



In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Declarations, limitations, conditions, definitions and other provisions of this Coverage Part, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. **INSURING AGREEMENTS**

A. Employee Theft

The **Insurer** shall pay the Insured for direct loss of **Money, Securities or Property** sustained by an **Insured** resulting from **Theft** or **Forgery** by an **Employee**, whether acting alone or in collusion with others.

B. In Transit

The **Insurer** shall pay the Insured for direct loss sustained by an **Insured** resulting from:

1. a **Third Party's**:

- a. **Robbery** or other unlawful taking of **Money, Securities or Property**
- b. damage to **Property** resulting from **Robbery**; and

- 2. actual destruction or disappearance of **Money** or **Securities**, while **In Transit** or temporarily in an **Employee's** or a partner of the **Insured Entity's** home.

C. Inside the Premises

The **Insurer** shall pay the **Insured** for direct loss sustained by an Insured resulting from:

1. a **Third Party's**

- a. **Robbery** or **Safe Burglary**, including damage to **Property**, or **Premises** or its exterior, resulting from such **Robbery** or **Safe Burglary**;
- b. unlawful taking of **Money, Securities or Property**; and

- 2. actual destruction or disappearance of **Money** or **Securities**,

within or from the **Premises**.

D. Forgery or Alteration

The **Insurer** shall pay the **Insured** for direct loss resulting from **Forgery** or alteration of any **Financial Instrument** by a **Third Party**, including any reasonable legal expenses that the **Insured** pays, with the **Insurer's** prior written consent, in defending any action brought against an **Insured** for refusing to pay such **Financial Instrument**, which any such amount shall be part of, and not in addition to, the Limit of Liability stated in Item 3. of the Declarations of this Coverage Part for this Insuring Clause D.

E. Computer Fraud

The **Insurer** shall pay the **Insured** for direct loss of **Money, Securities or Property** directly resulting from a **Third Party's Computer Fraud**, including any **Computer Fraud Expenses**.

F. Funds Transfer Fraud Coverage

The **Insurer** shall pay the **Insured** for direct loss of **Money** or **Securities** resulting from a **Third Party's Funds Transfer Fraud**.

G. Credit Card Fraud

The **Insurer** shall pay the **Insured** for direct loss resulting from a **Third Party's Credit Card Fraud**.

H. Money Orders and Counterfeit Currency Fraud

The **Insurer** shall pay the **Insured** for direct loss resulting from an **Insured Entity's** good faith acceptance: 1. in exchange for merchandise, **Money** or services, of any post office or express money order, issued or purporting to have been issued by any post office or express company, if such money order is not paid upon presentation; or 2. in the regular course of business, of counterfeit paper currency.

I. Client Coverage

The **Insurer** shall pay the **Insured** for direct loss of **Money, Securities** or **Property** sustained by a **Client** resulting from an **Employee's Theft** or **Forgery** committed without collusion with a **Client's** employees.

J. False Pretense

The **Insurer** shall pay the **Insured** for direct loss resulting from an **Insured Entity** having paid, transferred or delivered any **Money** or **Securities** resulting from a **False Pretense Scam**.

It is a condition precedent to coverage under False Pretense that before forwarding any payment order to a financial institution, or issuing any check, that you have verified the authenticity and accuracy of the instruction received from the purported **Employee, Vendor** or **Client**, including routing numbers and account numbers, by calling, at a predetermined telephone number, the **Employee, Vendor** or **Client** who purportedly transmitted the instruction to you. It also a condition precedent to coverage under False Pretense, that you preserve a contemporaneous written record of this verification.

II. DEFINITIONS

Client means a customer of an **Insured Entity** to whom an **Insured Entity** provides goods or services for a fee or with whom the **Insured Entity** has a written contract or agreement.

Computer Fraud means the unlawful taking of **Money, Securities** or **Property** resulting from an unauthorized:

- A. entry into, change to or deletion of **Data** from a **Computer System**; or
- B. introduction of instructions propagating through a **Computer System**, directed solely against an **Insured Entity**.

Computer Fraud Expenses means reasonable costs, charges, fees and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured Entity**) incurred by the **Insured Entity** to reproduce damaged or destroyed electronic **Data** computer programs or enable the **Insured Entity** to restore the **Insured Entity's Computer System** to the level of operational capability that existed immediately preceding the covered loss under Insuring Clause E.

Computer System means a computer or network of computers, including off-line media libraries.

Credit Card Fraud means the **Forgery** or alteration of, on or in, any written instrument required in connection with any credit card issued to a **Insured Entity** or at the request of a **Insured Entity**, to any **Executive** or **Employee** of an **Insured Entity**

Data means information contained in any records, manuscripts, accounts, microfilms or tapes processed and stored in a **Computer System**.

Discover, Discovered or **Discovery** means knowledge acquired by an **Executive** or **Insurance Representative** which would cause a reasonable person to believe that that a covered loss or occurrence which could give rise to a covered loss has occurred, regardless of when the act(s) causing or contributing to such loss occurred or whether the exact amount or details of such loss are known.

Discover, Discovered or Discovery shall not include knowledge acquired by an **Executive** or **Insurance Representative** acting alone or in collusion with an **Employee**, or knowledge possessed by any **Executive** or **Insurance Representative** who is a participant in the **Theft** or **Forgery**.

Employee means any:

- A. natural person who labor or service was, is or will be engaged and directed by an **Insured Entity**, including a part-time, seasonal, leased and temporary employee, intern or volunteer;
- B. **Executive** while performing acts within the scope of the usual duties of an **Employee**;
- C. **Independent Contractor**;
- D. natural person fiduciary, trustee, administrator, employee as defined in paragraph 1 above or **Executive** of an **ERISA Plan** and any other natural person, who any of which handle **ERISA Plan** assets and are required by **ERISA** to be bonded by the **Insured Entity** in connection with such **ERISA Plan**;
- E. former or retired employee described in paragraph A. above or **Executive** retained as a consultant to the **Insured Entity**; or
- F. employee described in paragraph A. above or **Executive**, while on leave for military services.

ERISA Plan means any welfare or pension plan as defined by ERISA and which is operated solely by an **Insured Entity** or jointly by an **Insured Entity** and a labor organization for the benefit of **Employees** and which existed on or before the inception of this Coverage Part or which is created or acquired after the inception of this Coverage Part. **ERISA Plan** shall not include any multi-employer plan.

Expenses means reasonable costs, charges, fees (including, attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries, fees or benefits of any **Insured**):

- A. incurred by the **Insured** to determine the amount and extent of loss covered under this Coverage Part; or
- B. incurred and paid by the **Insured** to establish the existence, amount and preparation of the **Insured's** proof of loss in support of a covered loss under Insuring Clauses A. – I.

False Pretense Scam means the intentional misleading of an **Employee** through a misrepresentation of a material fact which is:

- A. relied upon by an **Employee**; and
- B. committed by a person purporting to be a **Client, Service Provider** or **Employee** who was authorized by the **Insured Entity** to instruct other **Employees** to transfer **Money** or **Securities**.

Financial Instruments means checks, drafts, promissory notices or similar written promises, orders or directions to pay a certain sum of **Money** that are:

- A. made or drawn upon an **Insured Entity**; or
- B. made or drawn by one acting as an **Insured's** agent and drawn on an **Insured's** account or that are purported to have been so made or drawn.

Forgery means the signing, whether by hand, mechanically or electronically, of another natural person's name with intent to deceive.

Funds Transfer Fraud means fraudulent written, electronic, telegraphic, cable, teletype or telephone instructions (other than instructions which bear a **Forgery**,) purportedly issued by an **Insured Entity**, to a financial institution directing the transfer, payment or delivery of **Money** or **Securities** from any of the **Insured Entity's** accounts at such institution, without such **Insured Entity's** knowledge or consent.

Independent Contractor means any natural person working for an **Insured Entity** pursuant to a written contract or agreement between such natural person and the **Insured Entity** which specifies the terms of the **Insured Entity's** engagement of such natural person.

Insurance Representative means an **Employee**, designated to represent an **Insured** for the purpose of effecting and maintaining insurance.

Insured means any **Insured Entity** or **Sponsored Plan**.

In Transit means being conveyed by the **Insured Entity** outside the **Premises**, from one person or place to another, under the custody of an **Employee**, partner of an **Insured Entity** or another person duly authorized by such **Insured Entity** to have custody of **Money, Securities** or **Property**. The conveyance described in this paragraph begins immediately upon receipt of **Money, Securities** or **Property** by the person described herein and ceases immediately upon delivery to the designated recipient or its agent.

Money means currency, coins, bank notes and bullion.

Premises means the interior of that portion of:

- A. any building that an **Insured Entity** occupies in conducting its business; or
- B. that part of any building occupied by a bank, trust company or similar financial institution.

Property means tangible property, other than **Money** or **Securities**, that has intrinsic value.

Robbery means actual or attempted unlawful taking of **Money, Securities** or **Property** from the custody of an **Employee** or other person (except a person acting as a watchman, janitor or porter) duly authorized by an **Insured Entity** to have custody of **Money, Securities** or **Property**, by violence or threat of violence, committed in the presence and cognizance of such **Employee** or other person.

Safe Burglary means:

- A. the actual or attempted unlawful taking of **Money, Securities** or **Property** by forcible or violent entry evidenced by visible marks, from a locked vault or safe located within the **Premises** and any resultant damage to the safe or vault from such entry; or
- B. damage to a locked safe, cash drawer, cash box or cash register by actual or attempted felonious entry or abstraction of such container.

Securities means negotiable or non-negotiable instruments or contracts representing either **Money** or **Property**. Securities shall not include **Money**.

Service Provider means a business the **Insured** does not own, operate or control, but that an **Insured** hires for a fee pursuant to an agreement or a written contract to perform services or provide goods related to an **Insured's** business. **Service Provider** does not include any broker-dealer, financial institution, asset manager, armored motor vehicle company or similar entity.

Sponsored Plan means any ERISA Plan and any plan similar to an **ERISA Plan** that is not governed by **ERISA**.

Theft means the unlawful taking of **Money, Securities** or **Property** to the deprivation of an **Insured**, solely for the purposes of Insuring Clause A., or a **Client**, solely for the purposes of Insuring Clause I.

Third Party means any natural person who is not an **Employee**.

Vendor means a natural person or entity that has provided goods or services to an **Insured Entity** pursuant to a written agreement or other arrangement. **Vendor** does not mean a financial institution, bank, credit union, asset manager, broker-dealer, or any other financial institution, an armored motor vehicle company or any similar entity.

III. EXCLUSIONS

A. For the purpose of all Insuring Agreements this Coverage Part shall not cover:

1. Acts Committed by a Partner

loss based upon, arising out of or resulting from **Theft** or **Forgery** committed by a partner of an **Insured Entity**, whether acting alone or in collusion with others, provided that this Exclusion 1. shall not apply where the **Theft** or **Forgery** would otherwise be covered under Insuring Clauses A. or I., and the coverage provided is excess of the amount of such partner's ownership percentage of such **Insured Entity** on the day immediately preceding the date of **Discovery**, multiplied by such **Insured Entity's** total assets as reflected in such **Insured Entity's** most recent financial statements; provided such statements have been audited or prepared by an independent Certified Public Accountant;

2. Advantage

loss sustained by one Insured to the advantage of another **Insured**;

3. Authorized Representative

loss or damage based on, arising out of or resulting from **Theft, Forgery, Funds Transfer Fraud, Computer Fraud, Credit Card Fraud, False Pretense Scam** or other fraudulent, dishonest or criminal act (other than **Robbery** and **Safe Burglary**) committed by any authorized representative, except an **Independent Contractor**, of an **Insured**, acting alone or in collusion with others, provided that this Exclusion 3. shall not apply to loss under Insuring Clauses A or I where the **Theft** or **Forgery** is committed by an **Employee** acting in collusion with such authorized representative;

4. Custodial

loss of or damage to **Money, Securities** or **Property** in the custody of any bank, trust company or similar place of safe deposit, armored vehicle company, or any person duly organized by an **Insured Entity** to have custody of such **Money, Securities** or **Property**, provided that this Exclusion 4. shall not apply where coverage provided is excess of:

- a. any amount recovered or received by the **Insured Entity** under any contract with, or any insurance available to, any of the foregoing; or
- b. any other insurance or indemnity covering the loss, in whole or in part;

5. Data Costs, Fees, or Expenses

costs, fees or expenses incurred:

a. as a result of:

- i. the reconstitution of **Data** where an **Insured Entity** knowingly used illegal copies of programs;
- ii. an alteration in **Data** held on magnetic media due to the effect of magnetic fields, their incorrect use or the obsolescence of the computer or its facilities; or
- iii. any effort to render the **Data** usable by replacement processing equipment; or

b. to design, improve or update software or programs or perfect their operation or performance;

6. Fire

loss based upon, arising out of or resulting from fire, provided that this Exclusion 5. shall not apply to:

- a. loss of **Money** or **Securities**; or
- b. damage to any safe or vault caused by fire for the purposes of **Safe Burglary**;

7. Income

loss of income, whether or not earned or accrued or potential income, not realized as the result of any loss covered under this Coverage Part;

8. Indirect or Consequential Loss
indirect or consequential loss of any kind, provided that this Exclusion 8. shall not apply to **Expenses**;
 9. Intellectual Property
loss of trade secrets, confidential processing methods or other confidential information of any kind;
 10. Inventory Shortage
loss, the proof of which is dependent solely on:
 - a. a profit and loss computation or comparison; or
 - b. comparison of inventory records with an actual physical count, provided that where an **Employee** is involved and has been identified, inventory records and actual physical count of inventory can be submitted as supporting documentation of loss;
 11. Legal Costs, Fees or Expenses
costs, fees or expenses incurred or paid in defending or prosecuting any legal proceeding or claim, provided that this Exclusion 11. shall not apply to **Expenses**;
 12. Nuclear
loss or damage based upon, arising out of or resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any act or condition related to any of the foregoing;
 13. Trading Losses
loss based upon, arising out of or resulting from any trading of **Money, Securities or Property**, provided that this Exclusion 13. shall not apply to direct loss caused by **Theft or Forgery** resulting in improper personal financial gains to an **Employee**. Improper personal financial gains does not include salaries, bonuses, commissions, fees, bonuses, promotions, awards, profit sharing or pensions;
 14. Voluntary Purchase or Exchange
loss based upon, arising out of, or resulting from an Insured knowingly giving or surrendering **Money, Securities or Property** in any purchase or exchange with a **Third Party** without collusion with an **Employee**, provided that this Exclusion 14. shall not apply to Insuring Clauses A., E., H., I. or J.;
 15. War and similar actions
loss or damage based upon, arising out of or resulting from war, whether or not declared, civil war, insurrection, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization or any act or condition related to any of the foregoing;
- B. Exclusions Applicable to Insuring Agreement A. Employee Theft through I. Client Coverage, this Coverage Part shall not cover:
1. False Pretense Scam
loss or damage based upon, arising out of or resulting from any **False Pretense Scam**.
- C. Exclusions Applicable to Insuring Agreement A. Employee Theft, J. False Pretense and I. Client Coverage, this Coverage Part shall not cover:
1. Broker/Independent Contractor
loss caused by any broker, commission, merchant, factor, consignee, contractor, independent contractor (other than an **Independent Contractor**) or other similar agent or representative.
- D. Exclusions Applicable to Insuring Agreement A. Employee Theft and I. Client Coverage, this Coverage Part shall not cover:

1. Prior Dishonesty
loss caused by an **Employee**, which is sustained by an **Insured**:
 - a. after an **Executive** or **Insurance Representative** becomes aware of a **Theft, Forgery** or other fraudulent, dishonest or criminal act:
 - i. valued at \$1,000 or more and committed while in the employ or service of an Insured;
 - ii. involving **Money, Securities** or other property, valued at \$25,000 or more and committed prior to the employ or service of an Insured; or
 - b. more than 90 days following termination of such **Employee**.
- E. Exclusions Applicable to Insuring Agreement B. In Transit, C. Inside the Premises and J. False Pretense, this Coverage Part shall not cover:
 1. Mail/Carrier for Hire
loss of or damage to **Money, Securities** or **Property** while in the mail or in the custody of any carrier for hire other than an armored motor vehicle company;
 2. Other Insuring Clauses
loss or damage based on, arising out of or resulting from **Forgery, Funds Transfer Fraud, Computer Fraud** or **Credit Card Fraud**.
- F. Exclusions Applicable to Insuring B. In Transit, C. Inside the Premises, E. Computer Fraud, F. Funds Transfer Fraud Coverage and J. False Pretense this Coverage Part shall not cover:
 1. Kidnap, Ransom or Extortion
loss or damage based upon, arising out of or resulting from any kidnap, ransom or extortion payment.
- G. Exclusions Applicable to Insuring Clause D. Forgery or Alteration, this Coverage Part shall not cover:
 1. Forgery or Alteration
loss based upon, arising out of or resulting from a **Third Party's Forgery** or alteration of:
 - a. any **Financial Instrument** committed in collusion with any **Employee**; or
 - b. any registered or coupon obligations of the **Insured**, or any coupons whether attached or detached.
- H. Exclusions Applicable to Insuring Clause G. Credit Card Fraud, this Coverage Part shall not cover:
 1. Forgery or Alteration
loss based upon, arising out of or resulting from any forgery or alteration of, on or in any written instrument, provided that this Exclusion 1. shall not apply:
 1. where there was full compliance with the provisions, conditions and other terms under which the involved credit card was issued; and
 2. the **Insured Entity** is legally liable for the loss to the issuer of such credit card.
- I. Exclusions Applicable to Insuring Agreement J. False Pretense, this Coverage Part shall not cover:
 1. Credit Card Loss
loss or damage based upon, arising out of or resulting from any party's use of or acceptance of any debit card, credit card or similar instrument;
 2. Games of Chance
loss or damage based upon, arising out of or resulting from any gambling, contest, lottery, sweepstake, coupon, promotional game, or other game of chance, including any redemption in connection therewith;

3. Investments

loss or damage based upon, arising out of or resulting from any investment in **Securities**, or ownership in, any corporation, partnership, real property or similar investment;

4. Loans and Credit

loss or damage based upon, arising out of or resulting from any extension of any credit, loan or similar promise to pay;

5. Performance Under Contract

loss or damage based upon, arising out of or resulting from any party to perform under any contract;

6. Products or Services

loss or damage based upon, arising out of or resulting from any failure, malfunction, illegitimacy or inadequacy of any product or service; and

7. Property

loss or damage based upon, arising out of or resulting from any damage to **Property**.

IV. CONDITIONS

A. Retention

The **Insurer** shall not pay for any loss until that part of each loss exceeds the applicable Retention stated in Item 2 of the Declarations of this Coverage Part. No Retention shall apply to loss sustained by an ERISA Plan.

B. Limit of Liability

1. The Limits of Liability, stated in Item 3. of the Declarations of this Coverage Part, represent the maximum amount payable under each Insuring Clause for each loss **Discovered** during the **Policy Period**.
2. The Expense Limit stated in Item 4. of the Declarations of this Coverage Part represents the maximum amount payable under this Coverage Part during the **Policy Period** for **Expenses**, which amount shall be part of, and not in addition to, the Limits of Liability stated in Item 3 of such Declarations.
3. The Computer Fraud Expense Limit stated in Item 4. of the Declarations of this Coverage Part represents the maximum amount payable under this Coverage Part during the **Policy Period** for **Computer Fraud Expenses**, which amount shall be part of, and not in addition to, the Limit of Liability stated in Item 3. of such Declarations for Insuring Clause E. Computer Fraud.
4. The Information Reproduction Limit stated in Item 4. of the Declarations of this Coverage Part represents the maximum amount payable under this Coverage Part during the **Policy Period** for the cost of reproducing information contained in any lost or damaged manuscripts, records, accounts, microfilms, tapes or other records resulting from a covered loss, which amount shall be part of, and not in addition to, the Limits of Liability stated in Item 3. of such Declarations.
5. The **Insurer** shall not pay the **Insured** more for loss or losses sustained by more than one **Insured** than the amount the **Insurer** would pay if all loss or losses had been sustained by one **Insured**.
6. All loss resulting from a single act or series of related acts of the same **Employee** or **Third Party**, and all loss whether such act or acts occurred before or during the **Policy Period**, shall be treated as a single loss subject to the Limits of Liability stated in Item 3. of the Declarations.
7. If a loss is covered under more than one Insuring Clause, the maximum amount payable under this Coverage Part shall not exceed the largest applicable Limit of Liability of any such Insuring Clause.

C. Discovery

1. This Coverage Part provides coverage for loss sustained by an **Insured** at any time but **Discovered** during the **Policy Period**.
2. The **Insurer** shall pay for loss that an **Insured** sustained prior to the effective date of expiration or termination of this Coverage Part, which is **Discovered** by the **Insured**:
 - a. no later than 60 days after the effective date of such expiration or termination; and
 - b. with respect to any **ERISA Plan**, no later than 1 year from the effective date of such expiration or termination.

This extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Insured** to replace, in whole or in part, the insurance provided by this Coverage Part, regardless of whether such insurance provides coverage for loss sustained prior to its effective date.

D. Duties in the Event of Loss

1. An **Insured's** knowledge of any information relevant to this Coverage Part or **Discovery** shall be deemed knowledge possessed by all **Insureds**.
2. Upon **Discovery**, the **Insured** shall:
 - a. give written notice to the **Insurer** as soon as practicable, but in no event later than 90 days after such **Discovery**;
 - b. provides the **Insurer** a detailed, sworn proof of loss within 120 days after such **Discovery**;
 - c. submits to an examination under oath at the **Insurer's** request;

E. d. cooperates with the **Insurer** in the investigation and settlement of any claim. Ownership
Solely with respect to:

1. Insuring Clauses A. – H., this Coverage Part shall only apply:
 - a. to **Money, Securities or Property** owned by an **Insured Entity**, for which the **Insured Entity** is legally liable, or held by the **Insured Entity** in any capacity, and
 - b. no coverage shall be provided under this Coverage Part for any damage to the **Premises** unless the **Insured Entity** is the owner of such **Premises** or is legally liable for such damage;

provided that with respect to Insuring Clause A, the **Insurer's** liability shall not apply to **Money, Securities or Property** of a **Client**.

2. Insuring Clause I, this Coverage Part shall only apply to **Money, Securities or Property** owned by a **Client**, which is held by an **Insured Entity** in any capacity or for which the **Insured Entity** is legally liable.

F. Other Insurance

With the exception of insurance which is written specifically as excess of the Limit of Liability of this Coverage Part, this Coverage Part shall be excess of and shall not contribute with any valid and collectible insurance providing coverage for loss for which this Coverage Part provides coverage (including any prior insurance replaced by this Coverage Part, which provided a period of time to discover loss occurring prior to the termination or cancellation of such replaced policy), provided that any payment by an **Insured** of a retention or deductible under any such other insurance shall reduce the Retention under this Coverage Part by the amount of such payment which would otherwise have been loss under this Coverage Part.

G. ERISA Provision

1. Any payment made by the **Insurer** under this Coverage Part for loss sustained by an **ERISA Plan** shall be paid to such **ERISA Plan**. If such loss payment is in excess of the amount of coverage required by **ERISA**, any such excess amount shall be held for the use and benefit of any other **ERISA Plan**, should such **ERISA Plan** also Discover loss covered under this Coverage Part.
2. With respect to each **ERISA Plan**, if covered loss is sustained by any **ERISA Plan**:
 - a. which does not have any employer securities, the Limit of Liability applicable to such covered loss shall be the greater of \$1,000; or 10% of the **ERISA Plan's** funds handled as of the beginning of such **ERISA Plan's** fiscal year, up to a maximum limit of \$500,000;
 - b. which does have any employer securities, the limit of liability applicable to such covered loss shall be the greater of \$1,000; 10% of the **ERISA Plan's** funds handled as of the beginning of such **ERISA Plan's** fiscal year, up to a maximum limit of \$1,000,000.
3. If the Limits of Liability stated in Item 2 of the Declarations of this Coverage Part are:
 - a. less than or equal to the amounts set forth in 2.a. and 2.b. above, then the applicable Limit of Liability shall be amended to such respective amounts; or
 - b. greater than the amounts set forth in 2.a. and 2.b. above, then the limit of liability for each **ERISA Plan** shall be the amounts stated above with the remaining limit allocated equally between all **ERISA Plans** sustaining loss.

H. Valuation

The **Insurer** shall pay:

1. the actual market value of lost, damaged or destroyed **Securities** at the closing price of such **Securities** on the business day immediately preceding the day on which a loss is **Discovered**; or the cost of replacing **Securities**, whichever is less, plus the cost to post a Lost Instrument Bond;
2. the least of:
 - a. the actual cash value of the **Property**; or
 - b. the cost to repair or replace **Property**, other than precious metals, with that of similar quality and value, at the time **Named Insured** complies with paragraph D. Duties in the Event of Loss, regarding the furnishing of a proof of loss;
3. the United States of America dollar value of:
 - a. foreign currency based on the rate of exchange published in The Wall Street Journal on the day loss involving foreign currency is **Discovered**; or
 - b. any precious metals based on the amount published in The Wall Street Journal Cash Prices, Precious Metals, on the day loss involving such precious metals is **Discovered**.