

CRIME INSURANCE BOND

1028



FRED.S.JAMES & CO. OF OREGON One Southwest Columbia, Portland, Oregon 97258 503 248-6400 Telex 360128

April 7, 1978

Multnomah County House Rule Charter  
Review Committee  
Wilcox Building, Room 401  
506 S.W. 6th  
Portland, Oregon 97204

Attention: Julie Gottlieb

Re: EMPLOYEE FIDELITY BOND  
INA No. 020259

Dear Julie:

We are pleased to enclose the captioned bond, written for an amount of \$25,000 and covering the committee members of the Multnomah County Charter Review Committee.

Please note there is a deductible of \$250.00 applicable per loss.

Our invoice is attached in the amount of \$385.00 for the one year period from March 3, 1978.

Thank you for the opportunity to be of service.

Sincerely,

A handwritten signature in blue ink that reads "Hunt Lewis, III". The signature is written in a cursive, flowing style.

Hunt Lewis, III

/lh  
enclosures

CC: Mr. Robert Burkholder  
Pendleton Woolen Mills





## INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

A Stock Insurance Company, herein called the Company

### COMPREHENSIVE CRIME POLICY

Edition of August, 1971

The Company, in consideration of the payment of the premium, and subject to the Declarations made a part hereof, the General Agreements, Conditions and Limitations and other terms of this Policy agrees with the Insured, in accordance with such of the Insuring Agreements hereof as are specifically designated by the insertion of an amount of insurance in the Table of Limits of Liability to pay the Insured for:

#### INSURING AGREEMENTS

##### Employee Dishonesty Coverage—Commercial Blanket

**IA.** Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IA through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others.

##### Employee Dishonesty Coverage—Blanket Honesty

**IB.** Loss of Money, Securities and other property which the Insured shall sustain through any fraudulent or dishonest act or acts committed by any of the Employees, acting alone or in collusion with others, the amount of insurance on each of such Employees being the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IB, except that in the event of loss or losses caused by (a) two employees acting in collusion, the limit of aggregate liability of the Company shall be the aggregate amount applicable to both employees but not in excess of \$250,000 or the amount applicable to a single employee if such amount exceeds \$250,000; (b) more than two employees acting in collusion, the limit of aggregate liability of the Company shall be the aggregate amount applicable to all such employees but not in excess of \$500,000 or the amount applicable to a single employee if such amount exceeds \$500,000.

##### Employee Dishonesty Coverage—Blanket Crime

**IC.** Loss of Money, Securities and other property which the Insured shall sustain through any fraudulent or dishonest act or acts committed by any of the employees, acting alone or in collusion with others.

##### Loss Inside the Premises Coverage

**II.** Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof within the Premises or within any Banking Premises or similar recognized places of safe deposit.

Loss of (a) other property by Safe Burglary or Robbery within the Premises or attempt thereat, and (b) a locked cash drawer, cash box or cash register by felonious entry into such container within the Premises or attempt thereat or by felonious abstraction of such container from within the Premises or attempt thereat.

Damage to the Premises by such Safe Burglary, Robbery or felonious abstraction, or by or following burglarious entry into the Premises or attempt thereat, provided with respect to damage to the Premises the Insured is the owner thereof or is liable for such damage.

Loss by Robbery within the Premises from any Employee of Money or checks paid to such Employee from Payroll Funds during the work period when such Robbery occurred, provided there was on the same occasion a Robbery or attempt thereat from a Custodian.

##### Loss Outside the Premises Coverage

**III.** Loss of Money and Securities by the actual destruction, disappearance or wrongful abstraction thereof outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or while within the living quarters in the home of any Messenger.

Loss of other property by Robbery or attempt thereat outside the Premises while being conveyed by a Messenger or any armored motor vehicle company, or by theft while within the living quarters in the home of any Messenger.

##### Money Orders and Counterfeit Paper Currency Coverage

**IV.** Loss due to the acceptance in good faith, 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 due to the acceptance in good faith in the regular course of business of counterfeit United States or Canadian paper currency.

##### Depositors Forgery Coverage

**V.** Loss which the Insured or any bank which is included in the Insured's proof of loss and in which the Insured carries a checking or savings account, as their respective interests may appear, shall sustain through forgery or alteration of, on or in any check, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a sum certain in money, made or drawn by or drawn upon the Insured, or made or drawn by one acting as agent of the Insured, or purporting to have been made or drawn as hereinbefore set forth, including

(a) any check or draft made or drawn in the name of the Insured, payable to a fictitious payee and endorsed in the name of such fictitious payee;

(b) any check or draft procured in a face to face transaction with the Insured, or with one acting as agent of the Insured, by anyone impersonating another and made or drawn payable to the one so impersonated endorsed by anyone other than the one so impersonated; and

(c) any payroll check, payroll draft or payroll order made or drawn by the Insured, payable to bearer as well as to a named payee and endorsed by anyone other than the named payee without authority from such payee;

whether or not any endorsement mentioned in (a), (b) or (c) be a forgery within the law of the place controlling the construction thereof.

Mechanically reproduced facsimile signatures are treated the same as handwritten signatures.

The Insured shall be entitled to priority of payment over loss sustained by any bank aforesaid. Loss under this Insuring Agreement, whether sustained by the Insured or such bank, shall be paid directly to the Insured in its own name, except in cases where such bank shall have already fully reimbursed the Insured for such loss. The liability of the Company to such bank for such loss shall be a part of and not in addition to the amount of insurance applicable to the Insured's office to which such loss would have been allocated had such loss been sustained by the Insured.

If the Insured or such bank shall refuse to pay any of the foregoing instruments made or drawn as hereinbefore set forth, alleging that such instruments are forged or altered, and such refusal shall result in suit being brought against the Insured or such bank to enforce such payment and the Company shall give its written consent to the defense of such suit, then any reasonable attorneys' fees, court costs, or similar legal expenses incurred and paid by the Insured or such bank in such defense shall be construed to be a loss under this Insuring Agreement and the liability of the Company for such loss shall be in addition to any other liability under this Insuring Agreement.



## GENERAL AGREEMENTS

### Consolidation-Merger

A. If, through consolidation or merger with, or purchase of assets of, some other concern, any persons shall become Employees or if the Insured shall thereby acquire the use and control of any additional Premises, the insurance afforded by this Policy shall also apply as respects such Employees and Premises, provided the Insured shall give the Company written notice thereof within thirty days thereafter and shall pay the Company an additional premium computed pro rata from the date of such consolidation, merger or purchase to the end of the current premium period.

### Joint Insured

B. If more than one Insured is covered under this Policy, the Insured first named shall act for itself and for every other Insured for all purposes of this Policy. Knowledge possessed or discovery made by any Insured or by any partner or officer thereof shall, for the purposes of Sections 7, 8 and 18 constitute knowledge possessed or discovery made by every Insured. Cancellation of the insurance hereunder as respects any Employee as provided in Section 18 shall apply to every Insured. If, prior to the cancellation or termination of this Policy, this Policy or any Insuring Agreement hereof is canceled or terminated as to any Insured, there shall be no liability for any loss sustained by such Insured unless discovered within one year from the date of such cancellation or termination. Payment by the Company to the Insured first named of any loss under this Policy shall fully release the Company on account of such loss. If the Insured first named ceases for any reason to be covered under this Policy then the Insured next named shall thereafter be considered as the Insured first named for all purposes of this Policy.

### Loss Under Prior Bond or Policy

C. If the coverage of an Insuring Agreement of this Policy other than Insuring Agreement V, is substituted for any prior bond or policy of insurance carried by the Insured or by any predecessor in interest of the Insured, which prior bond or policy is terminated, canceled or allowed to expire as of the time of such substitution, the Company agrees that such Insuring Agreement applies to loss which is discovered as provided in Section 1 of the Conditions and Limitations and which would have been recoverable by the Insured or such predecessor under such prior bond or policy except for the fact that the time within which to discover loss thereunder had expired; provided:

- (1) the insurance under this General Agreement C shall be a part of and not in addition to the amount of insurance afforded by the applicable Insuring Agreement of this Policy;
- (2) such loss would have been covered under such Insuring Agreement had such Insuring Agreement with its agreements, conditions and limitations as of the time of such substitution been in force when the acts or events causing such loss were committed or occurred; and
- (3) recovery under such Insuring Agreement on account of such loss shall in no event exceed the amount which would have been recoverable under such Insuring Agreement in the amount for which it is written as of the time of such substitution, had such Insuring Agreement been in force when such acts or events were committed or occurred, or the amount which would have been recoverable under such prior bond or policy had such prior bond or policy continued in force until the discovery of such loss, if the latter amount be smaller.

Insuring Agreement V shall also cover loss sustained by the Insured at any time before the termination or cancellation of Insuring Agreement V, which would have been recoverable under the coverage of some similar form of forgery insurance (exclusive of fidelity insurance) carried by the Insured or any predecessor in interest of the Insured, had such prior forgery insurance given all of the coverage afforded under Insuring Agreement V; provided with respect to loss covered by this paragraph:

- (a) the coverage of Insuring Agreement V is substituted on or after the date hereof for such prior forgery coverage and the Insured or such predecessor, as the case may be, carried such prior forgery coverage on the office at which such loss was sustained continuously from the time such loss was sustained to the date the coverage of Insuring Agreement V was substituted therefor;
- (b) at the time of discovery of such loss, the period for discovery of loss under all such prior forgery insurance has expired; and
- (c) if the amount of insurance carried under Insuring Agreement V applicable to the office at which such loss is sustained is larger than the amount applicable to such office under such prior forgery insurance, and in force at the time such loss is sustained, then liability hereunder for such loss shall not exceed the smaller amount.

## THE FOREGOING INSURING AGREEMENTS AND GENERAL AGREEMENTS ARE SUBJECT TO THE FOLLOWING CONDITIONS AND LIMITATIONS:

### Policy Period, Territory, Discovery

Section 1. Loss is covered under this Policy only if discovered not later than one year from the end of the Policy Period.

### Subject to General Agreement C:

- (a) this Policy, except under Insuring Agreements IA, IB, IC and V, applies only to loss which occurs during the Policy Period within any of the States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada;
- (b) Insuring Agreements IA, IB, and IC apply only to loss sustained by the Insured through fraudulent or dishonest acts committed during the Policy Period by any of the Employees engaged in the regular service of the Insured within the territory designated above or while such Employees are elsewhere for a limited period;
- (c) Insuring Agreement V applies only to loss sustained during the Policy Period.

### Exclusions

Section 2. This Policy does not apply:

- (a) to loss due to any fraudulent, dishonest or criminal act by any Insured or a partner therein, whether acting alone or in collusion with others;
- (b) under Insuring Agreement IA, IB or IC to loss, or to that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount is

dependent upon an inventory computation or a profit and loss computation; provided, however, that this paragraph shall not apply to loss of Money, Securities or other property which the Insured can prove, through evidence wholly apart from such computations, is sustained by the Insured through any fraudulent or dishonest act or acts committed by any one or more of the Employees;

- (c) under Insuring Agreements II and III, to loss due to any fraudulent, dishonest or criminal act by an Employee, director, trustee or authorized representative of any Insured, while working or otherwise and whether acting alone or in collusion with others; provided, this Exclusion does not apply to Safe Burglary or Robbery or attempt thereat;
- (d) under Insuring Agreements II and III, to loss due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (e) under Insuring Agreements II and III, to loss (1) due to the giving or surrendering of Money or Securities in any exchange or purchase; (2) due to accounting or arithmetical errors or omissions; or (3) of manuscripts, books of account or records;
- (f) under Insuring Agreement II, to loss of Money contained in coin operated amusement devices or vending machines, unless the amount of Money deposited within the device or machine is recorded by a continuous recording instrument therein;





## INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

COMPREHENSIVE CRIME POLICY  
Edition of August, 1971

## DECLARATIONS

TDD 02 02 59

1. NAMED INSURED  
(Herein called Insured)  
Principal Address

MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE  
401 Wilcox Building  
506 S.W. 6th  
Portland, OR 97204

2. Policy Period: from noon on March 3 1978  
(MONTH) (DAY) (YEAR)  
to noon on the effective date of the cancellation or termination of this Policy, standard time at the Principal Address as to each of said dates.

## 3. Table of Limits of Liability

Limits of Liability Comprehensive 3-D Coverage	Insuring Agreements	Limit of Liability Blanket Crime Coverage
\$ 25,000.00	IA Employee Dishonesty Coverage - Commercial Blanket	
\$ xxx	IB Employee Dishonesty Coverage - Blanket Honesty	
X X X	IC Employee Dishonesty Coverage - Blanket Crime	
\$ nil	II Loss Inside the Premises Coverage	} Total \$
\$ nil	III Loss Outside the Premises Coverage	
\$ nil	IV Money Orders and Counterfeit Paper Currency Coverage	
\$ nil	V Depositors Forgery Coverage If added by endorsement:	
\$ xxx		

4. The liability of the Company is subject to the terms of the following riders or endorsements attached hereto:

Endorsement 46A, Rider-Endorsement 182, Effective Time Rider-End. 203, Inventory Computation Loss Exclusion-End. 200, Legal Fees Exclusion Rider, Definition of Dishonesty-End. 196A, Rider-Endorsement 91

5. The Insured by the acceptance of this Policy gives notice to the Company terminating or canceling prior bond(s) or policy(ies) No.(s) n/a such termination or cancellation to be effective as of the time this Policy becomes effective.

Issued at Portland, Oregon

By

C. Hunt Lewis, Jr.  
Authorized Agent  
FRED. S. JAMES & CO. OF OREGON



INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

RIDER-ENDORSEMENT 91

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From noon on March 3, 1978

Comprehensive Crime Policy

To be attached to and form part of ~~Blanket Bond, Form No.~~                     , No. TDD 02 02 59

It is agreed that:

Any natural person, whether or not compensated, who is duly elected or appointed by the Insured to render service in one or more of the following capacities shall, while rendering service to the Insured in such capacities, be deemed to be an Employee as defined in Section 3.

Committee Members

Countersigned By

*C. Grant Lewis, Jr.*  
Authorized Agent

FRED. S. JAMES & CO. OF OREGON





# RIDER-ENDORSEMENT 182 (NOVEMBER 1973)

Named Insured

MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective

3/3/78

Policy No.

TDD 02 02 59

Issued by (Name of Insurance Company)

INSURANCE COMPANY OF NORTH AMERICA

## FOR USE WITH COMPREHENSIVE CRIME POLICIES TO EXCLUDE LOSSES DUE TO EXTORTION

It is agreed that the Policy does not apply to loss due to the surrender of Money, Securities or other property away from the Premises as a result of a threat to do

(a) bodily harm to any person, or

(b) damage to the Premises or property owned by the Insured or held by the Insured in any capacity;

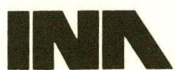
provided, however, these exclusions do not apply

(1) to Insuring Agreement IA, IB or IC if coverage is afforded thereunder, or

(2) under Insuring Agreement III if coverage is afforded thereunder, to loss of Money, Securities or other property while being conveyed by a Messenger when there was no knowledge by the Insured of any such threat at the time the conveyance was initiated.

Accepted:

*C. Herbert Lewis, III*  
Authorized Agent  
FRED. S. JAMES & CO. OF OREGON



INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

DEFINITION OF DISHONESTY

ENDORSEMENT 196A

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From noon on March 3, 1978

To be attached to and form part of Comprehensive Crime Policy No. TDD 02 02 59

FOR USE WITH COMPREHENSIVE CRIME POLICY  
TO REVISE INSURING AGREEMENT IA AND TO ADD CERTAIN EXCLUSIONS.

It is agreed that:

1. The attached Policy is hereby amended by deleting Insuring Agreement IA and by substituting in lieu thereof the following:

"1. Loss of Money, Securities and other property which the Insured shall sustain, to an amount not exceeding in the aggregate the amount stated in the Table of Limits of Liability applicable to this Insuring Agreement IA resulting directly from one or more fraudulent or dishonest acts committed by an Employee, acting alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent:

- (a) to cause the Insured to sustain such loss; and
- (b) to obtain financial benefit for the Employee, or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment."

2. In addition to the existing Exclusions in the attached Policy, the Company shall not be liable under any Insuring Agreement for:

- (i) Potential income, including but not limited to interest and dividends, not realized by the Insured because of a loss covered under this Policy.
- (ii) Damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this Policy.
- (iii) Costs, fees or other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this Policy.

3. The attached bond shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

Accepted:

Countersigned By

*C. Hunt Senior III*  
FRED. S. JAMES & CO. OF OREGON  
Authorized Agent





INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

LEGAL FEES EXCLUSION RIDER

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From noon on March 3, 1978

To be attached to and form part of Bond, or Policy No. TDD 02 02 59

FOR USE WITH COMMERCIAL BLANKET  
BOND, BLANKET HONESTY BOND  
OR COMPREHENSIVE CRIME POLICY.

It is agreed that:

1. In addition to the existing Exclusions applicable to the attached bond or policy the bond or policy does not apply to the defense of any legal proceeding brought against the Insured, or to fees, costs or expenses incurred or paid by the Insured in prosecuting or defending any legal proceeding whether or not such proceeding results or would result in a loss to the Insured covered by this bond or policy.

2. The attached bond or policy shall be subject to all its agreements, limitations and conditions except as herein expressly modified.

Accepted:

Countersigned By

*C. Hunt Lewis, III*  
FRED. S. JAMES & CO. OF OREGON  
Authorized Agent



INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

INVENTORY COMPUTATION LOSS EXCLUSION  
ENDORSEMENT 200  
EDITION OF NOVEMBER, 1976

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From noon on March 3, 1978

To be attached to and form part of Comprehensive Crime Policy No. TDD 02 02 59

FOR USE WITH COMPREHENSIVE CRIME  
POLICY TO CLARIFY INVENTORY  
COMPUTATION LOSS EXCLUSION.

It is agreed that:

1. Sub-section (b) of Section 2 of the attached Policy is deleted and the following is inserted in lieu thereof:

"(b) under Insuring Agreement 1A, 1B or 1C, (whichever is designated in Item 3 of Declarations), to loss, or that part of any loss, as the case may be, the proof of which, either as to its factual existence or as to its amount, is dependent upon an inventory computation or a profit and loss computation."

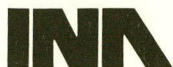
2. Nothing herein contained shall vary, alter or extend any of the provisions, conditions or other terms of the policy except as above stated.

Accepted:

Countersigned By

*C. Hunt Lewis, III*  
FRED. S. JAMES & CO. OF OREGON  
Authorized Agent





INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

EFFECTIVE TIME RIDER  
ENDORSEMENT 203

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From 12:01 A.M. on March 3, 1978

To be attached to and form part of Policy or Bond No. TDD 02 02 59

The time of inception and the time of expiration, termination or cancelation of this policy or bond and any schedule, endorsement or rider attached or to be attached shall be 12:01 a.m. standard time.

To the extent that coverage in this policy or bond replaces coverage in other policies or bonds terminating at noon standard time on the inception date of this policy or bond, coverage under this policy or bond shall not become effective until such other coverage has terminated.

Countersigned By

  
Authorized Agent  
FRED. S. JAMES & CO. OF OREGON



INSURANCE COMPANY OF NORTH AMERICA, PHILADELPHIA, PENNSYLVANIA

ENDORSEMENT 46A

(revised to May, 1957)

Named Insured MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE

Effective date of rider: From noon on March 3, 1978

To be attached to and form part of Blanket Bond, Form No. \_\_\_\_\_, No. TDD 02 02 59

COMPREHENSIVE CRIME POLICY - FORMS A & C ONLY  
TO PROVIDE A DEDUCTIBLE AMOUNT UNDER  
INSURING AGREEMENT I, II, OR III.

To be attached to and form part of Policy No.  
issued to

It is agreed that:

1. The Company shall not be liable under Insuring Agreement I on account of loss through acts or defaults committed at any time, whether before or after this endorsement is effective, by any Employee or in which such Employee is concerned or implicated, unless the amount of such loss, after deducting the net amount of all reimbursement and recovery, including any cash deposit taken by the Insured, obtained or made by the Insured, other than from any bond or policy of insurance issued by a surety or insurance company and covering such loss, or by the Company on account thereof prior to payment by the Company of such loss, shall be in excess of **TWO HUNDRED FIFTY & NO/100-----**

Dollars (\$ **250.00** ),

and then for such excess only, but in no event for more than the amount of insurance carried under Insuring Agreement I on such loss.

2. The Company shall not be liable under Insuring Agreement II on account of any loss, except to the extent such loss is in excess of **not applicable** Dollars (\$ - ), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

3. The Company shall not be liable under Insuring Agreement III on account of any loss, except to the extent such loss is in excess of **not applicable** Dollars (\$ - ), with the insurance then applying to such excess only, subject otherwise to the applicable limit of the Company's liability.

4. In no event shall the Company be liable under any Insuring Agreement, as modified by this endorsement, for more than the amount specified in the Table of Limits of Liability as applicable to such Insuring Agreement subject, however, to Section 11.

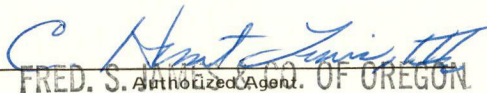
5. Section 10 is deleted and the following inserted:

"Section 10. If the Insured shall sustain any loss covered by this Policy to which a deductible amount applies and such loss exceeds the applicable amount of insurance hereunder plus such deductible amount, the Insured shall be entitled to all recoveries made after payment by the Company of loss covered by this Policy (except from suretyship, insurance, re-insurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, less the actual cost of effecting such recoveries, until reimbursed for such excess loss; and any remainder, or, if there be no such excess loss, any such recoveries shall be applied first in reimbursement of the Company and thereafter in reimbursement of the Insured for that part of such loss within such deductible amount."

6. The Insured shall within the time and in the manner prescribed in the Policy, give the Company notice of any loss of the kind covered by Insuring Agreement I, whether or not the Company is liable therefor or for any part thereof, and upon the request of the Company shall file with it a brief statement giving the particulars concerning such loss.

Accepted:

Countersigned By

  
FRED. S. SMITH, OF OREGON  
Authorized Agent



## CONDITIONS AND LIMITATIONS—continued

- (g) under Insuring Agreement III, to loss of insured property while in the custody of any armored motor vehicle company, unless such loss is in excess of the amount recovered or received by the Insured under (1) the Insured's contract with said armored motor vehicle company, (2) insurance carried by said armored motor vehicle company for the benefit of users of its service, and (3) all other insurance and indemnity in force in whatsoever form carried by or for the benefit of users of said armored motor vehicle company's service, and then this Policy shall cover only such excess;
- (h) under Insuring Agreements II and III, to loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to any of the foregoing;
- (i) under Insuring Agreement II, to loss, other than to Money, Securities, a safe or vault, by fire whether or not such fire is caused by, contributed to by or arises out of the occurrence of a hazard insured against.

### Definitions

Section 3. The following terms, as used in this Policy, shall have the respective meanings stated in this Section:

**"Money"** means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

**"Securities"** means all negotiable and non-negotiable instruments or contracts representing either Money or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include Money.

**"Employee"** means any natural person (except a director or trustee of the Insured, if a corporation, who is not also an officer or employee thereof in some other capacity) while in the regular service of the Insured in the ordinary course of the Insured's business during the Policy Period and whom the Insured compensates by salary, wages or commissions and has the right to govern and direct in the performance of such service, but does not mean any broker, factor, commission merchant, consignee, contractor or other agent or representative of the same general character. As applied to loss under Insuring Agreement IA, IB, or IC the above words "while in the regular service of the Insured" shall include the first 30 days thereafter; subject, however, to Sections 18 and 19.

**"Premises"** means the interior of that portion of any building which is occupied by the Insured in conducting its business.

**"Banking Premises"** means the interior of that portion of any building which is occupied by a banking institution in conducting its business.

**"Messenger"** means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property outside the Premises.

**"Custodian"** means the Insured or a partner of the Insured or any Employee who is duly authorized by the Insured to have the care and custody of the insured property within the Premises, excluding any person while acting as a watchman, porter or janitor.

**"Robbery"** means the taking of insured property (1) by violence inflicted upon a Messenger or a Custodian; (2) by putting him in fear of violence; (3) by any other overt felonious act committed in his presence and of which he was actually cognizant, provided such other act is not committed by a partner or Employee of the Insured; (4) from the person or direct care and custody of a Messenger or Custodian who has been killed or rendered unconscious; or (5) under Insuring Agreement II (a) from within the Premises by means of compelling a Messenger or Custodian by violence or threat of violence while outside the Premises to admit a person into the Premises or to furnish him with means of ingress into the Premises, or (b) from a showcase or show window within the Premises while regularly open for business, by a person who has broken the glass thereof from outside the Premises.

**"Safe Burglary"** means (1) the felonious abstraction of insured property from within a vault or safe, the door of which is equipped with a combination lock, located within the Premises by a person making a felonious entry into such vault or such safe and any vault containing the safe, when all doors thereof are duly closed and locked by all combination locks thereon, provided such entry shall be made by actual force and violence, of which force and violence there are visible marks made by tools, explosives, electricity or chemicals upon the exterior of (a) all of said doors of such vault or such safe and any vault containing the safe, if entry is made through such doors, or (b) the top, bottom or walls of such vault or such safe and any vault containing the safe through which entry is made, if not made through such doors, or (2) the felonious abstraction of such safe from within the Premises.

**"Payroll Funds"** means Money and Securities intended solely for the payroll of the Insured.

**"Loss"**, except under Insuring Agreements IA, IB, IC and V, includes damage.

### Loss Caused by Unidentifiable Employee

Section 4. If a loss is alleged to have been caused by the fraud or dishonesty of any one or more of the Employees covered under Insuring Agreement IA, IB or IC, as the case may be, and the Insured shall be unable to designate the specific Employee or Employees causing such loss, the Insured shall nevertheless have the benefit of such applicable Insuring Agreement subject to the provisions of Section 2 (b) of this Policy provided that the evidence submitted reasonably proves that the loss was in fact due to the fraud or dishonesty of one or more of the said Employees, and provided, further, that the aggregate liability of the Company for any such loss shall not exceed the Limit of Liability applicable to such Insuring Agreement.

### Ownership of Property; Interests Covered

Section 5. The insured property may be owned by the Insured, or held by the Insured in any capacity whether or not the Insured is liable for the loss thereof, or may be property as respects which the Insured is legally liable; provided, Insuring Agreements II, III and IV apply only to the interest of the Insured in such property, including the

Insured's liability to others, and do not apply to the interest of any other person or organization in any of said property unless included in the Insured's proof of loss, in which event the third paragraph of Section 8 is applicable to them.

### Books and Records

Section 6. The Insured shall keep records of all the insured property in such manner that the Company can accurately determine therefrom the amount of loss.

### Prior Fraud, Dishonesty or Cancellation

Section 7. The coverage of Insuring Agreement IA, IB, or IC shall not apply to any Employee from and after the time that the Insured or any partner or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any fraudulent or dishonest act in the service of the Insured or otherwise, whether such act be committed before or after the date of employment by the Insured.

If, prior to the issuance of this Policy, any fidelity insurance in favor of the Insured or any predecessor in interest of the Insured and covering one or more of the Insured's Employees shall have been canceled as to any of such Employees by reason of the giving of written notice of cancellation by the insurer issuing such fidelity insurance whether the Company or not, and if such Employees shall not have been reinstated under the coverage of said fidelity insurance or superseding fidelity insurance, the Company shall not be liable on account of such Employees unless the Company shall agree in writing to include such Employees within the coverage of Insuring Agreement IA, IB, or IC as the case may be.

### Loss; Notice; Proof; Action Against Company

Section 8. Upon knowledge or discovery of loss or of an occurrence which may give rise to a claim for loss, the Insured shall: (a) give notice thereof as soon as practicable to the Company or any of its authorized agents and, except under Insuring Agreements IA, IB, or IC and V, also to the police if the loss is due to a violation of law; (b) file detailed proof of loss, duly sworn to, with the Company within four months after the discovery of loss.

Proof of loss under Insuring Agreement V shall include the instrument which is the basis of claim for such loss, or if it shall be impossible to file such instrument, the affidavit of the Insured or the Insured's bank of deposit setting forth the amount and cause of loss shall be accepted in lieu thereof.

Upon the Company's request, the Insured shall submit to examination by the Company, subscribe the same, under oath if required, and produce for the Company's examination all pertinent records, all at such reasonable times and places as the Company shall designate, and shall cooperate with the Company in all matters pertaining to loss or claims with respect thereto.

No action shall lie against the Company unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy nor until ninety days after the required proofs of loss have been filed with the Company, nor at all unless commenced within two years from the date when the Insured discovers the loss. If any limitation of time for notice of loss or any legal proceeding herein contained is shorter than that permitted to be fixed by agreement under any statute controlling the construction of this Policy the shortest permissible statutory limitation of time shall govern and shall supersede the time limitation herein stated.

### Valuation—Payment—Replacement

Section 9. In no event shall the Company be liable as respects Securities for more than the actual cash value thereof at the close of business on the business day next preceding the day on which the loss was discovered, nor as respects other property, for more than the actual cash value thereof at the time of loss; provided, however, the actual cash value of such other property held by the Insured as a pledge, or as collateral for an advance or a loan, shall be deemed not to exceed the value of the property as determined and recorded by the Insured when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

The Company may, with the consent of the Insured, settle any claim for loss of property with the owner thereof. Any property for which the Company has made indemnification shall become the property of the Company.

In case of damage to the Premises or loss of property other than Securities, the Company shall not be liable for more than the actual cash value of such property, or for more than the actual cost of repairing such Premises or property or of replacing same with property or material of like quality and value. The Company may, at its election, pay such actual cash value, or make such repairs or replacements. If the Company and the Insured cannot agree upon such cash value or such cost of repairs or replacements, such cash value or such cost shall be determined by arbitration.

### Recoveries

Section 10. If the Insured shall sustain any loss covered by this Policy which exceeds the applicable amount of insurance hereunder, the Insured shall be entitled to all recoveries (except from suretyship, insurance, reinsurance, security or indemnity taken by or for the benefit of the Company) by whomsoever made, on account of such loss under this Policy until fully reimbursed, less the actual cost of effecting the same; and any remainder shall be applied to the reimbursement of the Company.

### IF A LIMIT OF LIABILITY IS INDICATED FOR COMPREHENSIVE 3-D COVERAGE THE FOLLOWING SECTIONS 11, 12 AND 13 SHALL APPLY:

#### Limit of Liability under this Policy and Prior Insurance—Comprehensive 3-D Coverage

Section 11. Payment of loss under Insuring Agreement IA, IB or V shall not reduce the Company's liability for other losses under the applicable Insuring Agreement whenever sustained. The Company's total liability (a) under Insuring Agreement IA for all loss



## CONDITIONS AND LIMITATIONS—continued

caused by any Employee or in which such Employee is concerned or implicated, (b) under Insuring Agreement IB as to each Employee or (c) under Insuring Agreement V for all loss by forgery or alteration committed by any person or in which such person is concerned or implicated, whether such forgery or alteration involves one or more instruments, is limited to the applicable amount of insurance specified in the Table of Limits of Liability or endorsement amendatory thereto. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insured.

Except under Insuring Agreements IA, IB, and V the applicable limit of liability stated in the Table of Limits of Liability of this Policy is the total limit of the Company's liability with respect to all loss of property of one or more persons or organizations arising out of any one occurrence. All loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts at the Premises, whether committed by one or more persons, shall be deemed to arise out of one occurrence.

Regardless of the number of years this Policy shall continue in force and the number of premiums which shall be payable or paid, the limit of the Company's liability as specified in the Table of Limits of Liability of this Policy shall not be cumulative from year to year or period to period.

### Limit of Liability under this Policy and Prior Insurance—Comprehensive 3-D Coverage

Section 12. This Section shall apply only to Insuring Agreements IA, IB, and V.

With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this Policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under the applicable Insuring Agreement of this Policy on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

### Other Insurance—Comprehensive 3-D Coverage

Section 13. If there is available to the Insured any other insurance or indemnity covering any loss covered by Insuring Agreement IA, IB, or V the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity, except that if such other insurance or indemnity is a bond or policy of fidelity insurance, any loss covered under both such fidelity insurance and Insuring Agreement V shall first be paid under Insuring Agreement V. Any loss covered under both Insuring Agreements IA, IB and also under Insuring Agreement V shall first be paid under Insuring Agreement V and the excess, if any, shall be paid under Insuring Agreement IA, or IB as the case may be. The Company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

Under any other Insuring Agreement, if there is any other valid and collectible insurance which would apply in the absence of such Insuring Agreement, the insurance under this Policy shall apply only as excess insurance over such other insurance; provided, the insurance shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured.

**IF A LIMIT OF LIABILITY IS INDICATED FOR BLANKET CRIME COVERAGE, THE FOLLOWING SECTIONS 14, 15, AND 16 SHALL APPLY:**

### Total Limit of Liability—Blanket Crime Coverage

Section 14. Payment of loss under this Policy shall not reduce the liability of the Company under this Policy for other losses; provided, however, that the total liability of the Company under this Policy on account of:

- (a) all loss incidental to an actual or attempted fraudulent, dishonest or criminal act or series of related acts, whether committed by one or more persons, at the Premises in which no Employee is concerned or implicated or in which there is no forgery or alteration of an instrument covered under Insuring Agreement V, or
- (b) all loss, other than as specified in (a) preceding, caused by acts or omissions of any person (whether one of the Employees or not) or acts or omissions in which such person is concerned or implicated,

is limited to the sum stated as Limit of Liability Total. The liability of the Company for loss sustained by any or all of the Insured shall not exceed the amount for which the Company would be liable had all such loss been sustained by any one of the Insured.

Regardless of the number of years this Policy shall continue in force and the number of premiums which shall be payable or paid, the Company's total limit of liability shall not be cumulative from year to year or period to period.

By acceptance of this Policy the Insured agrees that it embodies all agreements existing between the Insured and the Company or any of its agents relating to this insurance.

**IN WITNESS WHEREOF, the INSURANCE COMPANY OF NORTH AMERICA has caused this Policy to be signed by its president and secretary at Philadelphia, Pennsylvania, and countersigned on the Declarations page by a duly authorized agent of the Company.**

*Bertram C. Dedman*

BERTRAM C. DEDMAN, Secretary

### Limit of Liability under this Policy and Prior Insurance—Blanket Crime Coverage

Section 15. With respect to loss caused by any person (whether one of the Employees or not) or in which such person is concerned or implicated or which is chargeable to any Employee as provided in Section 4 and which occurs partly during the Policy Period and partly during the period of other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this Policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried under this Policy on such loss or the amount available to the Insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss, if the latter amount be the larger.

### Other Insurance—Blanket Crime Coverage

Section 16. If there is available to the Insured any other insurance or indemnity covering any loss covered by this Policy, the Company shall be liable hereunder only for that part of such loss which is in excess of the amount recoverable or recovered from such other insurance or indemnity; provided, except under Insuring Agreements I and V, the insurance under this Policy shall not apply (a) to property which is separately described and enumerated and specifically insured in whole or in part by any other insurance; or (b) to property otherwise insured unless such property is owned by the Insured. The Company waives any right of contribution which it may have against any forgery insurance carried by any depository bank which is indemnified under Insuring Agreement V.

### Subrogation

Section 17. In the event of any payment under this Policy the Company shall be subrogated to all the Insured's rights of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatsoever else is necessary to secure such rights. The Insured shall do nothing after loss to prejudice such rights.

### Cancellation as to Any Employee

Section 18. Insuring Agreement IA, IB or IC shall be deemed canceled as to any Employee: (a) immediately upon discovery by the Insured, or by any partner or officer thereof not in collusion with such Employee, of any fraudulent or dishonest act on the part of such Employee; or (b) at noon, standard time as aforesaid, upon the effective date specified in a written notice mailed to the Insured. Such date shall be not less than fifteen days after the date of mailing. The mailing by the Company of notice as aforesaid to the Insured at the address shown in this Policy shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

### Cancellation of Policy or Insuring Agreement

Section 19. This Policy (or any Insuring Agreement thereof, if Comprehensive 3-D Coverage) may be canceled by the Insured by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy (or any Insuring Agreement thereof, if Comprehensive 3-D Coverage) may be canceled by the Company by mailing to the Insured at the address shown in this Policy written notice stating when not less than fifteen days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the Policy Period for any affected Insuring Agreement. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

If the Insured cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

### No Benefit to Bailee

Section 20. This Section shall apply only to Insuring Agreements II and III.

The insurance afforded by this Policy shall not inure directly or indirectly to the benefit of any carrier or other bailee for hire.

### Assignment

Section 21. Assignment of interest under this Policy shall not bind the Company, until its consent is endorsed hereon; if, however, the Insured shall die, this Policy shall cover the Insured's legal representative as Insured; provided that notice of cancellation addressed to the Insured named in the Declarations and mailed to the address shown in this Policy shall be sufficient notice to effect cancellation of this Policy.

### Changes

Section 22. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy signed by an officer of the Company.

*John R. Cox*

JOHN R. COX, President





FRED.S.JAMES & CO.OF OREGON One Southwest Columbia, Portland, Oregon 97258 503 248-6400 Telex 360128

February 27, 1978

Multnomah County House Rule Charter  
Review Committee  
Wilcox Building, Room 401  
506 S.W. 6th  
Portland, Oregon 97204

Attention: Julie

Dear Julie:

Enclosed is the crime insurance application to be completed and returned to our office as soon as possible. A stamped self addressed envelope is enclosed for your convenience.

If you have any questions, please let us know.

Sincerely,

*Hunt Lewis*

Hunt Lewis, III

/lh  
Enclosures

*- expiring according  
to Mult. Co Charter  
Aug. 23.  
- non profit*

MULTNOMAH COUNTY CHARTER REVIEW COMMITTEE  
401 Wilcox Building, 506 S. W. 6th Avenue  
Portland, Oregon 97204  
227-1631

March 1, 1978

Mr. Hunt Lewis, III  
Fred S. James & Company of Oregon  
1 S. W. Columbia  
Portland, Oregon 97258

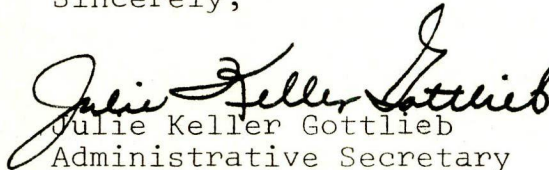
Dear Mr. Lewis:

Enclosed is the crime insurance application completed to the best of my ability.

The Multnomah County Charter Review Committee is a non-profit organization established by the Multnomah County Home Rule Charter, Chapter 12.30. On February 14, 1978 the Board of County Commissioners appropriated \$25,000 to provide the Charter Review Committee with staff support and supplies. Chapter 12.60 of the Charter requires the Committee report to the people and the Board of County Commissioners their findings 75 days prior to the general election of 1978. (August 23, 1978) On this date, unless otherwise directed, the Committee will expire.

If you should have any further questions, please feel free to contact me.

Sincerely,

  
Julie Keller Gottlieb  
Administrative Secretary

jkg  
Enclosure



**INSURANCE COMPANY OF NORTH AMERICA, Philadelphia, Pa.**

## Application for Crime Insurance

Application is hereby made by \_\_\_\_\_  
(Exact Name of Applicant)

(Social Security or IRS No.)

(Street and Number)

(City)

(County)

(State)

(herein called the Applicant) for insurance under each of the following Insuring Agreements opposite which an amount is stated, to become effective or to be continued as of

noon on \_\_\_\_\_, as follows:  
(Month, Day, Year)

## COMPREHENSIVE 3D POLICY

Insuring Agreement I	(Employee Dishonesty Coverage) . . . . .	Form A... <input type="checkbox"/>	Form B... <input type="checkbox"/>	\$.....	\$.....
Insuring Agreement II	(Loss Inside the Premises Coverage) . . . . .	Securities only <input type="checkbox"/>	Money and Securities <input type="checkbox"/>	\$.....	\$.....
Insuring Agreement III	(Loss Outside the Premises Coverage) . . . . .	Securities only <input type="checkbox"/>	Money and Securities <input type="checkbox"/>	\$.....	\$.....
Insuring Agreement IV	(Money Orders and Counterfeit Paper Currency Coverage) . . . . .			\$.....	\$.....
Insuring Agreement V	(Depositors Forgery Coverage) . . . . .			\$.....	\$.....
Insuring Agreement .....	.....			\$.....	\$.....
Insuring Agreement .....	.....			\$.....	\$.....
Insuring Agreement .....	.....			\$.....	\$.....

**BLANKET CRIME POLICY**—Includes all coverages listed above—Single amount applies to all Agreements ..... \$..... \$.....

Premium Payable:

Annually ☐Three Years, Advance ☐Three Years, Instalments ☐

<b>1. (a) DESCRIPTION OF APPLICANT'S BUSINESS</b>     DATE BUSINESS ESTABLISHED:       /       /	<b>(b) PREDOMINANT BUSINESS FUNCTION</b>  <input type="checkbox"/> MANUFACTURING OR PROCESSING ..... <input type="checkbox"/> WHOLESALING OR DISTRIBUTING ..... <input type="checkbox"/> RETAILING OR PERSONAL SERVICES ..... <input type="checkbox"/> OTHER .....	<b>(c) NUMBER OF LOCATIONS OTHER THAN HEAD OFFICE WITH</b>	
		Retail Sales	No Retail Sales

## 2. EMPLOYEE\* CLASSIFICATION DATA

List below or attach separate list of those employees who, as part of their regular duties, handle or have custody of money, securities or merchandise (the latter meaning commodities customarily traded by the applicant), including in any event all occupants of positions listed below.

“Employees” as used in the Policy means all of the natural persons (except directors or trustees of the Applicant, if a corporation, who are not also officers or employees thereof in some other capacity), while in the regular service of the Applicant in the ordinary course of the Applicant's business during the Policy Period, and whom the Applicant compensates by salary, wages or commissions, and has the right to govern and direct in the performance of such service, and who are engaged in such service within any of the **States of the United States of America, the District of Columbia, Virgin Islands, Puerto Rico, Canal Zone or Canada**, but not to mean brokers, factors, commission merchants, consignees, contractors or other agents or representatives of the same general character.

Officials	Number of Occupants	Management	Number of Occupants	Sales	Number of Occupants
Chairman		Managers		Sales Managers	
President		Assistant Managers		Assistant Sales Managers	
Vice President		Branch Managers		Floorwalkers	
Treasurer		Department Managers		Buyers	
Assistant Treasurer		Superintendents		Assistant Buyers	
Secretary		Factory Superintendents		Salesmen of Automobile Dealers	
Assistant Secretary		Purchasing Agents		*Salesmen (Outside who collect)	
Comptroller		Messengers (Outside)		*Demonstrators	
Assistant Comptroller				*Canvassers	
				*Collectors	
<b>Accounting</b>				*Drivers	
Auditors		<b>Stock</b>		*Drivers' Helpers	
Assistant Auditors		Shipping or Receiving Clerks		(other than brewers)	
Cashiers		Stock Clerks		*Chauffeurs	
Bookkeepers		Custodians			
Paymasters		Watchmen			
Timekeepers					
Adjusters					
				<b>Total Employees listed above</b>	
				<b>Total of all other employees</b>	
				<b>Total of ALL employees</b>	

**\*For Certain Types of Business Those Positions Marked \* are Subject to Special Ratings.**



3. If Specific Excess Indemnity is desired on any Employee in any position included in question No. 2, complete the following:

Name of Employee	Position	Location	Amount of additional coverage desired on such Employee
------------------	----------	----------	--

4. (a) At what intervals will there be an audit including test verifications of accounts receivable and inventories? Quarterly ☐ Semi-Annually ☐ Annually ☐
- (b) Are all locations included? Yes ☐ No ☐
- (c) Will these inspections and audits be made by an independent Certified Public Accountant? Yes ☐ No ☐
- (d) If made by an independent Certified Public Accountant, does it consist of an examination of the balance sheet and statements of income and surplus, the scope of which shall be such that he may include in his audit report the statement that the examination was made in accordance with generally accepted auditing standards, applicable in the circumstances and included all procedures which he considered necessary? Yes ☐ No ☐
- (e) How frequently is an inventory of merchandise conducted? By whom? Yes ☐ No ☐
- (f) Does inventory include a physical count? Yes ☐ No ☐
- (g) Is inventory made by someone other than those directly responsible for merchandise or control records? Yes ☐ No ☐
- (h) If an internal audit is maintained is it conducted by Internal Audit Department under control of an employee who is a Public Accountant or the equivalent, who has no other duties and who makes written and signed periodic reports of such internal audits directly to the management or the Board of Directors or both? Yes ☐ No ☐
- (i) Are bank accounts reconciled by someone not authorized to deposit or withdraw therefrom? How often?
- (j) Will countersignature of checks be required? If not, by whom signed?

## PROTECTION ▲ ESTIMATOR

Adequate honesty insurance is vital.

Studies of losses have shown that many are not fully covered by insurance. The problem of how to overcome this deficiency is a difficult one. While it is impossible to measure in actuarial terms exactly how much honesty insurance will be needed, through the use of this Protection ▲ Estimator a range of suggested bond amounts is made available for commercial firms. Current assets and income represent the exposure to embezzlement, hence this formula is based upon those items, and should reduce the ever present threat of underinsurance.

It should be noted that the use of this device permits a selection of an amount of bond within rather broad brackets. This is necessary to provide for flexibility in selecting an amount which obviously will fluctuate on the basis of an analysis of each risk. Many factors, such as internal audit control, disposability of inventory, negotiability of securities, and others must be studied in respect to the nature of the business under consideration.

The amount of suggested coverage begins with \$2500. as there are innumerable small businesses where a \$2500. bond could suffice under given conditions. It should be understood, however, that there is no limit to the possibilities of employee dishonesty, so these suggested amounts must not be accepted as the maximum amounts which may be needed. The Insured should be warily mindful of the possible "catastrophe" loss when considering the purchase of a blanket fidelity bond.

The formula of this Protection ▲ Estimator is simple. Merely

- Take (a) 20% of the total current assets, and  
(b) 10% of annual gross sales or income.

The resultant total is the Dishonesty Exposure Factor.

Find this amount in the chart and the suggested range of bond amounts will appear opposite the Exposure Factor.

Where a firm performs services for others, including disbursing and collecting funds, include all items under custody in the respective categories stated in the formula.

### SUGGESTED MINIMUM AMOUNTS OF HONESTY INSURANCE

Exposure Factor		Amount of Bond
Up to	\$25,000	\$2,500 to \$25,000
\$25,000 to	125,000	25,000 to 50,000
125,000 to	400,000	50,000 to 100,000
400,000 to	1,000,000	100,000 to 150,000
1,000,000 to	2,000,000	150,000 to 200,000
2,000,000 to	4,000,000	200,000 to 300,000
4,000,000 to	6,000,000	300,000 to 400,000
6,000,000 to	10,000,000	400,000 to 600,000
10,000,000 to	15,000,000	600,000 to 800,000
15,000,000 to	25,000,000	800,000 to 1,000,000
25,000,000 to	75,000,000	1,000,000 to 1,500,000
75,000,000 to	175,000,000	1,500,000 to 2,000,000
175,000,000 to	500,000,000	2,000,000 to 3,000,000
500,000,000 to	1,000,000,000	3,000,000 to 4,000,000
1,000,000,000 to	1,500,000,000	4,000,000 to 5,000,000

The selection of a bond amount cannot be reduced to an exact science, and the gaps between one bracket and another must be bridged by intelligent analysis of each risk.

#### For example:

Suppose the exposure factor is determined at \$150,000. It would be almost ridiculous to interpolate and recommend a bond of \$55,000. The rate structure for Commercial Blanket Bonds is not designed for such hair-splitting. When a buyer passes the \$50,000. range, minimum multiples of \$25,000. are recommended, as a practical approach to adequate coverage.

Total current assets is \$  
Annual gross sales (or income) is \$



## Underwriting Data for Loss Inside and Loss Outside the Premises Coverages

use "Supplemental Application-Questionnaire" for each additional Premises.

## Location of Premises No. 1

(Give Address &amp; Primary Business Function)

## Exposures

Inside Premises & In-Transit Exposures	INDICATE MAXIMUM AMOUNT OF:		
	Cash (Excluding Payroll)	Negotiable Securities	Checks & Other Securities
Inside			
Outside Messenger			

## Protection

- (a) Number of watchmen on duty when premises are closed? .....
- (b) How often are rounds made? .....
- (c) Does watchman register on clock or signal outside office? .....
- (d) Number of Guards on premises when open for business? .....
- (e) Description of Safe: .....

Name of manufacturer .....

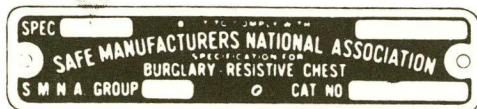
Round door ☐, Square door ☐

Thickness of door steel? .....

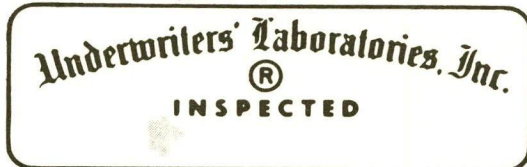
Fire Resistive ☐, Burglary Resistive ☐

Combination lock ☐, Key lock ☐

(Please fill in blanks on label reproductions below from labels on safe. Be sure to use Burglary Label, not Fire Label.)



Be sure to use Burglary Label, not Fire Label



- (f) Burglar Alarm: Maker .....
- Protects: Safe ☐ Vault ☐ Premises ☐
- Type Installation ..... Class .....
- Certificate No. ....
- Expiration Date .....
- Central Station ☐
- Keys with Alarm Co. ☐
- Gong or Siren on Premises ☐
- (g) Do guards or police accompany the bank messenger? .....
- (h) Is private conveyance used? .....

## PAYROLL EXPOSURES AND PROTECTION:

- Are employees paid by cash ☐ or check ☐?
- (a) Maximum Amount of any Single Payroll? \$ .....
- (b) Delivery made by ☐ insured's employees, or by ☐ Armored Motor Vehicle
- (c) If delivery made by employee: .....
- No. of Guards Accompanying Messenger? .....
- Is private conveyance used? .....
- (d) Distribution to employees is made by ☐ Insureds employees, or ☐ Armored Car Company employees.

## Location of Premises No. 2

(Give Address &amp; Primary Business Function)

## Exposures

Inside Premises & In-Transit Exposures	INDICATE MAXIMUM AMOUNT OF:		
	Cash (Excluding Payroll)	Negotiable Securities	Checks & Other Securities
Inside			
Outside Messenger			

## Protection

- (a) Number of watchmen on duty when premises are closed? .....
- (b) How often are rounds made? .....
- (c) Does watchman register on clock or signal outside office? .....
- (d) Number of Guards on premises when open for business? .....
- (e) Description of Safe: .....

Name of manufacturer .....

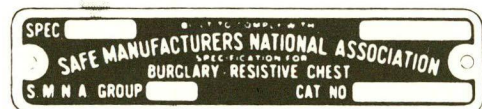
Round door ☐, Square door ☐

Thickness of door steel? .....

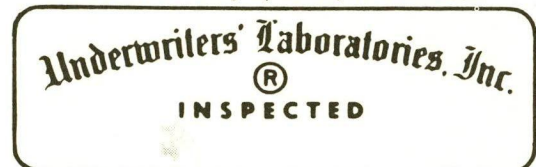
Fire Resistive ☐, Burglary Resistive ☐

Combination lock ☐, Key lock ☐

(Please fill in blanks on label reproductions below from labels on safe. Be sure to use Burglary Label, not Fire Label.)



Be sure to use Burglary Label, not Fire Label



- (f) Burglar Alarm: Maker .....
- Protects: Safe ☐ Vault ☐ Premises ☐
- Type Installation ..... Class .....
- Certificate No. ....
- Expiration Date .....
- Central Station ☐
- Keys with Alarm Co. ☐
- Gong or Siren on Premises ☐
- (g) Do guards or police accompany the bank messenger? .....
- (h) Is private conveyance used? .....

## PAYROLL EXPOSURES AND PROTECTION:

- Are employees paid by cash ☐ or check ☐?
- (a) Maximum Amount of any Single Payroll? \$ .....
- (b) Delivery made by ☐ insured's employees, or by ☐ Armored Motor Vehicle
- (c) If delivery made by employee: .....
- No. of Guards Accompanying Messenger? .....
- Is private conveyance used? .....
- (d) Distribution to employees is made by ☐ Insureds employees, or ☐ Armored Car Company employees.

### Underwriting Data for Depositors Forgery Coverage

6. If Comprehensive 3-D Policy, coverage under Insuring Agreement V for acts of Employees is to be ☐ included or ☐ excluded.

7. If coverage is desired for personal accounts of officers or partners of the Applicant, complete the following:

Name

Position

Amount of Coverage

Losses during past 5 years by Employee Dishonesty, Forgery, Burglary, Robbery, Theft, Disappearance, Destruction. Check if none ☐

8.

Description of Loss	Date	Amount	Describe Corrective Measures Taken (If Employee Dishonesty, State Position)

Prior Coverage to be superseded—Check if none ☐

9.

Form of Bond or Policy	Effective Date	Amount	Name of Insurer

10. Has any Employee Dishonesty, Forgery, Burglary, Robbery, Theft, Disappearance, or Destruction insurance carried by the Applicant been declined or canceled within the last five years by any insurer? If answered affirmatively, explain.

The Employees of the Applicant have all, to the best of the Applicant's knowledge and belief, while in the service of the Applicant always performed their respective duties honestly. There has never come to its notice or knowledge any information which in the judgment of the Applicant indicates that any of the said Employees are dishonest. Such knowledge as any officer signing for the Applicant may now have in respect to his own personal acts or conduct, unknown to the Applicant, is not imputable to the Applicant. It is understood that the first premium upon the Policy applied for, and subsequent premiums thereon, are due at the beginning of each premium period, that the Company is entitled to additional premiums because of any unusual increase in the number of Employees and that the Applicant agrees to pay all such premiums promptly.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

(Applicant)

By \_\_\_\_\_  
(Title)