

Civil Money Penalties (CMP) Personal Protection Coverage



The AmTrust Civil Money Penalties (CMP) Personal Protection Coverage provides financial institution D&Os with “peace of mind” protection in the event one or more individuals become the target of a regulatory investigation resulting in CMPs.

Historically, CMP coverage has been scrutinized by bank regulators because coverage was provided as an extension to the D&O Policy. In order to address this issue, AmTrust is introducing a new product solution in the form of a separate and distinct CMP policy. The CMP policy is written in the name of and paid for by the individual D&Os for their own benefit.

Description of Coverage

AmTrust’s CMP Personal Protection Coverage covers the “Institution-affiliated Party” in the event “Civil Money Penalties” are assessed against that individual by a bank “Regulatory Agency” for a “Wrongful Act”. This is an individual policy and the financial institution is not an Insured under the contract.

- **Civil Money Penalties** means monetary penalties or fines imposed by a Regulatory Agency against the Institution-affiliated Party. For purposes of determining the insurability of Civil Money Penalties, the law of the jurisdiction most favorable to the insurability of such penalties or fines will apply.
- **Institution-affiliated Party** means the individual named on the Declarations Page who is a director, officer, trustee, or any equivalent position of the Company.
- **Regulatory Agency** means the FDIC, the Federal Reserve, the OCC, NCUA or similar state or federal bank regulatory agency.
- **Wrongful Act** means any actual or alleged error, omission, misstatement, misleading statement, neglect or breach of duty by the Institution-affiliated Party while acting in his or her capacity as a duly elected or appointed director, trustee, officer, governor, employee, member of the board of managers or trustees, or any equivalent position.

Mechanics

- This product is a “primary” policy, written on E&S Basis.
- The bank must meet AmTrust’s Underwriting Guidelines in order for the Directors and Officers to qualify for coverage.
- Coverage is available on an annual basis. We will, however, write coverage to expire at the same time as the existing D&O Policy in order to maintain common expiration dates.
- **Applying for coverage is easy!** Just complete a short application representing that they are not aware of any claims or facts or circumstances that would give rise to a claim. Return their completed/signed applications with their payment within thirty (30) days of binding coverage.

Product Benefits / Highlights Checklist

- The Insured does not include the Company (financial institution), but the entity is designated solely for the purpose of defining the scope of the individual’s activities.
- Provides protection for CMPs assessed against the Institution Affiliated Party during the Policy Period
- 30-day Automatic Extension Period to pay CMPs first made during the Policy Period, but reported during the Automatic Extension Period (provided at no additional charge).
- Policy “converts” to extended reporting period in the event of merger or acquisition
- Separate policy preserves D&O limit of liability
- For purposes of assessing CMPs, most-favorable venue language applies
- Annual non-cancellable policy, except for non-payment of premium.
- 60-days non-renewal notice
- 60-days to give “Notice of Claim”
- Optional limits and retention levels available

Pricing

Choose your price! The rate is based on the desired limit and retention level. Please note that the quoted rates do not include E&S Taxes.

CMP Pricing Matrix*

Note: Quoted rates do not include E&S taxes.

Individual Retention Amount	\$100,000 Limit	\$250,000 Limit
\$0	\$750	\$1,500
\$500	\$650	\$1,300
\$1,000	\$500	\$1,000

** The above premiums are for individuals serving at privately held banks >15 years old with Texas Ratio <50% and Tier 1 Leverage ratio >7%. The above pricing also assumes the institution is not under any type of regulatory order or agreement and the individual D&Os have had no CMPs assessed against them in the past 5 years. Individuals/banks not meeting these guidelines should contact their broker to discuss availability.*

For more information, contact your E&S Broker or AmTrust at:

AmTrust Financial Institution Division
866.327.6904
www.amtrustfi.com

Endorsed by



AmTrust North America
An AmTrust Financial Company

866.327.6904
banksubmissions@amtrustgroup.com
www.amtrustfi.com

AmTrust is AmTrust Financial Services, Inc., located at 59 Maiden Lane, New York, NY 10038. Coverages are provided by its property and casualty insurance company affiliates. In TX, coverage is provided by AmTrust Insurance Company of Kansas, Inc., AmTrust International Underwriters Designated Activity Company, Associated Industries Insurance Company, Inc., First Nonprofit Insurance Company, Milford Casualty Insurance Company, Republic Underwriters Insurance Company, Republic-Vanguard Insurance Company, Security National Insurance Company, Southern County Mutual Insurance Company, Southern Insurance Company, Technology Insurance Company, Inc., or Wesco Insurance Company. In WA, coverage is provided by AmTrust Insurance Company of Kansas, Inc., AmTrust International Underwriters Designated Activity Company, Associated Industries Insurance Company, Inc., Developers Surety and Indemnity Company, Milford Casualty Insurance Company, Security National Insurance Company, or Wesco Insurance Company. Consult the applicable policy for specific terms, conditions, limits, and exclusions to coverage.