

TELEFACSIMILE TRANSFER FRAUD

It is agreed that:

1. The attached bond is amended by adding an additional Insuring Agreement as follows:

TELEFACSIMILE TRANSFER FRAUD

Loss resulting from the Insured having, in good faith, transferred or delivered Funds or securities through a Computer System covered under the terms of the Computer Systems Insuring Agreement in reliance upon a fraudulent instruction received through a Telefacsimile Device, and which instruction

- (1) purports and reasonably appears to have originated from
 - (a) a Customer of the Insured,
 - (b) another financial institution, or
 - (c) another office of the Insuredbut, in fact, was not originated by the Customer or entity whose identification it bears and
- (2) contains a valid test code which proves to have been used by a person who was not authorized to make use of it and,
- (3) contains the name of a person authorized to initiate such transfer; and

provided that, if the transfer was in excess of \$___, the instruction was verified by a call-back according to prearranged procedure.

In this Insuring Agreement, Customer means an entity or individual which has a written agreement with the Insured authorizing the Insured to rely on Telefacsimile Device instructions to initiate such transfers and has provided the Insured with the names of persons authorized to initiate such transfers, and with which the Insured has established an instruction verification mechanism, and Funds means money on deposit in an account.

2. In addition to the Conditions and Limitations in the bond and Computer Systems Insuring Agreement Rider, the following provisions are applicable to the Telefacsimile Transfer Fraud Insuring Agreement:

Telefacsimile Device means a machine capable of sending or receiving a duplicate image of a document by means of electronic impulses transmitted through a telephone line and which reproduces that duplicate image on paper

This Insuring Agreement does not cover loss resulting directly or indirectly from the assumption of liability by the Insured by contract unless the liability arises from a loss covered by the Telefacsimile Transfer Fraud Insuring Agreement and would be imposed on the Insured regardless of the existence of the contract.

Proof of loss for claim under the Telefacsimile Transfer Fraud Insuring Agreement must include a copy of the document reproduced by the Telefacsimile Device.

3. The total liability of the Underwriter under the Telefacsimile Transfer Fraud Insuring Agreement is limited to the sum of _____ it being understood, however, that such liability shall be a part of and not in addition to the Limit of Liability of the attached bond. The Insuring Agreement shall be subject to any deductible amount applicable to Insuring Agreements (A), (B) and (C).

4. This rider shall become effective as of 12:01 a.m. on-----,
standard
time as specified in the bond.