

This deductible modifies coverage provided by Form C1 and Form C2, but only if indicated on the Declarations Page for this form. It is agreed that:

1. Applicable to Employee Dishonesty Coverage - Form A - The Company shall not be liable under Insuring Agreement I on account of loss through fraudulent or dishonest acts committed at any time, whether before or after this deductible 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 the amount stated on the Declarations Page applicable to this deductible opposite the clause Employee dishonesty - Form A 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. Applicable to Employee Dishonesty Coverage - Form B - The Company shall not be liable under Insuring Agreement I on account of loss through fraudulent or dishonest acts committed at any time, whether before or after this deductible is effective, by any Employee, 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, that be in excess of the amount stated on the Declarations Page applicable in this deductible opposite the clause Employee dishonesty - Form B, and then for such excess only, but in no event for more than the amount of insurance carried on such Employee under Insuring Agreement I. If more than one Employee is concerned or implicated in such loss, such deductible amount shall apply to each Employee so concerned or implicated.
3. In no event shall the Company be liable under any Insuring Agreement as modified by this deductible, for more than the amount specified on the Declarations Page for Form C1 or Form C2 as applicable to such Insuring Agreement subject, however, to Section 11.
4. Section 10 is deleted and the following inserted:
Section 10 Recoveries
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, reinsurance, 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."
5. 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 therefore 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.

All other terms and conditions of this policy remain unchanged.