

SERFF Tracking Number: HRLV-125856974 State: Arkansas
Filing Company: Harleysville Mutual Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: CRMH091008-1
TOI: 26.0 Burglary & Theft Sub-TOI: 26.0001 Commercial Burglary & Theft
Product Name: CR
Project Name/Number: CR Employee Theft Auto Dealers/

Filing at a Glance

Company: Harleysville Mutual Insurance Company

Product Name: CR

SERFF Tr Num: HRLV-125856974 State: Arkansas

TOI: 26.0 Burglary & Theft

SERFF Status: Closed

State Tr Num: EFT \$50

Sub-TOI: 26.0001 Commercial Burglary & Theft Co Tr Num: CRMH091008-1

State Status: Fees verified and received

Filing Type: Form

Co Status:

Reviewer(s): Betty Montesi,
Llyweyia Rawlins

Author: Carol Zwoyer

Disposition Date: 10/15/2008

Date Submitted: 10/14/2008

Disposition Status: Approved

Effective Date Requested (New): 02/01/2009

Effective Date (New): 02/01/2009

Effective Date Requested (Renewal): 07/01/2009

Effective Date (Renewal):

07/01/2009

State Filing Description:

General Information

Project Name: CR Employee Theft Auto Dealers

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/15/2008

State Status Changed: 10/15/2008

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

With this filing it is our intent to submit for your review and approval forms revisions applicable to our Commercial Crime and Fidelity Program

Company and Contact

Filing Contact Information

SERFF Tracking Number: HRLV-125856974 State: Arkansas
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Carol Zwoyer, Senior State Filing Analyst czwoyer@harleysvillegroup.com
355 Maple Avenue (215) 256-5735 [Phone]
Harleysville, PA 19438-2297 (215) 256-5678[FAX]

Filing Company Information

Harleysville Mutual Insurance Company CoCode: 14168 State of Domicile: Pennsylvania
355 Maple Avenue Group Code: 253 Company Type:
Harleysville, PA 19438 Group Name: State ID Number:
(215) 256-5000 ext. [Phone] FEIN Number: 23-0902325

SERFF Tracking Number: HRLV-125856974 State: Arkansas
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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Harleysville Mutual Insurance Company	\$50.00	10/14/2008	23172205

SERFF Tracking Number: HRLV-125856974 State: Arkansas
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/15/2008	10/15/2008

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Disposition

Disposition Date: 10/15/2008

Effective Date (New): 02/01/2009

Effective Date (Renewal): 07/01/2009

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: HRLV-125856974 State: Arkansas
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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	cover letter	Approved	Yes
Supporting Document	comparisons	Approved	Yes
Form	Auto Dealers Employee Theft Extension (package)	Approved	Yes
Form	Auto Dealers Employee Theft Extension (monoline)	Approved	Yes

SERFF Tracking Number: HRLV-125856974 State: Arkansas
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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Auto Dealers Employee Theft Extension (package)	CR-7107	01-09	Endorsement/Amendment/Conditions New		0.00	CR-7107 _Ed 1-09_ Auto Dealers Emp Theft Ext _package_.pdf
Approved	Auto Dealers Employee Theft Extension (monoline)	CR-7108	01-09	Endorsement/Amendment/Conditions New		0.00	CR-7108 _Ed 1-09_ Auto Dealers Emp Theft Ext _monoline_.pdf

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Auto Dealers Employee Theft Extension

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

Insuring Agreement A.1. Employee Theft is deleted and replaced by the following:

1. Employee Theft

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

- b. We will also pay up to \$25,000 for "expenses" incurred by You as the direct result of any "breach of security" of "data" containing "personal information" of a "third party" or "third parties" resulting directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.
- c. We will also pay up to \$25,000 in the aggregate for "restoration expenses" incurred by all "third parties" that are actually affected by "identity fraud" arising out of a "breach of security" of "data" containing "personal information" of the "third party" that results directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.

Additional Definitions

The following additional definitions apply to **A.1.b** and **A.1.c** only:

- a. "expenses" means:

- (1) the costs incurred by the insured to notify a "third party" of a "breach of security" and, if required by state law or regulation, to notify the appropriate governmental agencies and any consumer reporting agencies, by written notice or electronic notice.
- (2) Reasonable attorney fees incurred by the insured to comply with statute or regulation as a result of a "breach of security"

- b. "restoration expenses" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3) Lost income resulting from:
- (i) Time taken off work to complete fraud affidavits; or
 - (ii) Meeting with or talking to law enforcement agencies, credit agencies, and/or legal counsel up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$1,000 for any one "third party".
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
- (i) Defend lawsuits brought against a "third party" by merchants, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against a "third party"; and
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to:
- (i) Merchants;
 - (ii) Law enforcement agencies;
 - (iii) Financial institutions or similar credit grantors; or

(iv) Credit agencies to report or discuss an actual "identity fraud".

- c. "third party" means customers of the insured, whether or not they actually purchased a vehicle from the insured.
- d. "breach of security" means the unauthorized acquisition of unencrypted "data" or "encrypted" electronic "data" along with the confidential process or key that may compromise the security, confidentiality, or integrity of "personal information" maintained by the insured that creates a material risk of "identity fraud".
- e. "data" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved.
- f. "encrypted" means the transformation of data through the use of a 128-bit or higher algorithmic process into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- g. "personal information" consists of a "third party's" first and last name, or first initial and last name, in combination with any one of the following: **(1)** Social Security number; **(2)** driver's license number; or **(3)** financial account number, or credit card or debit card number with or without any required security code. "Personal information" does not include information that is lawfully obtained from publicly available information.
- h. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an individual with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Additional Exclusions

The following additional exclusions apply to **A.1.b** and **A.1.c** only:

This insurance does not apply to:

- a. "Restoration expenses" incurred due to any fraudulent, dishonest or criminal act by a "third party" or any person aiding or abetting the "third party", whether acting alone or in collusion with others.
- b. Loss other than "expenses" or "restoration expenses"

Additional Duties After Loss

The following additional duties after loss apply to **A.1.b** and **A.1.c** only:

You must send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "breach of security", or "restoration expenses" under "third party" "identity fraud" coverage.

All other provisions of this policy apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Auto Dealers Employee Theft Extension

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME POLICY (LOSS SUSTAINED FORM)

Insuring Agreement A.1. Employee Theft is deleted and replaced by the following:

1. Employee Theft

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

- b. We will also pay up to \$25,000 for "expenses" incurred by You as the direct result of any "breach of security" of "data" containing "personal information" of a "third party" or "third parties" resulting directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.
- c. We will also pay up to \$25,000 in the aggregate for "restoration expenses" incurred by all "third parties" that are actually affected by "identity fraud" arising out of a "breach of security" of "data" containing "personal information" of the "third party" that results directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.

Additional Definitions

The following additional definitions apply to **A.1.b** and **A.1.c** only:

- a. "expenses" means:

- (1) the costs incurred by the insured to notify a "third party" of a "breach of security" and, if required by state law or regulation, to notify the appropriate governmental agencies and any consumer reporting agencies, by written notice or electronic notice.
- (2) Reasonable attorney fees incurred by the insured to comply with statute or regulation as a result of a "breach of security"

- b. "restoration expenses" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3) Lost income resulting from:
- (i) Time taken off work to complete fraud affidavits; or
 - (ii) Meeting with or talking to law enforcement agencies, credit agencies, and/or legal counsel up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$1,000 for any one "third party".
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
- (i) Defend lawsuits brought against a "third party" by merchants, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against a "third party"; and
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to:
- (i) Merchants;
 - (ii) Law enforcement agencies;
 - (iii) Financial institutions or similar credit grantors; or

(iv) Credit agencies to report or discuss an actual "identity fraud".

- c. "third party" means customers of the insured, whether or not they actually purchased a vehicle from the insured.
- d. "breach of security" means the unauthorized acquisition of unencrypted "data" or "encrypted" electronic "data" along with the confidential process or key that may compromise the security, confidentiality, or integrity of "personal information" maintained by the insured that creates a material risk of "identity fraud".
- e. "data" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved.
- f. "encrypted" means the transformation of data through the use of a 128-bit or higher algorithmic process into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
- g. "personal information" consists of a "third party's" first and last name, or first initial and last name, in combination with any one of the following: **(1)** Social Security number; **(2)** driver's license number; or **(3)** financial account number, or credit card or debit card number with or without any required security code. "Personal information" does not include information that is lawfully obtained from publicly available information.
- h. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an individual with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

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The following additional exclusions apply to **A.1.b** and **A.1.c** only:

This insurance does not apply to:

- a. "Restoration expenses" incurred due to any fraudulent, dishonest or criminal act by a "third party" or any person aiding or abetting the "third party", whether acting alone or in collusion with others.
- b. Loss other than "expenses" or "restoration expenses"

Additional Duties After Loss

The following additional duties after loss apply to **A.1.b** and **A.1.c** only:

You must send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "breach of security", or "restoration expenses" under "third party" "identity fraud" coverage.

All other provisions of this policy apply.

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Company Tracking Number: CRMH091008-1
TOI: 26.0 Burglary & Theft Sub-TOI: 26.0001 Commercial Burglary & Theft
Product Name: CR
Project Name/Number: CR Employee Theft Auto Dealers/

Rate Information

Rate data does NOT apply to filing.

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Product Name: CR
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Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 10/15/2008

Comments:

Attachment:

NAIC 2007-.pdf

Satisfied -Name: cover letter **Review Status:** Approved 10/15/2008

Comments:

Attachment:

revised forms letter.pdf

Satisfied -Name: comparisons **Review Status:** Approved 10/15/2008

Comments:

Attachments:

CR-7107 comparison.pdf

CR-7108 comparison.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Harleysville Mutual Insurance Company	PA	14168	23-0902325	

5. Company Tracking Number	125856974
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Carol Zwoyer 355 Maple Avenue Harleysville, PA 19438	Senior State Filing Analyst	800-523-6344 ext. 5735	215-256-5678	czwoyer@harleysvillegroup.com

7. Signature of authorized filer	
----------------------------------	--

8. Please print name of authorized filer	Carol Zwoyer
--	--------------

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Commercial Crime & Fidelity
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 02/1/2009 Renewal: 07/01/2009

Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	10/14/08
19.	Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved
20.	This filing transmittal is part of Company Tracking #	
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]	

With this filing it is our intent to submit for your review and approval forms revisions applicable to our Commercial Crime and Fidelity Program:

We are revising CR-7107 Auto Dealers Employee Theft Extension and CR-7108 Auto Dealers Employee Theft Extension to reference "third parties" in addition to "third party" under Employment Theft. In addition, several typing errors have been corrected. Please see attached comparisons to assist in your review.

Rule of Application: These changes shall be applicable to all new business policies effective on or after February 1, 2009 and all renewal policies effective on or after July 1, 2009.

22.	Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: EFT Amount: 50.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>	

*****Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

HARLEYSVILLE MUTUAL INSURANCE COMPANY

355 Maple Avenue
Harleysville PA 19438-2297
www.harleysvillegroup.com

October 14, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Department of Insurance
1200 West Third Street
Little Rock, AR 72201-1904

NAIC#14168

COMMERCIAL CRIME AND FIDELITY

Rate/Rule/Form Filing

Company Tracking Number: 125856974

Dear Honorable Bowman:

With this filing it is our intent to submit for your review and approval forms revisions applicable to our Commercial Crime and Fidelity Program:

We are revising CR-7107 Auto Dealers Employee Theft Extension and CR-7108 Auto Dealers Employee Theft Extension to reference "third parties" in addition to "third party" under Employment Theft. In addition, several typing errors have been corrected. Please see attached comparisons to assist in your review.

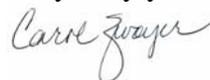
Attached: CR-7107 (Ed. 1-09) Auto Dealers Employee Theft Extension
CR-7108 (Ed. 1-09) Auto Dealers Employee Theft Extension

Withdrawn: CR-7107 (Ed. 1-08) Auto Dealers Employee Theft Extension
CR-7108 (Ed. 1-08) Auto Dealers Employee Theft Extension

Rule of Application: These changes shall be applicable to all new business policies effective on or after February 1, 2009 and all renewal policies effective on or after July 1, 2009.

Your favorable consideration will be appreciated.

Very truly yours,



Carol Zwoyer, AAM, AIT
Senior State Filing Analyst
(215) 256-5735
czwoyer@harleysvillegroup.com

Text Comparison

Documents Compared

CR-7107.pdf

CR-7107 1-09.pdf

Summary

14 word(s) added

4 word(s) deleted

To see where the changes are, please scroll down.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Auto Dealers Employee Theft Extension

This endorsement modifies insurance provided under the following:
COMMERCIAL CRIME COVERAGE FORM (LOSS SUSTAINED FORM)

Insuring Agreement A.1. Employee Theft is deleted and replaced by the following:

1. Employee Theft

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.
For the purposes of this Insuring Agreement, "theft" shall also include forgery.
- b. We will also pay up to \$25,000 for "expenses" incurred by You as the direct result of any "breach of security" of "data" containing "personal information" of a "third party" resulting directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.
- c. We will also pay up to \$25,000 in the aggregate for "restoration expenses" incurred by all "third parties" that are actually affected by "identity fraud" arising out of a "breach of security" of "data" containing "personal information" of the "third party" that results directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.

Additional Definitions

The following additional definitions apply to A.1.b and A.1.c only:

a. "expenses" means:

- (1) the costs incurred by the insured to notify a "third party" of a "breach of security" and, if required by state law or regulation, to notify the appropriate governmental agencies and any consumer reporting agencies, by written notice or electronic notice.
- (2) Reasonable attorney fees incurred by the insured to comply with statute or regulation as a result of a "breach of security".

b. "restoration expenses" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
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- (3) Lost income resulting from:
 - (i) Time taken off work to complete fraud affidavits; or
 - (ii) Meeting with or talking to law enforcement agencies, credit agencies, and/or legal counsel up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$1,000 for any one "third party".
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 - (i) Defend lawsuits brought against a "third party" by merchants, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against ~~an~~ "third party"; and
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to:
 - (i) Merchants;
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c. "third party" means customers of the insured, whether or not they actually

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For the purposes of this Insuring Agreement, "theft" shall also include forgery.
- b. We will also pay up to \$25,000 for "expenses" incurred by You as the direct result of any "breach of security" of "data" containing "personal information" of a "third party" or "third parties" resulting directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.
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The following additional definitions apply to A.1.b and A.1.c only:

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- (3) Lost income resulting from:
 - (i) Time taken off work to complete fraud affidavits; or
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- purchased a vehicle from the insured.
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 - e. "data" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved.
 - f. "encrypted" means the transformation of data through the use of a 128-bit or higher algorithmic process into a form in which there is a low probability of assigning meaning without use of a confidential process or key.
 - g. "personal information" consists of a "third party's" first and last name, or first initial and last name, in combination with any one of the following:
 - (1) Social Security number; (2) driver's license number; or (3) financial account number, or credit card or debit card number with or without any required security code. "Personal information" does not include information that is lawfully obtained from publicly available information.
 - h. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an individual with the intent to commit, or to aid or abet another to commit, any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.

Additional Exclusions

The following additional exclusions apply to A.1.b and A.1.c only:

- a. "Restoration expenses" incurred due to any fraudulent, dishonest or criminal act by a "third party" or any person aiding or abetting the "third party", whether acting alone or in collusion with others.
- b. Loss other than "expenses" or "restoration expenses".

Additional Duties After Loss

The following additional duties after loss apply to A.1.b and A.1.c only:

You must send to us, within 60 days after our request, receipts, bills or other records that support your claim for "expenses" under "breach of security", or "restoration expenses" under "third party" "identity fraud" coverage. All other provisions of this policy apply.

- purchased a vehicle from the insured.
- d. "breach of security" means the unauthorized acquisition of unencrypted "data" or "encrypted" electronic "data" along with the confidential process or key that may compromise the security, confidentiality, or integrity of "personal information" maintained by the insured that creates a material risk of "identity fraud".
 - e. "data" means any material on which written, drawn, spoken, visual, or electromagnetic information is recorded or preserved.
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Text Comparison

Documents Compared

CR-7108.pdf

CR-7108 1-09.pdf

Summary

26 word(s) added

2 word(s) deleted

To see where the changes are, please scroll down.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Auto Dealers Employee Theft Extension

This endorsement modifies insurance provided under the following:
COMMERCIAL CRIME POLICY (LOSS SUSTAINED FORM)

Insuring Agreement A.1. Employee Theft is deleted and replaced by the following:

1. Employee Theft

- a. We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.
For the purposes of this Insuring Agreement, "theft" shall also include forgery.
- b. We will also pay up to \$25,000 for "expenses" incurred by You as the direct result of any "breach of security" of "data" containing "personal information" of a "third party" resulting directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.
- c. We will also pay up to \$25,000 in the aggregate for "restoration expenses" incurred by all "third parties" that are actually affected by "identity fraud" arising out of a "breach of security" of "data" containing "personal information" of the "third party" that results directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.

Additional Definitions

The following additional definitions apply to A.1.b and A.1.c only:

a. "expenses" means:

- (1) the costs incurred by the insured to notify a "third party" of a "breach of security" and, if required by state law or regulation, to notify the appropriate governmental agencies and any consumer reporting agencies, by written notice or electronic notice.
- (2) Reasonable attorney fees incurred by the insured to comply with statute or regulation as a result of a "breach of security".

b. "restoration expenses" means:

- (1) Costs for notarizing affidavits or similar documents attesting to fraud required by financial institutions or similar credit grantors or credit agencies.
- (2) Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
- (3) Lost income resulting from:
 - (i) Time taken off work to complete fraud affidavits; or
 - (ii) Meeting with or talking to law enforcement agencies, credit agencies, and/or legal counsel
up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$1,000 for any one "third party".
- (4) Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
- (5) Reasonable attorney fees incurred as a result of "identity fraud" to:
 - (i) Defend lawsuits brought against a "third party" by merchants, financial institutions or their collection agencies;
 - (ii) Remove any criminal or civil judgments wrongly entered against ~~an~~ "third party"; and
 - (iii) Challenge the accuracy or completeness of any information in a consumer credit report.
- (6) Charges incurred for long distance telephone calls to:
 - (i) Merchants;
 - (ii) Law enforcement agencies;
 - (iii) Financial institutions or similar credit grantors; or
 - (iv) Credit agencies to report or discuss an actual "identity fraud".

c. "third party" means customers of the insured, whether or not they actually

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For the purposes of this Insuring Agreement, "theft" shall also include forgery.
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- c. We will also pay up to \$25,000 in the aggregate for "restoration expenses" incurred by all "third parties" that are actually affected by "identity fraud" arising out of a "breach of security" of "data" containing "personal information" of the "third party" that results directly from "theft" or "forgery" by your "employee". This coverage is additional insurance.

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