**Proposal Form:**

**Policyholder:** THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

**Address**

Office of the Chancellor,  
401 Golden Shore,  
5<sup>th</sup> Floor, Long Beach,  
California 90802-4210,  
United States of America

**Policy Period:** From: 1<sup>st</sup> July 2015  
To: 1<sup>st</sup> July 2016  
Both days at 12.01am, local standard time at the address shown above.

**Interest:** Fidelity Insurance

**Sum Insured:** USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

**Sub Limit**

Computer Costs USD250,000

**Excess:** USD 250,000 Any One Loss in respect of The Trustees of California State University  
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.

Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

**Territorial Limits:** Worldwide

**Conditions:** As per ACE Fraud Protector wording and endorsements attached.

**Notices:** LMA9029 California Surplus Lines Notice 1  
LMA9030 California Surplus Lines Notice 2

**Express Warranties:** Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.



**Choice of Law  
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.  
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

**Premium:**

**Payment Terms:**

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable  
by Insured and  
administered by  
Insurer(s):**

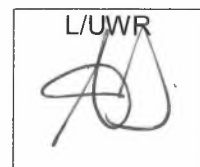
None

**Recording,  
Transmitting and  
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract  
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.



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CALIFORNIA SURPLUS LINES NOTICE 1

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED / ARE APPLYING TO PURCHASE 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 THAT APPLY 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. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) 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. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEBSITE AT [WWW.NAIC.ORG](http://WWW.NAIC.ORG).
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: [WWW.INSURANCE.CA.GOV](http://WWW.INSURANCE.CA.GOV).
8. 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'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

LMA9029  
01 September 2013

MR CONTRACT  
ENQ/QUO : PCSUR000315

L/UWR  




621  
MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

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**CALIFORNIA SURPLUS LINES NOTICE 2**

This insurance is issued pursuant to the California Insurance Code, Sections 1760 through 1780, and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

LMA9030  
01 September 2013

**MR CONTRACT**  
ENQ/QUO : PCSUR000315

LUWR  
A handwritten signature in black ink, appearing to be "LUWR", enclosed in a rectangular box.

✕

**Schedule**

Policy Number: B0621PCSUR000315

<b>Item 1.</b>	<b>Policyholder</b>	<b>THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY</b> and various Auxiliary Organisations as per attached Schedule (also identified in the Policy as You/Your)
	<b>Address</b>	Office of the Chancellor, 401 Golden Shore, 5 <sup>th</sup> Floor, Long Beach, California 90802-4210, United States of America
<b>Item 2.</b>	<b>Policy Period</b>	<b>From:</b> 1 <sup>st</sup> July 2015 12.01am Local Standard Time <b>To:</b> 1 <sup>st</sup> July 2016 12.01am Local Standard Time At the Address above
<b>Item 3.</b>	<b>i) Sum Insured</b>	USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD 40,000,000 Aggregate
	<b>ii) Computer Costs Sub-Limit</b>	USD250,000
<b>Item 4.</b>	<b>Excess</b>	USD250,000 Any One Loss in respect of The Trustees of California State University  USD25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.  Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD100,000 aggregate (as per Auxiliary Schedule attached)
<b>Item 5.</b>	<b>Discovery Period</b>	90 Days
<b>Item 6.</b>	<b>Endorsement effective at inception:</b>	
	1.	NMA 1998 – Service of Suit Clause (naming Mendes & Mount California, USA)
	2.	Faithful Performance of Duty Coverage for Government Employees Endorsement
	3.	BEJH Discovery Limitation Clause
	4.	Aggregate Limit Endorsement
	5.	Fine Art and Jewellery Collection Exclusion
	6.	Notice of Cancellation or non-Renewal Amendment
	7.	Small Additional or Return Premiums Clause (USA) NMA 1168
	8.	No Claims Bonus Endorsement
	9.	Warranted dual Cheque signatures for amounts in excess of USD15,000.

- 10. Employee Benefit Asset Endorsement
- 11. Amended Notice Requirement
- 12. Amended Discover/ed or Discovery Clause
- 13. Choice of Law Clause
- 14. LSW3000 Premium Payment Clause
- 15. ACE Sanctions Clause
- 16. Additional Endorsement
- 17. Loss Payee Clause

**Item 7. Premium**

**Item 8. Notification of Loss** Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

**Item 9. Notification of Claims to:** Alliant Insurance Services, Inc, 100 Pine Street, 11<sup>th</sup> Floor, San Francisco, California 94111 United States of America

**Proposal Form Dated:**

### ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
  2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
  3. the problem is covered under *What does the policy pay*,
  4. the problem is not excluded under *What is not covered*, and
  5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

**What has gone wrong**

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

**What does the policy pay**

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.

When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

- i) firstly, to you for any amount of the loss which exceeds the **sum insured** or settlement and the **excess**;
- ii) secondly, to us for any settlement made; and
- iii) thirdly, to you for the amount paid as the **excess**

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.

If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

**What is not covered** We will not pay loss consisting of or which is due to:-

- a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.
- b) any errors and omissions committed or omitted by you or your **employees**.
- c) any loss that you have **discovered** before the commencement of the **policy period**.
- d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.
- e) loss caused by an **employee** after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the **employee**.
- f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor's fees agreed under *What does the policy pay*.
- g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.
- h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.
- i) indirect or consequential loss.
- j) income or profit (including but not limited to interest and dividends).
- k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

- l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.
- m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.
- n) loss resulting directly or indirectly from trading in **securities**, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of **employee dishonesty**, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.
- o) extortion unless caused by **employee dishonesty** or **computer crime**.

**Your obligations to us**

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.

**Before we agree to insure you**

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

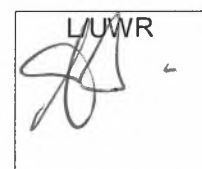
**During the policy Period**

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

**When a problem arises**

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within 45 days of **discovering** a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or



anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

**The meaning of policy terms**

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

**Associated Company**

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

**Computer crime**

means an act or acts of a person other than an **employee** amounting to:-

- 1) the theft of your:-
  - a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;
  - b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have been given by you or someone to whom you have given authorisation, but actually have been fraudulently transmitted, issued or fraudulently altered by another.
- 2) the malicious, intentional and wilful use of computer, network or electronic commerce services to erase, destroy, modify or corrupt data or to deny users access to your computer, network or electronic commerce services.

**Counterfeiting**

means an act by a person, other than an **employee**, which causes you to act upon or give value for a negotiable instrument that is an imitation of an authentic negotiable instrument and which deceives you into believing that the imitation is the authentic original negotiable instrument. If these instruments contain fraudulent misrepresentations of fact but are genuinely signed or endorsed then they are not counterfeit for the purposes of this insurance.

**Discovered or Discovery**

means the time at which you or one of your senior managers becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

**Discovery Period**

means the period stated in item 5 of the Schedule to this policy immediately following termination of this policy. Within this time you may report any loss which you have **discovered** that was connected to an act committed during the **policy period**. There is no **discovery period** on renewal of this policy nor upon the expiry, cancellation or other termination of this policy, if a similar policy or cover (whether issued by us or another insurer) replaces it.

- Employee** means a person in your regular service whom you compensate by wages, salary, fees and/or commissions and who you have a right to direct in the performance of this service.
- To the extent that any of your directors, trustees or consultants are **employees** they will only be covered whilst performing acts coming within the scope of the usual duties of an **employee**.
- Any student, secondee, volunteer or temporary personnel supplied by outside agencies will be deemed to be an **employee** whilst performing services which you have the right to direct.
- Any professionally qualified lawyer retained by you, or an employee of such lawyer, will be deemed to be an **employee** whilst performing services on your behalf under the retainer.
- Any trustee, fiduciary, administrator or officer of any pension or employee benefit plan established by you and falling within the definition of **insured** is deemed to be an **employee**.
- Cover in respect of **employees** will continue to apply for sixty days immediately following termination of their service.
- Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an **employee** with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.
- Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.
- Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by **employees**.
- Insured** means the **policyholder** and is deemed to include:-
- a) all subsidiary or **associated companies** existing at or before the inception date (or subsequent renewal date) and In respect of which we have received a proposal form.
  - b) any subsidiary or **associated companies** acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within

sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.

- c) pension and employee benefit plans which you maintain on behalf of your **employees** and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

**Money**

means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques postal orders or money orders or money orders held for sale to the public.

**Policy Period**

means the period of time from inception to expiry date in Item 2 of the Schedule.

**Policy Holder**

means the entity named in Item 1 of the Schedule

**Securities**

means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include **money**.

**Sum insured**

our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

**Theft**

means a dishonest and unlawful act, of a person, other than an **employee**, of taking your property, **money** or **securities** with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

**General Matters**

References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the **Insured**.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the **Insured** and Underwriters.

The policy is a single contract of insurance between us and the **Insured** and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

- a) the **policyholder** will act for itself and for all of you for all purposes under this policy;
- b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

- c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the **policyholder** or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of **Insured** from the date that you no longer meet that definition.

Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with **discovery**, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.

Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation

33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"

66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus

**ENDORSEMENTS**

**1. SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Foley & Gardner LLP, 555 California Street, Suite 1700, San Francisco, California 94104-1520 United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non-Marine Association.

**2. FAITHFUL PERFORMANCE OF DUTY COVERAGE  
FOR GOVERNMENT EMPLOYEES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME COVERAGE FORM  
GOVERNMENT CRIME POLICY**

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:

we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
  - p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
  - q) damages for which you are legally liable as a result of:
    - (1) the deprivation or violation of the civil rights of any person by an "employee";
    - or
    - (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.
3. the Indemnification is added to General matters Section:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.
4. Part (l) of the Termination As To Any Employee Condition is replaced by the following:
  - (1) As soon as:
    - (a) You; or
    - (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

**3. B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)**

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

- (a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;
- (b) arising out of or in connection with any circumstances or occurrences known to the **Insured** prior to the inception hereof.

**4. AGGREGATE LIMIT ENDORSEMENT**

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

**5. FINE ART AND JEWELLERY COLLECTION EXCLUSION**

We will not pay loss consisting of or which is due to fine art and jewellery collections

**6. NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT**

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the **Insured**, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the **Insured**, this Policy may be cancelled by Underwriters by mailing notice to the **Insured** stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the **Insured** or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the **Insured** with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the **Policy Period**. Notice shall be provided via regular U. S. mail to the address shown in Item 1 (b) of the Declarations.

**7. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)**

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

**8. NO CLAIM BONUS ON RENEWAL CLAUSE**

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

12/93  
LSW718

9. EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD15,000 for both Universities and Auxiliary Organisations specified in the Schedule attaching to this Policy

10. It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

11. AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause "When a problem arises" is deleted and the following substituted therefore:

**When a problem arises** We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within:

- a) as soon as practicable after discovering a loss; but
- b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

12. AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

**Discover/ed or Discovery** means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

13. CHOICE OF LAW

This insurance shall be governed by and construed in accordance with the laws of California.

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**14. PREMIUM PAYMENT CLAUSE**

The **Insured** undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01 LSW3000

**15. SANCTION LIMITATION AND EXCLUSION CLAUSE**

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

15/09/10 LMA3100

- 16.** It is hereby understood and agreed that this policy will cover the **Insured** for any disallowance from a covered **Externally Funded Program** that results in a financial loss to the **Insured** which the **Insured** is legally obligated to reimburse the funding entity where such disallowance is the result of a fraudulent or criminal act which would otherwise be covered under this policy. For purposes of coverage granted under this endorsement, salaries and wages of the assured shall be covered loss where such salaries and wages have been paid due to fraudulent or criminal acts of an **Insured's** employee. Also for the purposes of coverage granted under this endorsement, when the covered amount of loss determined under this endorsement is reimbursable to a Federal or State agency, the amount payable under the policy shall be payable by the insurer as a legal obligation of the assured even if no court of law has made a final adjudication of the covered disallowance.

For purposes of this endorsement, covered **Externally Funded Programs** are defined as grants, contracts projects and programs by whatever name, which are funded in part by an agency or department of the United States Federal Government or any similar agency or department of a State Government of the United States.

17. It is hereby understood and agreed that the following Loss Payee clause is added::

It is agreed that:

1. At the written request of the **policyholder**, any payment in satisfaction of loss covered by said bond Money or other Property in which Commissioner of the Regents of the University of California has an interest shall be paid by an instrument issued to that organization and the **policyholder** as joint loss-payees, subject to the following conditions and limitations:
  - a. The attached policy is for the sole use and benefit of the **policyholder** as expressed herein. The organization named above shall not be considered as an **Insured** under the policy, nor shall it otherwise have any rights or benefits under said policy.
  - b. Notwithstanding any payment made under the terms of this endorsement or the execution of more than one of such similar endorsement, the amount paid for any one loss occurrence or otherwise in accordance with the terms of this policy shall not exceed the **sum insured** as set forth in the Schedule Page.
  - c. Nothing herein is intended to alter the terms, conditions and limitations of the policy.
2. Should this policy be cancelled, reduced, non-renewed or restrictively modified Us, We will endeavor to give thirty (30) days advance notice to the organization named above, but failure to do so shall not impair or delay the effectiveness of any such cancellation, reduction, non-renewal or restrictive modification, nor shall the We be held liable in any way.
3. Should this policy be cancelled or reduced at the request of the **Insured**, We will endeavor to notify the organization named above of such cancellation or reduction within 10 business days after receipt of such request, but failure to do so shall not impair or delay the effectiveness of such cancellation or reduction, nor shall We be held liable in any way.

**Regents of the University of California**

TO PROVIDE LOSS-PAYEE AND NOTIFICATION AGREEMENT.  
ADOPTED DECEMBER, 1988

SR 6186(A) Printed in U.S.A.

FI-A-91

New Page December, 1990

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**SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE**

**MR CONTRACT**

ENQ/QUO : PCSUR000315

L/UWR





**Information**

As per Alliant renewal presentations held on brokers file and seen by Underwriters.

## Security Details

### LMA3333

#### (RE)INSURERS LIABILITY CLAUSE

##### (Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

#### Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**Order Hereon:** 100% of 100%

**Basis of  
Written Lines:** Percentage of Whole

**Signing Provisions:** In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

**Written Lines:** In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

SIGNED  
LINE %



AGM  
2488

*22/6/15*

ace global markets

33.34% 

A	K	A	K	6	F	L	K	S	6	8	2
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 BB

S.I.F.



SJC 2003

33.33%

B	X	1	0	0	0	5	1	7	8	4	4
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XL 1209

n	n	n	n	n	n	n	n	n	n	n	n
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S:100%

*22/6/15*

**BRIT**

GLOBAL SPECIALTY

*22/6/15*

BRT  
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33.33%

T	H	7	9	0	C	1	5	A	0	0	0
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 BB

Est. Sign = 100%



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MIL

PROFESSIONAL RISKS  
UMR / POLICY No. B0621PCSUR000315

PAGE 28 OF 28

SIGNED  
LINE %

MR CONTRACT  
ENQ/QUO : PCSUR000315

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