

# Credit Union Bond and Plastic Card Policy

Our Credit Union Bond incorporates essential coverages, including comprehensive Fidelity coverages, Kidnap and Ransom, and other coverages specifically tailored to each credit union's unique needs. Our Plastic Card Policy includes coverage for unauthorized transactions and the capacity to add Compromised Card Extra Expense coverage.



## 34 Countries

where AmTrust is  
globally present



## Robust Product Offering

designed for the specific needs  
of financial institutions



## In-house Claims Handling

with dedicated team and  
reporting email address

## APPROVED BY THE NATIONAL CREDIT UNION ADMINISTRATION

To help prevent fraud and dishonesty at financial institutions, internal precautions such as dual controls, separation of duties, mandatory vacation time and operational audits are good deterrents. However, every credit union needs insurance coverage when criminals are successful in circumventing internal controls, which results in the credit union or a member sustaining a loss.

The AmTrust Credit Union Bond and Plastic Card Policy product provides the fidelity coverage required by regulators and covers various types of fraud exposures credit unions inevitably face while doing business in the 21st century.

## Credit Union Bond Key Coverage Features

- Multi-year policy option
- Non-rescindable coverage option
- Broad definition of employee
- Definition of insured automatically includes employee benefit plans with respect to employee or director dishonesty
- No charge for acquisitions representing < 50% of the credit union's total assets; 90 days automatic M&A coverage provided for acquisitions > 50% of the credit union's total assets (continued coverage subject to additional premium)
- Cash Letter coverage includes reimbursement for wages for temporary employees and overtime wages for regular employees of the insured for necessary services in identifying members of lost items and assistance to those members in obtaining duplicates
- Individual Insuring Agreement for court costs and attorneys' fees applicable to ALL COVERAGES purchased
- Audit Expense coverage provides for reimbursement of fees and expenses incurred for special audits to establish a covered employee or director dishonesty loss or an extortion, kidnap or ransom loss
- Reward Payments coverage reimburses the credit union for up to \$100,000 in reward payments for information leading to the apprehension of a robber or burglar
- Subsidiary included in coverage if the insured owns more than 50% of the assets and liability of the subsidiary
- Electronic Crime coverage includes accounts of the insured or member being added, deleted, debited, or credited, or an unauthorized account or a fictitious account being debited or credited
- Fraudulent Funds Transfer coverage covers losses resulting directly from fraudulent instruction through email, telefacsimile or telephonic means received, sent or purportedly sent by the credit union; and for loss resulting directly from a fraudulent and unauthorized ACH debit from the credit unions member's account

## Plastic Card Policy Key Coverage Features

- Multi-year policy option
- Pre-paid card coverage included, up to \$250 per card
- Compromised Card Extra Expense coverage available via endorsement

Coverage descriptions are provided for educational and informational purposes only. Please refer to your contract for terms and conditions specific to your company. All coverage features are subject to underwriting guidelines.

## Credit Union Bond

Choose From	Covers
Audit Expense	Reimbursement of fees and expenses incurred for special audits to establish a coverage employee or director dishonesty loss or an extortion, kidnap or ransom loss.
Automated Teller Machines - Off Premises	Loss, damage or destruction of money due to burglary or robbery for ATM's off of the credit union's premises.
Business Credit or Debit Card/Travel Advance	Losses resulting directly from the unauthorized use of a lost, altered, stolen or counterfeit credit or debit card issued to the credit union by another financial institution. It also pays for loss of funds advanced to an employee or director for business travel expenses when the loss results from theft, damage or destruction of those funds.
Cash Letter	Losses and expenses resulting from theft, unexplained disappearance, misplacement, damage or destruction of a cash letter being transported for deposit, payment, collection or exchange for cash.
Counterfeit Currency	Losses due to the acceptance of counterfeit currency from any country.
Counterfeit Share Draft, Check or Securities	Losses from counterfeit share draft or check paid against a member account or the credit union's own corporate account. Also pays for loss resulting directly from having acquired, sold, delivered, given value to, extended credit or assumed liability in reliance on any counterfeit certificated security, deed, mortgage, certificate of origin or title, or document of title.
Defense Costs	Reasonable defense costs when suit allegations would result in a covered bond loss in excess of the coverage deductible.
Electronic Crime	Loss of funds resulting directly from a hacker who breaks into the credit union's computer system and makes fraudulent changes to the credit union electronic data or computer programs (including service bureau, EFT or internet banking systems). This also encompasses destruction of information, electronic data or computer programs stored on the credit union's computer system.
Electronic Crime - Loan*	Losses sustained resulting from payments or funds transfers fraudulently effectuated through an electronic forgery used to create, or alter the terms of a loan, or a computer security breach through which the loan review process has been circumvented or a loan is created or an existing loan amount is increased.
Employee and Member Property	Reimbursement for payments made to an employee or member for property stolen or damaged by a person committing a robbery or burglary on the credit union's premises or an offsite ATM they own or operate.
Employee or Director Dishonesty	Dishonest acts of employees or directors acting alone or in collusion with others, which includes data processors and trading losses.
Extortion - Kidnap Expenses and Investigation Expenses	Pays the credit union for reasonable investigative and mitigation fees and expenses incurred in connection with computer extortion, an extortion, kidnap or ransom, as well as including independent investigators, travel and accommodations, legal services, security consultants, security guards, etc.
Extortion, Kidnap and Ransom Loss	Ransom, settlements from lawsuits associated with the ransom, and pays for the salary of the person being held are components of Extortion, Kidnap and Ransom Loss. The coverage also pays damages awarded in a lawsuit against the credit union claiming establishment of a negligent act, error or omission on its part in connection with extortion, kidnap or ransom, or computer extortion.
Faithful Performance	Losses resulting directly from a named employee's failure to faithfully perform their trust, acting in conscious disregard of the credit union's established and enforced share, deposit or lending policies.
Forgery or Alteration	Forgery of alteration of negotiable instruments. There is no requirement for the credit union to be in possession of the original instrument for the coverage to be applicable. Travelers checks are also included.
Fraudulent Deposit	Losses resulting directly from a member depositing into a share, share draft or other depository account, or cashing an item of deposit that ultimately is not paid. The coverage does NOT apply to all items that are uncollectable. The member presenting the item must intend to deceive the credit union and commit a fraud, and have full knowledge that the "item of deposit" would ultimately not be paid.
Fraudulent Funds Transfer	Losses resulting directly from fraudulent instruction through email, telefacsimile or telephonic means received, sent or purportedly sent by the credit union; and for loss resulting directly from a fraudulent and unauthorized ACH debit from the credit union's member's account.

Choose From	Covers
Fraudulent Mortgage Loan Documentation*	For fraudulent acts committed by borrowers in making material misrepresentations on certain residential mortgage lending documents. Covered documents include verifications of income, verifications of employment, offers to purchase, and/or appraisal reports utilized by the credit union for lending decisions. Coverage applies to single-family dwellings that are a residence of the borrower.
In Transit	Loss of property while in the custody of an employee or a transportation company.
IRA and EDCP	Credit union's losses from any negligent act, error or omission by an employee or director carrying out his/her duties as an administrator or trustee of an IRA, or as an administrator or sponsor of the credit union's EDCP.
Loss of Renters' Property	Loss of or to renters' property resulting directly from actual or attempted robbery or burglary, destruction or damage while on the Insured's premises. Money can be included or excluded.
Mortgage Defective Signature	Credit union's losses resulting from accepting mortgage instruments that are defective by reason of a signature obtained by trick, artifice, fraud or false pretenses. It also covers loss due to accepting recorded deeds conveying real property to a credit union member where the signature on the deed was obtained by, or on behalf of, the member through trick, artifice, fraud or false pretenses.
On Premises	Loss of property due to robbery, burglary, or unexplainable disappearance while on the credit union's premises.
Payments for Injury or Death	Reimbursement for a death benefit paid to an employee's, director's or member's heirs and costs the credit union decides to cover relating to the victim(s)' medical or surgical treatment.
Post-Robbery Trauma Counseling	Reimbursement for payments made for counseling expenses resulting from mental trauma injury inflicted upon a director, employee or member by a person while committing or attempting to commit a robbery or burglary, or any other act involving the use of deadly force, or committing extortion, kidnap or ransom.
Reward Payment	Reimbursement for information leading to the apprehension of a robber or burglar.
Safe Depository Liability	Losses the credit union becomes legally obligated to pay as a result of loss of a customer's property. In addition, coverage for loss, damage or destruction of customer's property as a result of burglary or robbery.
Signature Guarantee	Losses resulting from an employee guaranteeing a signature for the transfer, surrender, exchange or purchase of securities.
Stop Payment and Wrongful Dishonor	Failure to comply with any notice to stop payment on a check.
Telephone Toll Crime	Losses resulting from toll charges incurred by the credit union due to a hacker who breaks into the credit union's voice computer/telephone system through the fraudulent use, manipulation or circumvention of a password.
Third-Party Vendor Theft*	Losses resulting directly from dishonest acts committed by certain third-party vendors. The types of vendors that are covered include the following while they are performing services for the credit union: insurance agency or insurance brokerage services, loan production services, funds transfer services, secondary market services, automated teller machine services, shared branching services, call center services and foreclosure or repossession services.
Unauthorized Signatures	Protects the credit union for accepting checks or withdrawal orders bearing valid signatures obtained through fraud or trickery.

\*Coverages are subject to an aggregate limit of liability.

## Plastic Card Policy

Choose From	Covers
Plastic Card	Unauthorized credit or debit transactions in the insured's plastic card programs with regards to use of a PIN to access an ATM, use of a lost, altered or stolen plastic card, use of a counterfeit card, or use of an account holder's card number. Coverage also includes worldwide coverage for unissued card numbers, Card bulletin fees, reward fees, unauthorized transactions on prepaid card up to \$250 per card, and fraudulent requests for debit check cards or ATM network cards.
Defense Costs	Defense costs for lawsuits for the insured's liability for loss, claim or damage, if established, would constitute a valid and collectible loss under the policy.