MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
9 CAMPUS DRIVE, SUITE 216
PARSIPPANY, NJ 07054-4412

EXCESS CRIME AND PUBLIC EMPLOYEE BOND DECLARATIONS

Item A. **MEMBER Entity:** **WOODBURY**
Mailing Address: **33 DELAWARE ST**
WOODBURY, NJ 08096

Item B. **COVERAGE PERIOD:**
From January 1, 2021 to January 1, 2022, 12:01 a.m., standard at the address of the Member Entity as stated herein.

Item C. **COVERAGE FORMS AND LIMITS OF LIABILITY:**

Coverage Part I: Excess Crime Policy

Coverage 1 – Loss of Assets: $950,000 Per Loss
Coverage 2 – Credit Card Forgery: $950,000 Per Loss
Coverage 3 – Loss of Employee Benefit Plan Assets: $950,000 Per Loss
Coverage 4 – Public Employee Dishonesty: $950,000 Per Loss

Coverage Part II: Excess Public Officials Bond
$1,000,000 per **Occurrence** for public **Employee** dishonesty and faithful performance coverage; subject to the Deductible Amount stated in Item E.

Coverage Part III: Statutory Position Bond
$1,000,000 per **Occurrence** for public **Employee** dishonesty and faithful performance coverage; subject to the Deductible Amount stated in Item E.

With regard to **Coverage Part I**, such coverage limits of liability may not be stacked with **Coverage Part II** or **Coverage Part III** limits of liability. Furthermore, **Coverage Part II** or **Coverage Part III** limits of liability may not be stacked with the **Underlying Policy** limits of liability.

Item D. **UNDERLYING INSURANCE POLICY and LIMITS OF LIABILITY:**

Coverage Part I: JIF Crime Policy
Policy No.: JIFCRIME2021_TRICO381

Coverage 1 – Loss of Assets $50,000
Coverage 2 – Credit Card Forgery $50,000
Coverage 3 – Loss of Employee Benefit Plan Assets $50,000
Coverage 4 – Public Employee Dishonesty $50,000

Item E. **DEDUCTIBLES:**

Coverage Part II: Excess Public Officials Bond

The greater of**:**

a. The amount covered positions are required by law to be individually bonded whether or not such individual bond is in place, or
b. The amount of such individual bond in place.

Coverage Part III: Statutory Position Bond: $1,000 per loss.

Item F. NOTICE OF CLAIM:

Municipal Excess Liability Joint Insurance Fund
9 Campus Drive, Suite 216
Parsippany, NJ 07054-4412

Item G. ENDORSEMENTS:

Clients Property
Designated Persons – Statutory Positions
Statutory Positions – Coverage Part III
Volunteer Library Treasurers

This Declarations page is issued in conjunction with and forms a part of the Municipal Excess Liability Joint Insurance Fund, forms EXCESS CRIME AND PUBLIC EMPLOYEE BOND and EXCESS PUBLIC OFFICIALS BOND AND STATUTORY POSITIONS BOND, as applicable.

Countersigned: By: David Grubb

MUNICIPAL EXCESS LIABILITY JIF
EXCESS CRIME AND PUBLIC EMPLOYEE BOND

COVERAGE PART I
COVERAGE AND LIMITS OF INSURANCE

In consideration of the agreement to become part of the **Municipal Excess Liability Joint Insurance Fund** and of the payment of assessments and subject to the DECLARATIONS, terms, conditions and definitions hereof, the **Municipal Excess Liability Joint Insurance Fund** (herein called the **MEL**) and the **Member Entity** named in Item A of the DECLARATIONS do hereby agree that the coverage afforded by this Policy shall follow all of the terms, exclusions, definitions, and conditions of the **Underlying Insurance** set forth in Item D, Coverage Part I of the DECLARATIONS, in addition to the CONDITIONS Applicable to this Coverage Part I of the Policy and any endorsements attached hereto.

CONDITIONS

1. MAINTENANCE OF UNDERLYING INSURANCE

The **Member Entity** agrees with the **MEL** that the **Underlying Insurance** set forth in Item D, Coverage Part I of the DECLARATIONS shall be maintained in full effect during the term of this Policy. In the event that any or all of the **Underlying Insurance** is canceled or nonrenewed for any reason, this Policy will not apply, as excess or otherwise, to any loss that would have been covered under such **Underlying Insurance** if it had remained in force.

2. EXHAUSTION OF UNDERLYNG INSURANCE LIMIT

Coverage under Coverage Part I of this Policy shall attach only after all of the applicable limits of liability of the **Underlying Insurance** have been exhausted by the actual payment of loss(es). Except as otherwise provided herein, coverage under this Policy shall then apply in conformance with and subject to all of the terms, exclusions, definitions and conditions of the **Underlying Insurance**. In no event shall coverage under this Policy be broader than coverage under the **Underlying Insurance**.

3. LIMIT OF LIABILITY

The amounts set forth in Item C, Coverage Part I of the DECLARATIONS are the maximum limits of liability of the **MEL** for any one loss and in the aggregate for the coverages afforded through Coverage Part I of this Policy. Upon exhaustion of the limit or limits by payment, the **MEL** shall have no further liability for loss(es), regardless of when discovered and whether or not previously reported to the **MEL**.

4. INVESTIGATION

The **MEL** may, in its sole discretion, investigate any matter covered by this Policy even if the applicable **Underlying Insurance** limit has not been exhausted, and the **Member Entity** or other **Insured(s)** shall give the **MEL** such information and cooperation as it may reasonably require.

5. CANCELLATION

In the event of cancellation or termination of the **Underlying Insurance**, this Policy, to the extent of such cancellation or termination, shall cease to apply at the same time without notice to the **Member Entity**. However, if such cancellation or termination of the **Underlying Insurance** is rescinded or the **Underlying Insurance** is otherwise reinstated, this Policy, to the extent of such reinstatement, shall commence to apply at the same time without notice to the **Member Entity**.

6. CHANGES

Any amendments or changes to the **Underlying Insurance**, which are made following the effective date of this Policy, shall not be applicable to the Policy until the **MEL's** consent is set forth by endorsement hereto.

7. ARBITRATION

Should an irreconcilable difference of opinion arise as to the interpretation of the coverage provided by this Policy, it is hereby agreed, that, as a condition precedent to any right of action under or on account of the coverage provided by this Policy, such difference shall be submitted to arbitration. Such arbitration may be requested or demanded by either the **MEL** or the **Member Entity** claiming protection under this Policy. The request or demand for arbitration shall be made in writing. In the event that arbitration is requested or demanded, then the **MEL** shall appoint one arbitrator and the **Member Entity** shall appoint one arbitrator within thirty (30) days of receipt of the written request or demand for arbitration. The two arbitrators thus appointed shall promptly confer and appoint an impartial umpire.

If either of the parties fail to appoint an arbitrator within thirty (30) days after being required by the other party in writing to do so, or if the arbitrators fail to appoint an umpire within thirty (30) days of request in writing by either of them to do so, or for any other reason there shall be a lapse or failure in the naming of an arbitrator or an umpire or in filling a vacancy, then such arbitrator or umpire, as the case may be, shall at the request of either party be appointed by a Judge of the Superior Court of New Jersey sitting in either the County of Morris or in the County in which the **Member Entity** is located in accordance with the provisions of the New Jersey Arbitration Act. L. 1923 c. 134(N.J.S.A.2A:24-1, et seq.), as amended.

The arbitration shall take place at the **MEL's** offices in Parsippany, New Jersey, unless some other location is mutually agreed upon by the parties in interest. The claimant shall submit its case within one month after the appointment of the umpire, and the respondent shall submit its reply within one month after the receipt of the case submission of the applicant. The arbitrators and umpire are relieved from all judicial formality and may abstain from following the strict rules of law. They shall settle any dispute under this Policy according to an equitable rather than a strictly legal interpretation of its terms, and their decision shall be final, binding and not subject to appeal.

Each party shall bear the expense of its arbitrator and shall jointly and equally share with the other the expenses of the umpire and of the arbitration.

8. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **MEL** until the **MEL's** consent is set forth by endorsement hereto.

9. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Member Entity** agrees that the **Member Entity** shall act on behalf of all insureds with respect to the giving and receiving of notice of claim or cancellation, the payment of assessments and the receiving of any return of assessments that may become due under this Policy. Notice to the **Member Entity** at the address of the **Member Entity** as shown in Item A of the Declarations shall also constitute notice to all other insureds.

All notices of claims or any other notice required to be given to the **MEL** under this coverage shall be addressed pursuant to Item F of the DECLARATIONS.

10. TERMS OF COVERAGE CONFORMED TO STATUTE

Terms of this Policy, which may be in conflict with the statutes of the State of New Jersey are hereby amended to conform to such statutes.

11. ACCEPTANCE

By acceptance of this Policy, the **Member Entity** agrees that this Policy embodies all agreements existing between the **Member Entity** and the **MEL** or any of its agents relating to the coverage provided by this Policy.

12. NON-RENEWAL CONDITIONS

a. **We** may elect not to renew this policy at each annual anniversary date.

b. If **we** decide not to renew this policy, **we** will mail or deliver written notice to the **Member Entity** shown in the DECLARATIONS, at the address shown in this policy, at least 60 days before the annual anniversary date.

c. If notice is mailed, proof of mailing will be sufficient proof of notice.

13. DEFINITIONS

The terms and conditions of this Policy shall be applied as if the definitions of the words below had been included with the word or words each time they appear in this Policy:

a. **Joint Insurance Fund** shall mean member Joint Insurance Fund of the MEL organized and created pursuant to the provisions of L. 1983 c. 372 (N.J.S.A.40A:10-36).

b. **MEL** shall mean the Municipal Excess Liability Joint Insurance Fund organized and created pursuant to the provisions of L. 1983, c. 372 (N.J.S.A. 40A:10-36).

c. **Member Entity** shall mean the municipality named in the DECLARATIONS and insureds of **Underlying Insurance** including any endorsement made a part thereof. **Member Entity** must be a member of a member **Joint Insurance Fund** of the **MEL**.

d. **Underlying Insurance** shall mean the insurance identified in Item C of the DECLARATIONS page.

e. **We** and **our** shall mean the **MEL**.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND
EXCESS PUBLIC OFFICIALS BOND AND STATUTORY POSITIONS BOND

COVERAGE PARTS II AND III
COVERAGE, CONDITIONS, GENERAL PROVISIONS

Subject to the DECLARATIONS, terms, conditions and definitions hereof, the **Municipal Excess Liability Joint Insurance Fund** (herein called the **MEL**) and the **Member Entity** named in Item A of the DECLARATIONS do hereby agree that this Policy shall provide coverage as follows:

Coverage Part II

Excess Public Officials Bond Coverage provides dishonesty and faithful performance coverage for **Employees**, where the **Member Entity** has not applied and/or has not been approved for coverage under the **MEL** Primary Statutory Positions Bond program (*a/k/a* Coverage Part III, hereof), pursuant to the terms and provisions hereof, and as applicable within the DECLARATIONS, the EXCESS PUBLIC OFFICIALS BOND AND STATUTORY POSITIONS BOND form, and any applicable endorsements to this Policy.

Coverage Part III

Primary Statutory Positions Bond Coverage provides for dishonesty and faithful performance coverage for **Employees**, where the **Member Entity** has applied and has been approved for coverage under the MEL Primary Statutory Position Bond program as shown on the attached POLICY ENDORSEMENT – STATUTORY POSITIONS - COVERAGE PART III, pursuant to the terms and provisions hereof, and as applicable within the DECLARATIONS, the EXCESS PUBLIC OFFICIALS BOND AND STATUTORY POSITIONS BOND form, and any applicable endorsements to this Policy.

I. CONDITIONS

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

The words “**you**” and “**your**” are used throughout this policy to refer to the **Member Entity** shown in the DECLARATIONS and to other persons and organizations for whom insurance is provided under this Policy. The words “**we**”, “**us**” and “**our**” refer to the **Municipal Excess Liability Joint Insurance Fund** providing this insurance on behalf of member **Joint Insurance Funds**.

Words and phrases in bold face are defined in the Policy.

The following conditions apply to these coverage parts.

A. CANCELLATION

Any cancellation of this Policy is expressly subject to the requirements of the laws of the State of New Jersey and all rules and regulations adopted thereunder, including those regulations currently codified in N.J.A.C. 11:15-2 adopted by the New Jersey Commissioner of Insurance pursuant to the authority of N.J.S.A. 17:1-8.1, N.J.S.A. 17:1C-6(e) and N.J.S.A. 40A:10-36 *et seq*. and as hereafter amended. This Policy may be canceled by **you** by surrender hereof to **us** or any of **our** authorized agents and only in accordance with the requirements for withdrawal from the member **Joint Insurance Fund** as set forth in the aforesaid statutes, rules and regulations and the member **Joint Insurance Fund's** bylaws adopted thereunder. If **you** cancel, **your** liability for any further assessment shall be computed in accordance with the aforesaid rules and regulations.

If **we** cancel, **we** shall mail to **you**, at **your** last mailing address known to **us**, written notice stating when not less than 30 days thereafter such cancellation shall be effective. Subject to the aforesaid rules and regulations, this policy may also be canceled by not less than 10 days notice when the cancellation is being effected by reason of **your** nonpayment of **your** assessment. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the policy period. If **we** cancel, earned assessment shall be computed as provided in the aforesaid rules and regulations. Assessment 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 assessment is not a condition of cancellation.

It is expressly recognized and agreed that **you** are required to be a member of a member **Joint Insurance Fund** of the **Municipal Excess Liability Joint Insurance Fund** as a condition of eligibility for this Coverage and that, in the event that **you** withdraw from or are terminated or expelled from the member **Joint Insurance Fund**, then this Policy shall be canceled and terminated as of the effective date of **your** withdrawal, termination or expulsion. Any such withdrawal, termination or expulsion from the member **Joint Insurance Fund** shall be effectuated only in accordance with the member **Joint Insurance Fund's** bylaws and risk management plan as approved pursuant to the aforementioned authorizing statutes and rules and regulations.

B. CHANGES

This Policy contains all the agreements between **you** and **us** concerning the insurance afforded. The **Member Entity** shown in the DECLARATIONS is authorized on behalf of all Insureds to agree with **us** on changes in the terms of this policy. If the terms are changed, the changes will be shown in an endorsement issued by **us** and made a part of this Policy.

C. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this Policy at any time during the policy period and up to three years afterward.

We may do the same as to the books and records of any organization **you** newly acquire or form that is deemed to be insured under this Policy.

D. ARBITRATION

Any dispute, including but not limited to claims sounding in contract or tort, between the Insured and the **MEL** arising in connection with or relating to this policy shall be submitted to binding arbitration.

The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by the Insured, one arbitrator selected by the **MEL**, and a third independent arbitrator selected by the first two arbitrators.

If both **Loss** covered by this policy and **Loss** not covered by this policy are incurred, either because a **Claim** against the Insured includes both covered and uncovered matters or because a **Claim** is made against both an Insured and others, the Insured and the **MEL** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**.

E. INSPECTIONS AND SURVEYS

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give **you** reports on the conditions **we** find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. Such inspections are not safety inspections. **We** do not undertake any duty to provide for the health or safety of any person. And **we** do not represent or warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to **us**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

F. PREMIUMS

The **Member Entity** shown in the DECLARATIONS:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums **we** pay.

G. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY

Your rights and duties under this Policy may not be transferred without **our** written consent.

H. NON-RENEWAL CONDITIONS

1. **We** may elect not to renew this Policy at each annual anniversary date.

2. If **we** decide not to renew this Policy, **we** will mail or deliver written notice to the **Member Entity** shown in the DECLARATIONS, at the address therein shown, at least 60 days before the annual anniversary date.

3. If notice is mailed, proof of mailing will be sufficient proof of notice.

II. GENERAL PROVISIONS

Unless stated otherwise in this Policy or an endorsement attached to this policy, the following GENERAL EXCLUSIONS, GENERAL CONDITIONS, and GENERAL DEFINITIONS apply to Coverages Parts II and III forming part of this policy.

A. GENERAL EXCLUSIONS:

We will not pay for loss as specified below:

1. Acts committed by **you:** Loss resulting from any dishonest or criminal act committed by **you**, whether acting alone or in collusion with other persons.

2. Acts committed by **your** officials, **employees** or agents who are not **employees**: Loss resulting from any dishonest or criminal act committed by **your** officials, employees or agents who are not **employees**, whether acting alone or in collusion with other persons, except as provided by Coverage Part II or Coverage Part III.

3. Governmental Action: Loss resulting from seizure or destruction of property by order of governmental authority.

4. 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; except where:

        i. A loss has occurred; or

ii. No loss has occurred, but the cost to conduct an independent investigation of whether there was a loss was a requirement of a County or State agency;

then **we** will pay for the costs, fees or other expenses **you** incur not to exceed $25,000. Such costs, fees, or other expenses shall not include internal operating costs, internal fees or other internal expenses **you** incur.

5. Legal Expenses: Expenses related to any legal action.

6. Nuclear: Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination, or any related act or incident.

7. War and Similar Actions: Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

8. Failure to Obtain Insurance: Loss that is a direct or indirect result of **your** failure to procure, require, and/or obtain insurance, bond or similar instrument, from a third-party vendor, whether or not required by law, statute and/or ordinance.

B. GENERAL CONDITIONS

1. Consolidation - Merger: If through consolidation or merger with, 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**:

      i. Give **us** written notice within 90 days thereafter; and

      ii. Pay **us** an additional premium but only if such merger or acquisition results in a 15% or greater increase in **Employees** or assets.

2. Coverage Extensions: Unless stated otherwise, **our** liability under any Coverage Extension is part of, not in addition to, the Limit of Insurance applying to the Coverage or Coverage Section.

3. Discovery Period for Loss: **We** will pay only for covered loss discovered no later than one year from the end of the policy period.

4. Duties in the Event of Loss: After an officer, manager, supervisor, or member of the Risk Management Department discovers a loss or situation that may result in Loss of, or Loss from damage to, **Covered Property**, the officer, manager, supervisor or member of the Risk Management Department must:

a. Notify **us** as soon as possible, but not later than 60 days after discovery of loss.

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.

5. Joint Insured

a. If more than one insured is named in the DECLARATIONS, the **Member Entity** will act for itself and for every other Insured for all purposes of this insurance.

b. If any Insured or official 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 canceled 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.

6. 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. Until 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.

7. 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 actual amount of loss, provided the loss does not exceed the limit of insurance applicable to any single coverage part of this insurance. Irrespective of how many coverage parts may apply to any loss, any amount **we** will pay shall not exceed the limit of insurance applicable to any single coverage part of this insurance.

8. 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:

i. This insurance became effective at the time of cancellation or termination of the prior insurance; and

ii. 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:

i. This insurance as of its effective date; or

ii. The prior insurance had it remained in effect.

9. 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 canceled 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.

10. 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.

11. Other Insurance: This insurance does not apply to loss recoverable or recovered under other insurance, bond or indemnity. However, if the limit of the other insurance, bond 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, bond or indemnity, but not for more than the applicable Limit of Insurance.

12. 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.

13. Policy Period

    a. The Policy Period is shown in the DECLARATIONS, Item B.

    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.

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

15. Recoveries

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

        i. To you, until **you** are reimbursed for any loss that **you** sustain that exceeds the Limit of Insurance and the Deductible Amount, if any;

        ii. Then to **us,** until we are reimbursed for the settlement made;

        iii. 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:

        i. From insurance, suretyship, reinsurance, security or indemnity taken for **our** benefit; or

        ii. Of original **securities** after duplicates of them have been issued.

16. Territory: This insurance covers acts committed or events occurring anywhere in the world.

17. 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.

18. 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**;

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 the replacement cost of the property without deduction for depreciation. However, **we** will not pay more than the least of the following:

a. The Limit of Insurance applicable to the lost or damaged property;

b. The cost to replace the lost or damaged property with other property:

i. Of comparable material and quality; and

ii. Used for the same purpose; or

c. The amount **you** actually spend that is necessary to repair or replace the lost or damaged property.

4. **We** will not pay on a replacement cost basis for any loss or damage:

a. Until the lost or damaged property is actually repaired or replaced; and

b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, **we** will pay on an actual cash value basis.

5. Loss of or loss from damage to any books of account or other records, tapes, disks, or similar electronic media used by **you** in your business but only if:

   a. Such books, records, tapes or disks are actually reproduced and then

   b. For not more than blank books, pages, tapes, and disks or other material plus

   c. The cost of labor for the actual transcription or copying of data which **you** shall furnish to reproduce such books, records, tapes or disks.

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

   b. In the **money** of the country in which the loss occurred; or

   c. 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.

7. Any property that **we** pay for or replace becomes **our** property.

19. Superseded Deductible:

If **you** sustain a covered loss which occurs partly during the term of this insurance and partly during the term of insurance provided by another prior company, and which prior insurance has been cancelled or terminated, and both policies include a deductible, **we** will apply our deductible to that loss as follows:

We will consider the amount of deductible which the prior company applies to its portion of the loss. **We** will take the difference between that deductible amount and the deductible which is carried on this insurance and will apply the difference to our portion of the loss. If the amount of deductible applied by the prior company is greater than **our** deductible, then **we** will not apply an amount to **our** portion of the loss.

C. GENERAL DEFINITIONS

1. **Employee** means:

Any natural person who is required by New Jersey law to be individually bonded;

a. While in **your** service (and for 90 days after termination of service); and

b. Whom **you** compensate directly by salary, wages or commissions; and

c. Whom **you** have the right to direct and control while performing services for **you**.

d. However, **Employee** does not mean or include any:

   i. Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

   ii. Trustee except while performing acts coming within the scope of the usual duties of an **Employee**.

However, as respects Coverage Part III, **Employee** does not mean **your** Municipal Treasurer, Tax Collector, Utility Collector, Library Treasurer, and any Chief Financial Officer who also performs the duties of the Municipal Treasurer, by whatever name known, unless such individuals are designated as an **Employee** by endorsement to this Policy.

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 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 to you; but does not include money.

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

EXCESS PUBLIC OFFICIALS BOND AND STATUTORY POSITIONS BOND COVERAGE PARTS II AND III EXCESS PUBLIC OFFICIALS DISHONESTY

A. COVERAGE

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

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, Item D, Coverage Parts II and III, as applicable.

If any plan is insured jointly with any other entity under the insurance, **you** or the Plan Administrator must select a Limit of Insurance for the EMPLOYEE DISHONESTY COVERAGE FORM that is sufficient to provide an amount of insurance for each Plan that is at least equal to that required if each Plan were separately insured.

If the Insured first named in the DECLARATIONS is an entity other than a Plan, any payment **we** make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plan(s) sustaining the loss.

If two or more Plans are insured under this insurance, any payment **we** make for loss:

1. Sustained by two or more plans or
2. Of Commingled funds or other property of two or more Plans

   that arises out of one **occurrence**, is to be shared by each Plan sustaining loss in the proportion that the amount of insurance required for each such Plan under ERISA provisions bears to the total of these amounts.

   The Deductible provisions of the EMPLOYEE DISHONESTY COVERAGE FORM do not apply to loss sustained by any Plan subject the ERISA which is insured under this insurance.

C. DEDUCTIBLE

1. Subject to the applicable Limit of Insurance shown on the DECLARATIONS, Item D, the loss for which this Policy provides coverage is that amount of the loss in excess of the **Deductible Amount**.
2. Coverage under this Policy is expressly conditioned upon **your** payment of the applicable **Deductible Amount**.

3. **You** must:

   a. Give **us** notice as soon as possible of any loss of the type insured under this Policy if, in your best estimation, such loss will, or will appear to, exceed 25% of the **Deductible Amount**.

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

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS:

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

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

   b. Inventory Shortages: loss or that part of any loss the proof of which involves in any manner (1) a profit and loss computation or comparison or (2) a comparison of inventory records with an actual physical count, provided, however, that where **you** establish wholly apart from such comparisons that **you** have sustained a loss covered under the applicable coverage form, then **you** may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

   c. Non-bonded Employee: Loss caused by any **Employee** not required by law to be individually bonded.

   d. Damages: damages for which **you** are legally liable as a result of:

      i. the deprivation or violation of the civil rights of any person by an **Employee**; or

      ii. the tortious conduct of an **Employee**, except conversion of property of other parties held by **you** in any capacity.

      iii. Depository Failure: loss resulting from the failure of any entity acting as depository for **your** property or property for which **you** are responsible.

   e. Actual Loss or Damages Did Not Occur: where no loss or damage(s) actually occurred to **Member Entity**. It is not the intent of Coverage Part II or III to provide coverage where **Member Entity** received a benefit, something in return, and/or where there was improvement and/or betterment to the **Member Entity** and/or the public.

2. Additional Conditions.

a. Cancellation as to any **Employee**: This insurance is canceled as to any **Employee**:

i. Immediately upon discovery by **you** or any official or employee authorized to manage, govern or control **your Employees,** of any act on the part of an **Employee** whether before or after becoming employed by **you** which would constitute a loss under the terms of this coverage, or

ii. On the date specified in a notice mailed to you. That date will be at 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.

b. Sole Benefit: This insurance is for **your** sole benefit. No legal proceeding of any kind to recover on account of loss under this coverage may be brought by anyone other than **you**.

c. Indemnification: **We** will indemnify any of **Employees** who are required by law to give bonds for the faithful performance of their service against loss through the failure of any **Employee** under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of **your Covered Property**, including inability to faithfully perform those duties because of a criminal act committed by a person other than an **Employee**.

3. Additional Definitions

a. **Covered Cause of Loss** means (1) **Employee Dishonesty**, and (2) failure of any **Employee** to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of **your Covered Property**, including inability to faithfully perform those duties because of a criminal act committed by a person other than an **Employee.**

b. **Covered Property** means money, securities, and **property other than money and securities**.

c. **Deductible Amount** means the deductible amount shown on the DECLARATIONS, Item E, Coverage Parts II and III, as applicable.

d. **Depository** means any entity acting as a depository of **your Covered Property**, or **Covered Property** for which **you** are responsible, including but not limited to, a bank, banking institution, savings and loan, credit union, payroll service company, armored car company, and/or any company that has possession and/or control over **your Covered Property**.

e. **Employee Dishonesty** means only dishonest acts committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons with the manifest intent to:

i. Cause **you** to sustain loss; and also

ii. 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.

f. **Occurrence** means all loss caused by or involving one or more **Employees**, whether the result of a single act or series of acts.

ENDORSEMENT

MEL EXCESS CRIME AND PUBLIC EMPLOYEE BOND

CLIENT'S PROPERTY

D. ADDITIONAL EXCLUSIONS, CONDITIONS AND DEFINITIONS is amended as follows:

2. Additional Conditions, c. Indemnification is deleted and replaced with the following:
Indemnification: **We** will indemnify any of **your Employees** who are required by law to give bonds for the faithful performance of their service against loss through the failure of any **Employee** under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of **your Covered Property** or **Covered Property** of **your Client**, including inability to faithfully perform those duties because of a criminal act committed by a person other than an **Employee**.

3. Additional Definitions:

a. **Covered Cause of Loss** is deleted and replaced with the following:
Covered Cause of Loss means (1) **Employee Dishonesty**, and (2) failure of any **Employee** to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of **your Covered Property** or **Covered Property** of **your client**, including inability to faithfully perform those duties because of a criminal act committed by a person other than an **Employee.**

d. **Depository** is deleted and replaced with the following:
Depository means any entity acting as a depository of **your Covered Property**, or **Covered Property** for which **you** are responsible, including but not limited to, a bank, banking institution, savings and loan, credit union, payroll service company, armored car company, and/or any company that has possession and/or control over **your Covered Property** or **Covered Property** for which **you** are responsible.

e. **Employee Dishonesty**, i. is deleted and replaced with the following:
i. Cause **you** or **your client** to sustain loss; and also

The following term is added:
g. **Client** means any entity for whom **you** perform services under a written contract or agreement.

The coverage afforded under this endorsement is subject to all of the terms and conditions of this Policy. All other terms and conditions of the policy remain unchanged.

MEL XS CRIME ENDORSEMENT – STATUTORY POSITIONS

POLICY ENDORSEMENT

COVERAGE PART III - STATUTORY POSITIONS

The following are **employees** that are included within the definition of **employee** in **C. General Definitions** of COVERAGE PART III:

Cheryl Slack |**Position/Title** Library Treasurer |**Effective Date** 1/1/2007 |**Term Date** __________
Robert Law |**Position/Title** Treasurer/CFO |**Effective Date** 7/18/2020 |**Term Date** __________
Theresa Mulvenna |**Position/Title** Tax Collector / Utility Collector |**Effective Date** 8/1/2017 |**Term Date** __________

THE COURT MAGISTRATE, CLERK AND ADMINISTRATOR AND ANY DEPUTY OR ASSITANT TO THESE POSITIONS "IN TITLE" ARE INCLUDED FOR COVERAGE UNDER THIS ENDORSEMENT.

The coverage afforded under this endorsement is subject to all of the terms and conditions of this policy. All other terms and conditions of the policy remain unchanged.

MEL CRIME POLICY
ENDORSEMENT
Volunteer Library Treasurers Endorsement

This ENDORSEMENT modifies such insurance as is afforded by the provisions of the Policy relating to the following:

COVERAGE PART III: Statutory Position Bond Coverage

With regard to coverage for Library Treasurers who serve on a volunteer basis, this ENDORSEMENT, the provisions of the Policy to which this ENDORSEMENT is attached apply, unless modified by ENDORSEMENT.

A. The following is added to the GENERAL DEFINITIONS, **Definition 1. Employee** for Coverage Part III only:

In addition, for Library Treasurers who serve in a volunteer position, and are individually bonded, the definition of **employee** also includes Library Treasurers, who are not compensated by salary, wages or commissions; while in your service (and for 90 days after termination of service); and whom you have the right to direct and control while performing services for you as volunteer Library Treasurers.

The coverage provided under this ENDORSEMENT is subject to all of the terms and CONDITIONS of this Policy. All other terms and CONDITIONS of this Policy remain unchanged.