



PRODUCT HIGHLIGHT SHEET

FINANCIAL INSTITUTION BOND

Our **Financial Institution Bond** is designed to accommodate the needs of our financial institution partners. Our Bond customers make the selections to protect them and satisfy their specific needs.

Coverages

Insuring Agreement A – Fidelity: Covers loss resulting directly from dishonest or fraudulent acts of an employee acting alone or in collusion with others, with the intent to cause the insured to sustain such loss or to obtain financial benefit for the employee or another person or entity. If the loss involves loans or trading, the loss must result directly or indirectly from the dishonest act of an employee committed with the intent to cause the insured loss and the employee must have obtained an improper financial benefit.

Insuring Agreement B – On Premises: Covers loss of property resulting directly from robbery, burglary, misplacement, mysterious unexplainable disappearance, damage or destruction; or theft, false pretenses, common-law or statutory larceny, committed by a person on the premises of the insured. Also covers loss or damage to furnishings, fixtures, equipment, safes or vaults within an office of the insured resulting directly from larceny or theft in, or burglary or robbery of, such office, or attempt thereat, provided that the insured is the owner of such and the loss is not caused by fire. Also covers loss of property belonging to employees or customers of the insured from designated hazards while such individuals are on the premises or property of the insured.

Insuring Agreement C – In Transit: Covers loss of property resulting directly from robbery, common-law or statutory larceny, theft, misplacement, mysterious unexplainable disappearance, being lost or made away with, and damage or destruction while the property is in transit and in the custody of any person acting as messenger or in the custody of a transportation company.

Insuring Agreement D – Forgery or Alteration: Covers loss resulting directly from a forged, altered or counterfeited signature of a maker, drawer or endorser, on a negotiable instrument or certain other types of specified instruments. A reproduction signature is treated the same as the handwritten signature. A signature written on an electronic pad that captures the signature for purposes of creating an electronic digitized signature is treated the same as a handwritten signature is treated.

Insuring Agreement E – Securities and Signature Guarantees: Covers loss resulting directly from the insured having, in good faith, acquired, sold or delivered, or given value, extended credit or assumed liability, on the faith of any written, original certificated security or certain other types of specified instruments which bears a forged signature or which has been counterfeited, altered, lost or stolen. Physical possession by the insured, its correspondent bank or authorized representative is a condition precedent to coverage.

Insuring Agreement F – Counterfeit Money: Covers loss resulting directly from the receipt by the insured, in good faith, of any altered or counterfeit money.

Insuring Agreement G – Fraudulent Mortgages: Covers loss through the insured having in good faith acted upon any real property mortgages or like instruments, which prove to be defective by reason of the signature on such instruments having been obtained by trick or false pretenses

Insuring Agreement H – Computer Systems Fraud: Covers loss resulting directly from a fraudulent entry or change of electronic data or computer program in a covered computer system, which causes property to be transferred paid or delivered, an account of the insured, or its customer, to be added, deleted, debited or credited, or an unauthorized account or a fictitious account to be credited or debited.

Insuring Agreement I – Data Processing Service Operations: Covers loss sustained by a data processing client of the insured resulting directly from a fraudulent entry or change of electronic data or computer program in a covered computer system, or a fraudulent entry or change of electronic data during electronic transmission or physical transit from the insured to its client, provided that the entry or change causes property to be transferred paid or delivered; an account of the client, or a customer of the client, to be added, deleted, debited or credited, or an unauthorized account or a fictitious account to be debited or credited. The insured must be legally liable to the client as a provider of data processing services for such client. Also covers an entry or change made by an employee of the insured acting in good faith on an instruction from a software contractor who has a written agreement with the insured to design, implement or service programs for a covered computer system, or on an instruction transmitted by tested telex or similar means of tested communication purportedly sent by a customer, financial institution, or automated clearing house.

Insuring Agreement J – Fraudulent Transfer Instructions: Covers loss resulting directly from the insured having, in good faith, transferred funds or securities through a covered computer system in reliance upon a fraudulent instruction transmitted to the insured through telefacsimile, telephone, or electronic mail.

Insuring Agreement K – Destruction of Data or Programs by Hacker: Covers loss resulting directly from the malicious destruction of, or damage to, electronic data or computer programs while stored within a covered computer system.

Insuring Agreement L – Destruction of Data or Programs by Virus: Covers loss resulting directly from the malicious destruction of, or damage to, electronic data or computer programs while stored within a covered computer system, if such destruction or damage was caused by a computer program or similar instruction which was written or altered to incorporate a hidden instruction designed to destroy or damage such electronic data or computer programs.

Insuring Agreement M – Voice Computer System Fraud: Covers loss resulting directly from charges for voice telephone long distance toll calls which were incurred due to the fraudulent use or fraudulent manipulation of an account code or system password required to obtain access to the insured's voice computer system, whose system administration is performed and controlled by the insured; provided, however, that the unauthorized access was not made possible by failure to incorporate a system password feature or failure to change the system password at least once every 30 days thereafter, or failure to have a call disconnect feature in operation to automatically terminate a caller's access after not more than three unsuccessful attempts to input an account code.

Insuring Agreement N – Liability of Depository: Covers sums which the insured shall become legally obligated to pay by reason of liability for loss of customers' property stored in the customers' safe deposit boxes on the insured's premises.

Insuring Agreement O – Loss of Customers' Property: Covers loss of customers' property by burglary or robbery, or attempt thereof, or for damage to or destruction of customers' property, stored in the customers' safe deposit boxes on the insured's premises.

Insuring Agreement P – Automated Mechanical Devices: Covers loss of money or negotiable instruments, when such money or negotiable instruments are located within any of the insured's automated mechanical devices, caused by burglary or robbery. Coverage includes damage or destruction of an automated mechanical device, owned or operated by the insured, caused by burglary or robbery.

Insuring Agreement Q – Transit Cash Letter: Covers loss resulting directly from the physical destruction or other loss of an item enclosed and listed in a transit cash letter while in transit between any office of the insured and any place in the US or Canada, provided that such item is still missing 21 days after the insured learns that the item has not arrived at the destination. Also covers a cancelled check drawn by a customer after such check (or checks) has been charged to the customer's account and after a statement of the condition of the account purporting to enclose such check (or checks) has been dispatched or delivered to the customer.

Insuring Agreement R – Unauthorized Signatures: Covers loss resulting directly from the insured having accepted, paid or cashed any check or withdrawal order made or drawn on a customer's deposit account maintained with the insured which bears the signature or endorsement of one other than a person whose name and signature are on file with the insured as a signatory on such account.

Insuring Agreement S – Check Kiting Fraud: Covers loss resulting directly from checks, which are not finally paid because of a check kiting fraud perpetrated against the insured.

Insuring Agreement T – Debit Card Coverage: Covers loss resulting directly from the fraudulent use of a debit card to obtain cash or pay for products or services by gaining access to an electronic payment device provided that such device, as part of the transaction, electronically verifies the customer's available funds in the customer's depository account at the insured.

Insuring Agreement U – Kidnap and Ransom: Covers loss of property surrendered by the insured as a result of a threat communicated to the insured to do bodily harm to a director, trustee, employee, officer or partner of the insured, or a relative or invitee of such persons who was, or allegedly was, abducted, provided that prior to the surrender of such property, the person receiving the threat has made a reasonable effort to report the extortionist's demand to an associate and a reasonable effort to report the extortionist's demands to the FBI.

Insuring Agreement V – Property and Cyber Extortion: Covers loss of property surrendered by the insured as a result of a threat to do damage to the premises or tangible personal property of the insured. Also covers loss of property surrendered by the insured as a result of a threat to disclose private or confidential information about the insured's customers that was obtained from the insured's care, custody or control. In addition, covers loss of property surrendered by the insured as a result of a threat to disclose confidential or proprietary information about the insured's business, including trade secrets and customer lists, or to initiate an intentional and damaging attack upon any of the insured's computer systems or data bases including but not limited to attacks which may delete or alter electronic data or computer programs, introduce and spread a computer virus, or cause property or funds to be transferred, paid or delivered.

Insuring Agreement W – Stop Payment Liability: Covers sums which the insured shall become legally obligated to pay as the result of the insured having failed to comply with any notice from any of the insured's customers or authorized representatives of such customer to stop payment on any check or draft made or drawn by such customer, or as the result of the insured having wrongfully dishonored or wrongfully failed to certify any check or draft made or drawn by any of the insured's customers or authorized representative of such customer.

Insuring Agreement X – Claims and Audit Expenses: Covers reasonable expenses incurred and paid by the insured in preparing a covered claim for loss under Insuring Agreement A, which loss exceeds the deductible applicable to Insuring Agreement A. Coverage includes those expenses incurred by the insured for that part of the cost of audits or examinations required by state or federal supervisory authorities to be conducted either by such authorities or by independent accountants by reason of the discovery of loss sustained by the insured through dishonest or fraudulent acts of any of its employees.

Insuring Agreement Y – Security Breach Expenses: Covers reasonable expenses incurred and paid by the insured as the result of unauthorized access to the private or confidential information of any of the insured's customers or employees while such information is in the insured's care, custody or control. Such expenses include but are not limited to the cost to notify affected customers, change account numbers, reissue debit or credit cards, and provide one year of basic credit monitoring to affected customers.

Insuring Agreement Z – Electronic Business Income Loss: Covers loss of business income and extra expenses incurred and paid as the result of a period of time in which a covered computer system ceases to function or functions in such an impaired manner as to shut down the insured's electronic banking operations due to an electronic attack upon such system.

Insuring Agreement AA – Rewards: Covers payment of money by the insured as a reward for information leading to the capture or apprehension of any person who perpetrated or attempted to perpetrate a criminal act against the insured of the type which would afford coverage under any insuring agreement which was purchased under the bond.

Insuring Agreement BB – Payments for Injury or Death of Directors or Employees: Covers payments of money by the insured to any of its customers, directors, trustees or employees, who sustain bodily injury or die as the result of any act of larceny, theft, or robbery or burglary being perpetrated against the insured. Also covers payments of money by the insured for the psychiatric treatment of any of its customers, directors, trustees or employees, who sustain mental trauma as the result of any act of larceny, theft, or robbery or burglary being perpetrated against the insured.

Diminishing Deductible Rider: Reduces the deductible for any insuring agreement, other than Insuring Agreement (Z), by an agreed percentage for each consecutive year during which no claim of any type has been filed, under the bond, subject to a maximum reduction of an agreed percentage.

Business and Travel Expenses Rider: Covers loss resulting directly from theft, damage or destruction of money the insured advanced to an employee or director for business travel expenses; or from the unauthorized use, by a person who is not an employee or director of the insured, of a business credit or debit card issued to the insured by another financial institution for use by the insured's employees or directors to pay for their expenses incurred in conducting business for the insured.

Electronic Loan Fraud Rider: Covers loss resulting directly from the insured extending a loan having relied on a fraudulent digital signature provided that the digital signature certificate was issued by the insured or by a trusted third party certificate authority after using an authentication process. Also covers loss resulting from the withdrawal or transfer of proceeds from a loan by a person other than the one to whom the insured had made the loan and who had obtained unauthorized access to the borrower's account information when it was maintained as electronic data in a covered computer system, or a breach of the insured's computer security that allows the insured's established loan review and approval process to be circumvented and a loan to be created or increased.

Service Contractors Rider: Covers loss through the dishonest or fraudulent acts committed by a servicing contractor intending to cause the insured to sustain such loss and to obtain financial benefit. A servicing contractor is a person or entity authorized by the insured to collect and record payment on real estate mortgages or to manage real property owned by or under the control of the insured within the US, the Virgin Islands, Puerto Rico or Canada.

This document contains examples which are offered for illustrative purposes only. Only the insurance policy can give actual terms, coverage, amount, conditions and exclusions for an insured. Coverages, features and product availability may vary from state by state and is subject to change without notice.