

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

RURAL UTILITIES SERVICE REGULATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM
COMMERCIAL CRIME POLICY
EMPLOYEE THEFT AND FORGERY POLICY

PROVISIONS

1. Paragraph 2. of the **Cancellation** Condition of the **Common Policy** Conditions or Paragraph 2. of the **Cancellation Of Policy** Condition is replaced with the following:

We may cancel this policy by mailing or delivering to the first Named Insured and to the Rural Utilities Service written notice of cancellation at least:

- a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- b. 30 days before the effective date of cancellation if we cancel for any other reason.

and by inserting a new section as follows:

NOTICES

It is agreed that settlement of any claim under this policy shall be made by check or draft payable to you, but no settlement shall be made without prior written approval of the Rural Utilities Service. It is further agreed that if you cancel this policy, the Rural Utilities Service may, within 10 days after we receive such notice from you, advise us that the cancellation notice is inoperative. In such case, coverage shall continue as if such notice of cancellation had never been sent. Notices, approvals, and requests required by the provisions of this policy shall be sent as follows:

1. To us, at our home office.
 2. To you, addressed to you at the city or town at which your principal office is located.
 3. To the Rural Utilities Service, addressed to the United States Department of Agriculture, Washington DC, 20250.
2. The **Duties In The Event Of Loss** Condition is replaced by the following:

After you or the Rural Utilities Service discover a loss or situation that may result in loss of or damage to covered property either you or the Rural Utilities Service must:

- a. Notify us as soon as possible.

- b. Submit to examination under oath at our request and give us a signed statement of answers.

- c. Give us a detailed, sworn proof of loss within 4 months.

- d. Cooperate with us in the investigation and settlement of any claim.

Prior discovery of loss by you shall not affect the right of the Rural Utilities Service to notify us of loss, and to file proof of loss even though such prior discovery by you may have occurred more than 4 months prior to the discovery of the loss by the Rural Utilities Service.

3. The **Legal Action Against Us** Condition is replaced by the following:

You or the Rural Utilities Service may not bring legal action against us involving loss:

- a. Unless all the terms of this insurance have been complied with.
- b. Until 60 days after proof of loss has been filed with us.
- c. Unless brought within 2 years from the date the loss is discovered by you or the Rural Utilities Service.

4. The following conditions are added to Section E. Conditions:

- a. Any action, approval or consent which by the provisions of this policy is required to be taken or signed by the Rural Utilities Service shall be effective if taken or signed by the Administrator of the Rural Utilities Service or by his or her authorized representative.

- b. Discovery by you shall be deemed to mean discovery by any officer or "employee" of the Insured not in collusion with the "employee" responsible for the loss, and discovery by the Rural Utilities Service shall be deemed to mean discovery by an employee, agent or attorney of the Rural Utilities Service not in collusion with the "employee" responsible for the loss.

5. The Definition of "Employee" is amended to include any natural person who is a non-salaried officer or collection agent in your service.
6. Paragraph 1.a. of the **Cancellation As To Any Employee** Condition is replaced by the following:
 1. This insurance is cancelled as to any "employee" immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners or officers thereof not in collusion with such "employee"; or
 - (c) By the Rural Utilities Service;
"theft" of or any other dishonest act on the part of such "employee"; whether before or after becoming employed by you.
 2. At 12:01 a.m., Standard Time, upon the effective date specified in a written notice served upon you and the Rural Utilities Service or sent by registered mail to you and the Rural Utilities Service.

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