

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

IDENTITY FRAUD EXPENSE COVERAGE – TEXAS

DEFINITIONS

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Identity fraud" means the act of knowingly transferring or using, without lawful authority, a means of identification of an "insured" with the intent:
 - a. To commit; or
 - b. To aid or abet another to commit;any unlawful activity that constitutes a violation of federal law or a felony under any applicable state or local law.
 2. "Expenses" means:
 - a. Costs for notarizing affidavits or similar documents which attest to fraud required by financial institutions or similar credit grantors or credit agencies.
 - b. Costs for certified mail to law enforcement agencies, credit agencies, financial institutions or similar credit grantors.
 - c. Lost income resulting from time taken off work to:
 - (1) Complete fraud affidavits; or
 - (2) Meet with or talk to law enforcement agencies, credit agencies and/or legal counsel;up to a maximum payment of \$200 per day. Total payment for lost income is not to exceed \$5,000.
 - d. Loan application fees for reapplying for a loan or loans when the original application is rejected solely because the lender received incorrect credit information.
 - e. Reasonable attorneys' fees incurred as a result of "identity fraud" to:
 - (1) Defend lawsuits brought against an "insured" by merchants, financial institutions or their collection agencies;
 - (2) Remove any criminal or civil judgments wrongly entered against an "insured"; and
- (3) Challenge the accuracy or completeness of any information in a consumer credit report.
 - f. Charges incurred for long distance telephone calls to:
 - (1) Merchants;
 - (2) Law enforcement agencies;
 - (3) Financial institutions; or
 - (4) Similar credit grantors, or credit agencies;to report or discuss an actual "identity fraud".

The following Additional Coverage is added under Section I:

IDENTITY FRAUD EXPENSE

We will pay up to \$15,000 for "expenses" incurred by an "insured" as the direct result of any one "identity fraud" first discovered or learned of during the policy period.

Any act or series of acts committed by one or more persons, or in which such person or persons are aiding or abetting others against an "insured", is considered to be one "identity fraud", even if a series of acts continues into a subsequent policy period.

This coverage is additional insurance.

EXCLUSIONS

The following exclusions apply to this coverage:

We do not cover:

1. Loss arising out of or in connection with a "business".
2. "Expenses" incurred due to any fraudulent, dishonest or criminal act by an "insured" or any person aiding or abetting an "insured", or by any authorized representative of an "insured", whether acting alone or in collusion with others.
3. Loss other than "expenses".

SECTION I – CONDITIONS

B. Deductible

The following replaces any other deductible provision in this policy with respect to any one loss covered under this endorsement:

We will pay only that part of the total of all loss payable that exceeds \$500.

C. Duties After Loss

1. Your Duties After Loss

Paragraph i. is added:

i. Send to us, within 91 days after our request:

(1) Receipts;

(2) Bills; or

(3) Other records;

that support your claim for "expenses" under "identity fraud" coverage.

All other provisions of this policy apply.