



### CRIME POLICY DECLARATIONS FORM A

STATE FARM FIRE AND CASUALTY COMPANY  
2702 IRELAND GROVE RD, BLOOMINGTON IL 61709-0001

NO. 90-LE-8958-3

1.-2. Named Insured and Mailing Address **a Stock Company with Home Offices in Bloomington, Illinois.**

FORT BEND EMERGENCY SERVICES  
DISTRICT #4  
PO BOX 494  
FULSHEAR TX 77441-0494

COVERAGE SUMMARY AS OF 06/25/2015

3. Policy Period

From: May 25, 2015

until cancelled, as provided in the policy at  
12:01 A.M. Standard Time at your mailing  
address shown above.

This Policy consists of this Declarations Form,  
the Common Policy Conditions, the Crime  
General Provisions Form and the Coverage  
Forms indicated as applicable.

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS  
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

4. Coverage, Limits of Insurance and Deductible

Coverage Forms Forming Part of This Policy	Limit of Insurance	Deductible Amount
IL-0017 11 85 COMMON POLICY CONDITIONS		
CR-1000 06 95 CRIME GENERAL PROVISIONS		
CR-0001 10 90 EMP DISHONESTY COV-BLKT	1000000	250

5. Endorsements Forming Part of This Policy When Issued:

IL-0171 09 92 TX-LOSS CHANGES-LOSS PAYMENT  
IL-0288 11 92 TX-CANCEL AND NONRENEWAL CHG  
CR-0111 03 87 TX-VALUATION SETTLEMENT  
CR-1026 10 90 NON COMP OFFICERS AS EMPLOYEES  
CR-1002 01 89 EXCLUDE DESIGNATED PERSONS

INITIAL  
PREMIUM

\$ NONE

6. Cancellation of Prior Insurance: By acceptance of this Policy you give us notice cancelling prior  
policy or bond Nos. \_\_\_\_\_  
the cancellation to be effective at the time this Policy becomes effective.

PREPARED  
06/25/2015

Countersigned \_\_\_\_\_

by \_\_\_\_\_

(Authorized Representative)

(CONTINUED ON REVERSE SIDE)





IP0232A) Printed in U.S.A.

### CRIME GENERAL PROVISIONS

### COMMERCIAL CRIME

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is or is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the DECLARATIONS. The words "we", "us" and "our" refer to the Company providing this insurance.

Words and phrases in quotation marks are defined in the policy.

Unless stated otherwise in any Crime Coverage Form, DECLARATIONS or endorsement, the following General Exclusions, General Conditions and General Definitions apply to all Crime Coverage Forms forming part of this policy.

#### A. GENERAL EXCLUSIONS

We will not pay for loss as specified below:

1. **Acts Committed by You or Your Partners:** Loss resulting from any dishonest or criminal act committed by you or any of your partners whether acting alone or in collusion with other persons.
2. **Governmental Action:** Loss resulting from seizure or destruction of property by order of governmental authority.
3. **Indirect Loss:** Loss that is an indirect result of any act or "occurrence" covered by this insurance including, but not limited to, loss resulting from:
  - a. Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, Covered Property.
  - b. Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
  - c. Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.
4. **Legal Expenses:** Expenses related to any legal action.
5. **Nuclear:** Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.
6. **War and Similar Actions:** Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

#### B. GENERAL CONDITIONS

1. **Concealment, Misrepresentation or Fraud:** This insurance is void in any case of fraud by you as it relates to this insurance at any time. It is also void if you or any other Insured, at any time, intentionally conceal or misrepresent a material fact concerning:
  - a. This insurance;
  - b. The Covered Property;
  - c. Your Interest in the Covered Property;

- d. A claim under this insurance.
2. **Consolidation - Merger:** If through consolidation or merger with, or purchase of assets of, some other entity:
  - a. Any additional persons become "employees"; or
  - b. You acquire the use and control of any additional "premises";
 any insurance afforded for "employees" or "premises" also applies to those additional "employees" and "premises", but only if you:
  - a. Give us written notice within 30 days thereafter; and
  - b. Pay us an additional premium.
3. **Coverage Extensions:** Unless stated otherwise in the Coverage Form, our liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.
4. **Discovery Period for Loss:** We will pay only for covered loss discovered no later than one year from the end of the policy period.
5. **Duties in the Event of Loss**

After you discover a loss or a situation that may result in loss of, or loss from damage to, Covered Property you must:

  - a. Notify us as soon as possible.
  - b. Submit to examination under oath at our request and give us a signed statement of your answers.
  - c. Give us a detailed, sworn proof of loss within 120 days.
  - d. Cooperate with us in the investigation and settlement of any claim.
6. **Joint Insured**
  - a. If more than one Insured is named in the DECLARATIONS, the first named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first named Insured ceases to be covered, then the next named Insured will become the first named Insured.

- b. If any Insured or partner or officer of that insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- c. An "employee" of any Insured is considered to be an "employee" of every Insured.
- d. If this insurance or any of its coverages is cancelled or terminated as to any Insured, loss sustained by that Insured is covered only if discovered no later than one year from the date of that cancellation or termination.
- e. We will not pay more for loss sustained by more than one Insured than the amount we would pay if all the loss had been sustained by one Insured.
- 7. Legal Action Against Us:** You may not bring any legal action against us involving loss:
- a. Unless you have complied with all the terms of this insurance; and
- b. Unless 90 days after you have filed proof of loss with us; and
- c. Unless brought within 2 years from the date you discover the loss.
- 8. Liberalization:** If we adopt any revision that would broaden the coverage under this insurance without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this insurance.
- 9. Loss Covered Under More Than One Coverage of This Insurance** \_\_\_\_\_
- If two or more coverages of this insurance apply to the same loss, we will pay the lesser of:
- a. The actual amount of loss; or
- b. The sum of the Limits of Insurance applicable to those coverages.
- 10. Loss Sustained During Prior Insurance**
- a. If you, or any predecessor in interest, sustained loss during the period of any prior insurance that you or the predecessor in interest could have recovered under that insurance except that the time within which to discover loss had expired, we will pay for it under this insurance, provided:
- (1) This insurance became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss would have been covered by this insurance had it been in effect when the acts or events causing the loss were committed or occurred.
- b. The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to this insurance and is limited to the lesser of the amount recoverable under:
- (1) This insurance as of its effective date; or
- (2) The prior insurance had it remained in effect.
- 11. Loss Covered Under This Insurance and Prior Insurance Issued by Us or Any Affiliate:**
- If any loss is covered:
- a. Partly by this insurance; and
- b. Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- 12. Non-Cumulation of Limit of Insurance:**
- Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- 13. Other Insurance:** This insurance does not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance will apply to that part of the loss other than that falling within any Deductible Amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the applicable Limit of Insurance shown in the DECLARATIONS.
- 14. Ownership of Property; Interests Covered:** The property covered under this insurance is limited to property:
- a. That you own or hold; or
- b. For which you are legally liable.
- However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization.
- 15. Policy Period**
- a. The Policy Period is shown in the DECLARATIONS.
- b. Subject to the Loss sustained During Prior Insurance condition, we will pay only for loss that you sustain through acts committed or events occurring during the Policy Period.

16. Records: You must keep records of all Covered Property so we can verify the amount of any loss.

17. Recoveries

a. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Insurance will be distributed as follows:

- (1) To you, until you are reimbursed for any loss that you sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;
- (2) Then to us, until we are reimbursed for the settlement made;
- (3) Then to you, until you are reimbursed for that part of the loss equal to the Deductible Amount, if any.

b. Recoveries do not include any recovery:

- (1) From Insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
- (2) Of original "securities" after duplicates of them have been issued.

18. Territory: This Insurance covers only acts committed or events occurring within the United States of America, U.S. Virgin Islands, Puerto Rico, Canal Zone, or Canada.

19. Transfer of Your Rights of Recovery Against Others to Us:

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

20. Valuation - Settlement

a. Subject to the applicable Limit of Insurance provision we will pay for:

- (1) Loss of "money" but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
  - (a) At face value in the "money" issued by that country; or
  - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.
- (2) Loss of "securities" but only up to and including their value at the close of business on the day the loss was discovered. We may, at our option:

(a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or

(b) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:

- i. Value of the "securities" at the close of business on the day the loss was discovered; or
- ii. Limit of Insurance.

(3) Loss of, or loss from damage to, "property other than money and securities" or loss from damage to the "premises" for not more than the:

- (a) Actual cash value of the property on the day the loss was discovered;
- (b) Cost of repairing the property or "premises"; or
- (c) Cost of replacing the property with property of like kind and quality.

We may, at our option, pay the actual cash value of the property or repair or replace it.

If we cannot agree with you upon the actual cash value or the cost of repair or replacement, the value or cost will be determined by arbitration.

b. We may, at our option, pay for loss of, or loss from damage to, property other than "money":

- (1) In the "money" of the country in which the loss occurred; or
- (2) In the United States of America dollar equivalent of the "money" of the country in which the loss occurred determined by the rate of exchange on the day the loss was discovered.

c. Any property that we pay for or replace becomes our property.

**C. GENERAL DEFINITIONS**

## 1. "Employee" means:

## a. Any natural person:

- (1) While in your service (and for 30 days after termination of service); and
- (2) Whom you compensate directly by salary, wages or commissions; and
- (3) Whom you have the right to direct and control while performing services for you; or

## b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care and custody of property outside the "premises".

## But "employee" does not mean any:

- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".

## 2. "Money" means:

## a. Currency, coins and bank notes in current use and having a face value; and

## b. Travelers checks, register checks and money orders held for sale to the public.

## 3. "Property Other Than Money and Securities" means any tangible property other than "money" and "securities" that has intrinsic value but does not include any property listed in any Coverage Form as Property Not Covered.

## 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

## a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

## b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".



COMMERCIAL CRIME  
COVERAGE FORM A - BLANKET

## EMPLOYEE DISHONESTY COVERAGE FORM

### A. COVERAGE

We will pay for loss of, and loss from damage to, Covered Property resulting directly from the Covered Cause of Loss.

1. Covered Property: "Money", "securities", and "property other than money and securities".

2. Covered Causes Of Loss: "Employee dishonesty".

3. Coverage Extension

Employee Temporarily Outside Coverage Territory: We will pay for loss caused by any "employee" while temporarily outside the territory specified in the Territory General Condition for a period not more than 90 days.

### B. LIMIT OF INSURANCE

The most we will pay for loss in any one "occurrence" is the applicable Limit of Insurance shown in the DECLARATIONS.

### C. DEDUCTIBLE

1. We will not pay for loss in any one "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the DECLARATIONS. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

2. You must:

a. Give us notice as soon as possible of any loss of the type insured under this Coverage Form even though it falls entirely within the Deductible Amount.

b. Upon our request, give us a statement describing the loss.

### D. ADDITIONAL EXCLUSION, CONDITIONS AND DEFINITION

In addition to the provisions in the Crime General Provisions, this Coverage Form is subject to the following:

1. Additional Exclusions: We will not pay for loss as specified below:

a. Employee Cancelled Under Prior Insurance: loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.

b. Inventory Shortages: loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(1) An Inventory computation; or

(2) A profit and loss computation.

2. Additional Condition

Cancellation As To Any Employee: This insurance is cancelled as to any "employee":

a. Immediately upon discovery by:

(1) You; or

(2) Any of your partners, officers or directors not in collusion with the "employee";

of any dishonest act committed by that "employee" whether before or after becoming employed by you.

b. On the date specified in a notice mailed to you. That date will be least 30 days after the date of mailing.

The mailing of notice to you at the last mailing address known to us will be sufficient proof of notice. Delivery of notice is the same as mailing.

3. Additional Definitions

a. "Employee Dishonesty" in paragraph A.2. means only dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons, except you or a partner, with the manifest intent to:

(1) Cause you to sustain loss; and also

(2) Obtain financial benefit (other than employee benefits earned in the normal course of employment, including: salaries, commissions, fees, bonuses, promotions, awards, profit sharing or pensions) for:

(a) The "employee"; or

(b) Any person or organization intended by the "employee" to receive that benefit.

b. "Occurrence" means all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts.

**COMMERCIAL CRIME**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES**

This endorsement modifies insurance provided under the following:

**COMMERCIAL CRIME COVERAGE PART**

The following is added to the Valuation-Settlement provisions of this policy:

In the event arbitration is utilized, each party will select a competent and impartial arbitrator. The two arbitrators will select an umpire. If they cannot agree for 15 days upon such umpire, either may request that selection be made by a judge of a court having jurisdiction. The arbitrators will state separately the value of the property and amount of loss. If they fail to agree, they will submit their difference to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen arbitrator, and
2. Bear the other expenses of the arbitration and umpire equally.

If we submit to an arbitration, we will still retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

TEXAS CHANGES-LOSS PAYMENT

This endorsement modifies Insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- FARM COVERAGE PART-LIVESTOCK COVERAGE FORM
- FARM COVERAGE PART-MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
- COMMERCIAL INLAND MARINE COVERAGE PART

A. LOSS PAYMENT

(2) We will notify you in writing as to whether:

- 1. With respect to the COMMERCIAL INLAND MARINE COVERAGE PART, the following conditions are added.
  - (a) The claim or part of the claim will be paid;
- 2. With respect to the COMMERCIAL INLAND MARINE COVERAGE PART, the following conditions replace Item E. LOSS PAYMENT in the Commercial Inland Marine Loss Conditions.
  - (b) The claim or part of the claim has been denied, and inform you of the reasons for denial;
- 3. With respect to the FARM COVERAGE PART, the following conditions replace paragraph c. and f. of the Loss Payment Condition:
  - (c) More information is necessary; or
  - (d) We need additional time to reach a decision. If we need additional time, we will inform you of the reasons for such need.

a. Claims Handling

We will provide notification, as described in (2) (a) through (2) (d) above, within:

- (1) Within 15 days after we receive written notice of claim, we will:
  - (a) Acknowledge receipt of the claim. If we do not acknowledge receipt of the claim in writing, we will keep a record of the date, method and content of the acknowledgment;
    - (i) 15 business days after we receive the signed, sworn proof of loss and all information we requested; or
    - (ii) 30 days after we receive the signed, sworn proof of loss and all information we requested, if we have reason to believe the loss resulted from arson.
  - (b) Begin any investigation of the claim; and
  - (c) Request a signed, sworn proof of loss, specify the information you must provide and supply you with the necessary forms. We may request more information at a later date, if during the investigation of the claim such additional information is necessary.

b. We will pay for covered loss or damage within 5 business days after:

(1) We have notified you that payment of the claim or part of the claim will be made and you have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

However, if payment of the claim or part of the claim is conditioned on your compliance with any of the terms of this policy, we will make payment within 5 business days after the date you have complied with such terms.

c. Catastrophe Claims

If a claim results from a weather related catastrophe or a major natural disaster, the claim handling and claim payment deadlines described in a. and b. above are extended for an additional 15 days.

Catastrophe or Major Natural Disaster means a weather related event which is:

(1) Declared a disaster under the Texas Disaster Act of 1975; or

(2) Determined to be a catastrophe by the State Board of Insurance.

d. The term "business day", as used in this endorsement, means a day other than Saturday, Sunday or a holiday recognized by the State of Texas.

B. With respect to the Commercial Inland Marine Coverage Part the following is added:

We will not be liable for any part of a "loss" that has been paid or made good by others.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**TEXAS CHANGES-CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL CRIME COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART

A. The following is added to paragraph 2. of the CANCELLATION Common Policy Condition:

We may cancel this policy for any reason except, that under the provisions of the Texas Insurance Code, we may not cancel this policy solely because the policyholder is an elected official.

B. The following condition is added:

**NONRENEWAL**

We may elect not to renew this policy except, that under the provisions of the Texas Insurance Code, we may not refuse to renew this policy solely because the policyholder is an elected official.

**COMMERCIAL CRIME**

Policy Number **90 LE 8958 3 FORT BEND EMERGENCY SERVICES DISTRICT #4**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EXCLUDE DESIGNATED PERSONS OR CLASSES OF PERSONS OR EMPLOYEES**

This endorsement applies to **EMPLOYEE DISHONESTY COVERAGE A** or **PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O OR P.**

**A. SCHEDULE**

**ANY COMPENSATED EMPLOYEE**

**B. PROVISIONS**

"Employee" does not include any person named or class of persons shown in the **SCHEDULE.**

Effective Date: **MAY 25, 2005**

Accepted \_\_\_\_\_  
(Signature of Insured or its authorized agent, officer or general partner)

**COMMERCIAL CRIME**

Policy Number **90 LE 8958 3 FORT BEND EMERGENCY SERVICES DISTRICT #4**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

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This endorsement applies to **EMPLOYEE DISHONESTY COVERAGE A** or **PUBLIC EMPLOYEE DISHONESTY COVERAGE FORM O** OR **P.**

**A. SCHEDULE**

**ANY COMPENSATED EMPLOYEE**

**B. PROVISIONS**

"Employee" does not include any person named or class of persons shown in the **SCHEDULE**.

Effective Date: **MAY 25, 2005**

Accepted \_\_\_\_\_  
(Signature of Insured or its authorized agent, officer or general partner)

**COMMERCIAL CRIME**

POLICY NUMBER: 90 LE 8958 3 FORT BEND EMERGENCY SERVICES DISTRICT #4

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE SPECIFIED NON-COMPENSATED OFFICERS AS EMPLOYEES**

This endorsement applies to the CRIME GENERAL PROVISIONS FORM and all Crime Coverage forming part of the Policy.

**A. SCHEDULE**

**OFFICERS  
DIRECTORS  
BOARD MEMBERS**

**B. PROVISIONS**

"Employee" also includes your non-compensated officers named in the SCHEDULE.

Effective Date: MAY 25, 2005

Accepted \_\_\_\_\_  
(Signature of Insured or its authorized agent, officer or general partner)

**COMMERCIAL CRIME**

POLICY NUMBER: 90 LE 89583 FORT BEND EMERGENCY SERVICES DISTRICT #4

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**INCLUDE SPECIFIED NON-COMPENSATED OFFICERS AS EMPLOYEES**

This endorsement applies to the CRIME GENERAL PROVISIONS FORM and all Crime Coverage forming part of the Policy.

**A. SCHEDULE**

**OFFICERS  
DIRECTORS  
BOARD MEMBERS**

**B. PROVISIONS**

"Employee" also includes your non-compensated officers named in the SCHEDULE.

Effective Date: MAY 25, 2005

Accepted \_\_\_\_\_  
(Signature of Insured or its authorized agent, officer or general partner)