

**U.S. SPECIALTY INSURANCE COMPANY  
EXCESS FINANCIAL INSTITUTION BOND**

**INSURING AGREEMENT:** In consideration of the payment of the premium, and in reliance upon all statements made and information furnished to the Insurer and the issuers of the **Underlying Insurance**, and subject to the Declarations and all terms, conditions and limitations of this Bond (including any endorsement or rider hereto), the Insurer agrees to indemnify the **Insured** for loss discovered during the **Bond Period** which exceeds the **Underlying Insurance** but is otherwise payable thereunder. Coverage under this Bond shall apply in conformance with the terms, conditions and limitations of the **Primary Bond** (including any endorsement or rider thereto); provided that, in the event any provision of this Bond conflicts with any provision of the **Primary Bond**, the provision of this Bond shall control.

**DEFINITIONS**

- A. **Bond Period** means the period set forth in ITEM 2 of the Declarations, subject to prior termination or cancellation in accordance with the provisions of the **Primary Bond**.
- B. **Insured(s)** means the organization(s) designated as an insured under the **Primary Bond**.
- C. **Primary Bond** means the bond designated as such in ITEM 4 of the Declarations.
- D. **Underlying Insurance** means all bonds scheduled in ITEM 4 of the Declarations (including the **Primary Bond**).

**CONDITIONS**

- A. Maintenance of Underlying Insurance
  - 1. All of the **Underlying Insurance** shall be maintained during the **Bond Period** in full effect. In the event the **Underlying Insurance** is not so maintained, the Insurer shall not be liable under this Bond earlier or to any greater extent than it would have been if such **Underlying Insurance** had been maintained. The Insurer shall be notified in writing as soon as practicable if any **Underlying Insurance** is terminated or cancelled during the **Bond Period**.
  - 2. No amendment to the **Primary Bond** during the **Bond Period** shall broaden or extend coverage under this Bond unless the Insurer evidences its intent to follow form to such amendment by written endorsement or rider hereto. The Insurer shall be notified in writing as soon as practicable of any amendment to the **Primary Bond**.
- B. Reduction or Exhaustion of Underlying Limits
  - 1. In the event of reduction of the applicable Limit(s) of Liability of the **Underlying Insurance**, this Bond shall continue to apply as excess insurance. In the event of exhaustion of all applicable Limit(s) of Liability of the **Underlying Insurance**, and satisfaction of the applicable deductible specified in the **Primary Bond**, this Bond shall apply as primary insurance. Such deductible shall apply to subsequent loss under this Bond.
  - 2. If an issuer of **Underlying Insurance** fails to pay covered loss thereunder for any reason, whether due to such issuer's insolvency or for any other reason, the **Insured** shall be deemed self-insured with respect to such loss. No failure to pay on the part of an issuer of **Underlying Insurance** shall cause the Insurer to be liable under this Bond earlier or to any greater extent than it would have been in the absence of such failure.
- C. Limits of Liability: The Single Loss Limit of Liability set forth in ITEM 3(a) of the Declarations shall be the Insurer's maximum liability under this Bond for any one loss. The Aggregate Limit of Liability set forth in ITEM 3(b) of the Declarations shall be the Insurer's total cumulative liability for all amounts payable under this Bond, regardless of the number of losses or any other circumstance. Each payment made under this Bond shall reduce the Aggregate Limit of Liability, except when a loss is settled by indemnity in lieu of payment. Upon exhaustion of the Aggregate Limit of Liability, the Insurer shall have no further obligation or liability under this Bond, regardless of when a loss may be discovered and whether or not it was previously reported to the Insurer. The Aggregate Limit of Liability shall not be increased or reinstated by any recovery.
- D. Notice and Proof of Loss: As a condition precedent to coverage under this Bond, the **Insureds** must give the Insurer written notice of any loss and proof of loss in the same manner as required under the **Primary Bond**, except that such notice and proof of loss must be sent to the Insurer at the address set forth in ITEM 6 of the Declarations.
- E. Amendment: This Bond cannot be amended or assigned, and no provision of it may be waived, except by written endorsement or rider issued to form a part of this Bond.