ALASKA CHANGES

R

E

V

I

S

E

D

This endorsement modifies insurance provided under the following:

COMMERCIAL CRIME COVERAGE FORM  
GOVERNMENT CRIME COVERAGE FORM  
KIDNAP/RANSOM AND EXTORTION COVERAGE FORM

A. Under the Commercial Crime Coverage Form and Government Crime Coverage Form, Paragraph (1)(e) of the Duties In The Event Of Loss Condition is replaced by the following:

(e) Submit to examination under oath at our request at such times as may be reasonably required and give us a signed statement of your answers. Any Insured has the right to have legal counsel present at the examination;

B. Under the Kidnap/Ransom And Extortion Coverage Form, Paragraph (8) of the Duties In The Event Of An Occurrence Condition is replaced by the following:

(8) Submit to examination under oath at our request at such times as may be reasonably required and give us a signed statement of your answers. Any Insured has the right to have legal counsel present at the examination;

C. Paragraph (3) of the Legal Action Against Us Condition is replaced by the following:

(3) Unless brought within three years from the date you learned that the claim was denied.

D. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of fraud by you as it relates to this insurance at any time. We also will not pay for any loss or damage if you or any other Insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This insurance;

2. The covered property;

3. Your interest in the covered property; or

4. A claim under this insurance.

E. The following is added to Section E. Conditions:

Attorney Fees – Alaska Rule Of Civil Procedure 82

1. Except as provided in Paragraph 2. or any other Insuring Agreement providing coverage for legal expenses:

We do not have a right or duty to defend you under this insurance. We have no obligation to pay attorney fees taxable as costs against you under Alaska Rule of Civil Procedure 82.

This limitation means that the potential costs that may be awarded against you as attorney fees under Alaska Rule of Civil Procedure 82 are not covered by this insurance. You will have to pay all attorney fees under Alaska Rule of Civil Procedure 82 directly.

2. Forgery Or Alteration Insuring Agreement

In any suit in Alaska where we have agreed to indemnify you for the cost of defense under the Forgery Or Alteration Insuring Agreement, our obligation to pay attorney fees taxable as costs against you is limited as follows:

Alaska Rule of Civil Procedure 82 provides that if you are held liable, some or all of the attorney fees of the person making a claim against you must be paid by you. The amount that must be paid by you is determined by Alaska Rule of Civil Procedure 82. We provide coverage for attorney fees for which you are liable under Alaska Rule of Civil Procedure 82, subject to the following limitation:

If the Limit of Insurance for this Insuring Agreement is $1,000,000 or more, we will not indemnify you for any combination of judgment or claim settlement and attorney fees under Alaska Rule of Civil Procedure 82 that exceeds the Limit of Insurance.

If the Limit of Insurance for this Insuring Agreement is less than $1,000,000, we will not pay more than the greater of:

R

E

V

I

S

E

D

a. That portion of any attorney fees that is calculated by applying the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) to the Limit of Insurance for this Insuring Agreement; or

b. $10,000.

This limitation means the potential costs that may be awarded against you as attorney fees may not be covered in full. You will have to pay any attorney fees not covered directly.

Example 1

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first $25,000 of a judgment;

10% of the amounts over $25,000 of a judgment.

Therefore, if a court awards a judgment against you in the amount of $1,250,000, in addition to that amount, you would be liable for attorney fees of $127,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of $25,000 = $5,000

10% of $1,225,000 = $122,500

Total Award: $1,250,000.

Total Attorney Fees: $127,500.

If the Limit of Insurance for this Insuring Agreement is $1,000,000, we would indemnify you for $1,000,000 of the total of the $1,250,000 award and your costs of defense, but we would indemnify you for none of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1).

You would be liable to pay, directly and without our assistance, the remaining judgment in excess of the remaining Insuring Agreement limit plus the $127,500 attorney fees under Alaska Rule of Civil Procedure 82.

Example 2

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first $25,000 of a judgment;

10% of the amounts over $25,000 of a judgment.

Therefore, if a court awards a judgment against you in the amount of $650,000, in addition to that amount, you would be liable for attorney fees of $67,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of $25,000 = $5,000

10% of $625,000 = $62,500

Total Award: $650,000.

Total Attorney Fees: $67,500.

If the Limit of Insurance for this Insuring Agreement is $500,000, we would indemnify you for $500,000 of the total of the $650,000 award and your costs of defense, and we would also indemnify you for $52,500 for the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of $25,000 = $5,000

10% of $475,000 = $47,500

Total Limit of Liability: $500,000.

Total Attorney Fees Covered: $52,500.

You would be liable to pay, directly and without our assistance, the judgment in excess of the remaining Insuring Agreement limit plus the remaining $15,000 for attorney fees under Alaska Rule of Civil Procedure 82 not indemnified by this Policy.

Example 3

The attorney fees provided by the schedule for contested cases in Alaska Rule of Civil Procedure 82(b)(1) are:

20% of the first $25,000 of a judgment;

10% of the amounts over $25,000 of a judgment.

Therefore, if a court enters a judgment against you in the amount of $500,000, in addition to that amount, you would be liable for attorney fees of $52,500 under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of $25,000 = $5,000

10% of $475,000 = $47,500

Total Award: $500,000.

Total Attorney Fees: $52,500.

If the Limit of Insurance for this Insuring Agreement is $50,000, we would indemnify you for $50,000 of the total $500,000 award and your costs of defense, and we would also indemnify you for $10,000 of the attorney fees under Alaska Rule of Civil Procedure 82(b)(1), calculated as follows:

20% of $25,000 = $5,000

10% of $25,000 = $2,500

Minimum limit = $10,000

R

E

V

I

S

E

D

Total Limit of Liability: $50,000.

Total Attorney Fees Covered: $10,000.

You would be liable to pay, directly and without our assistance, the judgment in excess of the remaining policy limit plus the remaining $42,500 for attorney fees under Alaska Rule of Civil Procedure 82 not covered by this Insuring Agreement.