

Office of Thrift Supervision

TB 34 was rescinded 1/13/95. Rendered obsolete by Section 563.190 and 563.191.

Handbook: Thrift Activities  
Subjects: Management; Management Assessment

Sections: 100; 130  
TB 34

September 13, 1989

Depository Institutions Blanket Bond

**RESCINDED**

Summary: On April 7, 1989 and June 9, 1989, the blanket bond insurances of two providers was deemed equivalent to Standard Form 22 with certain caveats.

*For further information contact:*  
The Office of General Counsel or the Policy Analysis Division, Office of Thrift Supervision, Washington, D.C.

*Thrift Bulletin 34*

The Office of General Counsel (OGC) opined on April 7, 1989, that the "Financial Institutions Special Bond" (FISB) to be issued by the Virginia Surety Company, Inc., Chicago, Illinois and the Savings Institutions Insurance Company of Chicago, Illinois is equivalent to Standard Form No. 22 for purposes of the regulation provided that the

bond provides coverage per year in an amount equal to at least twice the amount of coverage otherwise required by 12 C.F.R. 563.19(a). The caveat in the April 7 determination, requiring doubling of the regulatory limit, results from the practice of some insurers who retain the old "per loss limit" at the amount specified in the regulation and simply cap total coverage at double that per loss limit. In OGC's view, such a bond is not equivalent to Form 22. Under the FISB form, both the per loss limits and the aggregate limit must be at least double the specified regulatory minimum to comply with the regulation.

Additionally on June 9, 1989, the OGC opined that a policy form, issued by The Cincinnati Insurance Company and known as the "Depository Institutions Blanket Bond", is equivalent to Standard Form 22 for purposes of 12 C.F.R. 563.19(a). OGC, however, added that the Depository Institutions Blanket Bond with Endorsements must provide a limit of liability per year in an amount at least equal to the amount of coverage otherwise required by 12 C.F.R. 563.19(a). A copy of both the opinion, from Jack D. Smith, Deputy General Counsel, and the specimen Depository Institutions Blanket Bond are attached.

Attachments

— Darrel W. Dochow  
Acting Senior Deputy Director, Supervision/Operations

Federal Home Loan Bank Board



1700 G Street, N.W.  
Washington, D.C. 20552  
Federal Home Loan Bank System  
Federal Home Loan Mortgage Corporation  
Federal Savings and Loan Insurance Corporation

MEMORANDUM

TO: Principal Supervisory Agents      DATE: June 9, 1989  
Directors of Agency Functions

FROM: Jack D. Smith *JDS*  
Deputy General Counsel

SUBJECT: Depository Institutions Blanket Bond

Federal Home Loan Bank Board regulations require insured institutions to maintain bond coverage in specified amounts and "in the form known as Standard Form No. 22 or its equivalent." 12 C.F.R. § 563.19(a). We have been asked to determine whether a policy form (the "Depository Institutions Blanket Bond") to be issued by The Cincinnati Insurance Company, Inc. is equivalent to Standard Form No. 22 for purposes of that regulation.

A specimen Depository Institutions Blanket Bond with Endorsements is attached to this letter. We have determined that this particular specimen policy with these particular endorsements would be equivalent to Standard Form No. 22 for purposes of the regulation provided that the bond provides a limit of liability per year in an amount at least equal to the amount of coverage otherwise required by 12 C.F.R. § 563.19.

We are currently reviewing other proposed fidelity bond forms for which approval is expected shortly. You will be notified immediately upon approval.

Any questions regarding this determination should be directed to: David A. Felt, Associate General Counsel  
(202) 906-6971 or Linda Matthias, Policy Analyst (202) 331-4597.

Attachment

DEPOSITORY INSTITUTIONS BLANKET BOND  
First Edition: July, 1983

*THE Cincinnati Insurance Company*

CINCINNATI, OHIO 45214  
(Herein called the Company)

DECLARATIONS

Item 1. Name of the Insured (herein called the Insured):

BOND NO. B-80

Item 2. Bond Period: From 12:01 a.m. on \_\_\_\_\_ to 12:01 a.m. on the effective date of the termination or cancellation of this bond. Standard Time at the Principal Address as to each of said dates:

Item 3. Coverages, Limits of Liability, and Deductibles: The insurance afforded by this bond is only with respect to such of the following coverages as are indicated by a specific limit or limits entered in the Table of Limits of Liability. The limit of the Company's liability against each such coverage shall be stated in the Table of Limits of Liability, subject to the deductible amount applicable with respect to each such stated limit of liability and to Condition A and all of the other terms of the bond.

Item 4. Offices or Premises Covered: All the Insured's offices or premises in existence at the time this bond becomes effective are covered under this bond except the offices or premises located as follows:

Item 5. Endorsements: The liability of the Company is subject to the terms of the following endorsements attached hereto.

Item 6. The Insured by the acceptance of this bond gives notice to the Company terminating or cancelling prior bond(s) or policy(ies) No(s).

such termination or cancellation to be effective as of the time this bond becomes effective.

Countersigned This

\_\_\_\_\_ Day of \_\_\_\_\_, 19 \_\_\_\_\_

Authorized Representative

Form No. F-3013A (7/83)

DEPOSITORY INSTITUTIONS BLANKET BOND

First Edition: July, 1983

THE CINCINNATI INSURANCE COMPANY

CINCINNATI, OHIO

(Herein called the Company)

TABLE OF LIMITS OF LIABILITY

BOND NO. B-80

Insuring Agreement	Limit of Liability	Deductible
A. FIDELITY	\$ _____	\$ _____
B. ON PREMISES	\$ _____	\$ _____
C. IN TRANSIT	\$ _____	\$ _____
D. FORGERY, ALTERATION AND UNAUTHORIZED SIGNATURES	\$ _____	\$ _____
E. ALL RISK FORGERY	\$ _____	\$ _____
F. COUNTERFEIT CURRENCY	\$ _____	\$ _____
G. FRAUDULENTLY OBTAINED SIGNATURES — REAL PROPERTY MORTGAGES	\$ _____	\$ _____
H. EXTORTION	\$ _____	\$ _____
I. STOP PAYMENT ORDERS OR REFUSAL TO PAY CHECKS LIABILITY	\$ _____	\$ _____
J. DIRECTORS' AND OFFICERS' EXPENSES IN DEFENDING SUITS	\$ _____	\$ _____
K. EMPLOYEE DISHONESTY CLAIM EXPENSE	\$ _____	\$ _____
L. ALL RISK SAFE DEPOSIT BOX	\$ _____	\$ _____
M. CASH LETTERS	\$ _____	\$ _____
N. AUDIT EXPENSE	\$ _____	\$ _____

PREMIUM

Attached to and Forming  
Part of Policy No.

Effective Date of  
Endorsement

FHLBB Compliance Endorsement

It is hereby understood and agreed that:

I. Insuring Agreement B., On Premises, Section (1) is deleted in its entirety and replaced with the following:

(1) Loss of Property resulting directly from:

- (a) robbery, burglary, misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof while the property is lodged or deposited within offices or premises located anywhere, or
- (b) theft, false pretense, common law or statutory larceny, committed by a person present in an office or on the premises of the Insured, or present on the premises in which the property is lodged or deposited.

II. Insuring Agreement E., All Risk Forgery, is amended by changing:

- (1) The Words "Coverage 11;" to "Insuring Agreement D",
- (2) The Words "Coverage 12;" to "Insuring Agreement E",

III. Definitions D., "Employee means" shall be amended to include the following additional positions:

- (6) a natural person (sometimes known as conveyancer) duly elected or appointed by the Insured to draw deeds of conveyances of lands, to investigate titles of real property or otherwise to assist the Insured in the making (as distinguished from the servicing or collection) of mortgage loans, while performing such services;
- (7) a natural person duly elected or appointed by the Insured to collect rents for the account of the Insured while collecting or having possession of such rents;
- (8) a natural person appointed by or with the approval of the Insured to make collection of savings from persons who compose, or purport to compose, a group making systematic deposits with the Insured while collecting or having possession of any such savings and such savings, while upon the premises where collected and in the possession or custody of the said person collecting them, shall be deemed to be in the possession of the Insured,

IV. Exclusions H., shall be deleted in its entirety, and replaced with the following:

H. Loss caused by an Employee, except when covered under Insuring Agreement A. or when covered under Insuring Agreement B. or C. and resulting directly from misplacement, mysterious unexplainable disappearance or destruction of or damage to Property.

V. The word "Property" as it appears in Exclusion X shall be defined as meaning all non-negotiable instruments,

VI. Conditions C.(1), shall be deleted in its entirety and replaced with the following:

(1) As soon as practicable, not to exceed 60 days, after discovery by the Insured, or by the Federal Home Loan Bank of which the Insured is a member if the Insured is either a federal savings and loan association or a state-chartered savings and loan association insured by the Federal Savings and Loan Insurance Corporation but not subject to state supervisory authority, of any loss covered under this bond, the Insured or said Federal Home Loan Bank shall give the Company notice thereof.

Attached to and Forming  
Part of Policy No.

Effective Date of  
Endorsement

Policy Correction Endorsement

It is hereby understood and agreed that the following typographical errors in the attached policy shall be corrected as follows:

I. INSURING AGREEMENTS

B. On Premises (2) (b): the word "or" in line 4 is deleted in its entirety

II. GENERAL AGREEMENTS

D. Change of Control-Notice: the word, "result" in paragraph 1, line 3, is changed to "results"

F. Joint Insured: the word "name" in line 4 is changed to "named"

III. DEFINITIONS

K. "Security means in instrument which" is deleted in its entirety and replaced with the following: K. "Security means an instrument which"

IV. EXCLUSIONS

Paragraph O., line 5: the word "deposition" is replaced with "depositor"

V. CONDITIONS

A. Limit of Liability/Nonaccumulation of Liability (1): the word "threat" is replaced with the phrase "there at"

B. Discovery: paragraph 1, line 5 is deleted in its entirety and replaced with the following phrase "exact amount or details of loss may not then be known"

C. Notice/Proof-Legal Proceedings (4), line 9: the word "and" is replaced with "in"

E. Assignment-Subrogation-Recovery-Cooperation (1), line 2: this line is deleted in its entirety and replaced with "deliver, if so requested by the Company, an assignment of"

E. Assignment-Subrogation-Recovery-Cooperation (3), line 9: the letter "C" is replaced with the letter "D"

THE  
*Cincinnati*  
*Insurance*  
*Company*



A STOCK COMPANY  
DEPOSITORY INSTITUTIONS  
BLANKET BOND

**SPECIMEN**



CINCINNATI FINANCIAL CENTER

THE *Cincinnati Insurance Company*

CINCINNATI, OHIO



# THE Cincinnati Insurance Company

CINCINNATI, OHIO 45214

(A stock insurance company, herein called the Company)

In consideration of an agreed premium, subject to the Declarations, Insuring Agreements, General Agreements, Conditions and Limitations, and other terms hereof, agrees to indemnify the Insured for.

## INSURING AGREEMENTS

### A. FIDELITY

Loss resulting directly from dishonest or fraudulent acts of an Employee committed alone or in collusion with others.

Dishonest or fraudulent acts as used in this Insuring Agreement shall mean only dishonest or fraudulent acts committed by such Employee with the manifest intent

- (1) to cause the Insured to sustain such loss, and
- (2) to obtain financial benefit for the Employee or for any other person or organization intended by the Employee to receive such benefit, other than salaries, commission, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment.

### B. ON PREMISES

(1) Loss of Property resulting directly from:

- (a) robbery, burglary, misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof, or
- (b) theft, false pretenses, common law or statutory larceny, committed by a person present in an office or on the premises of the Insured.

while the property is lodged or deposited within offices or premises located anywhere.

(2) Loss or damage to

- (a) furnishings, fixtures, supplies or equipment within an office of the Insured covered under this bond resulting directly from larceny or theft in, or by burglary or robbery of, such office, or attempt thereat, or by vandalism or malicious mischief, or
- (b) such office resulting from larceny or theft in, or by burglary or robbery of such office or attempt thereat, or to the interior of such office by vandalism or malicious mischief, or

provided that

- (1) the Insured is the owner of such furnishings, fixtures, supplies, equipment, or office or is liable for such loss or damage, and
- (2) the loss is not caused by fire.

### C. IN TRANSIT

- (1) Loss of Property resulting directly from robbery, common law or statutory larceny, theft, misplacement, mysterious unexplainable disappearance, being lost or otherwise made

away with, and damage thereto or destruction thereof, while the Property is in the custody of a person designated by the Insured to act as its messenger (or a person acting as messenger or custodian during an emergency arising from the incapacity of such designated messenger) and while the Property is in transit anywhere, such transit to begin immediately upon receipt of such property by said messenger and to end immediately upon delivery to the designated recipient or its agent.

- (2) Loss of non-negotiable instruments because of the occurrence of any event mentioned in Insuring Agreement C(1), while being transported in a nonarmored vehicle by a carrier for hire.

### D. FORGERY, ALTERATION AND UNAUTHORIZED SIGNATURES

Loss resulting directly from

- (1) Forgery or alteration of, on or in any Negotiable Instrument (except an Evidence of Debt), Acceptance, withdrawal order, receipt for the withdrawal of Property, Certificate of Deposit or Letter of Credit;
- (2) transferring, paying or delivering any funds or Property or establishing any credit or giving any value on the faith of any written instructions or advices directed to the Insured and authorizing or acknowledging the transfer, payment, delivery or receipt of funds or Property, which instructions or advices purport to have been signed or endorsed by any customer of the Insured or by any banking institution but which instructions or advices either bear a signature which is a Forgery or have been altered without the knowledge and consent of such customer or banking institution. Telegraphic, cable or teletype instructions or advices, as aforesaid, exclusive of transmissions of electronic funds transfer systems, sent by a person other than the said customer or banking institution purporting to send such instructions or advices shall be deemed to bear a signature which is a Forgery.
- (3) cashing, paying or accepting any check or withdrawal order which bears an Unauthorized Signature or Unauthorized Endorsement. It is a condition precedent to the Insured's rights under this subparagraph (3) that the Insured have on file both (a) a customer's corporate resolution pertaining to the authority of its agents to sign or endorse such items, and (b) signatures of all persons authorized to sign or endorse such items.

A mechanically reproduced facsimile signature is treated the same as a handwritten signature.

#### **E. ALL RISK FORGERY**

Loss by reason of the Insured

- (a) having in good faith and in the usual course of business, whether for its own account or for the account of others, either gratuitously or otherwise, purchased or otherwise acquired, accepted or received, or sold or delivered, or given any value, extended any credit or assumed any liability or otherwise acted upon any security, document, or other written instrument which proves to have been a forgery or to have been altered or raised or counterfeited or lost or stolen, or
- (b) having guaranteed in writing or witnessed any signature upon any security or document which passes or purports to pass title.

provided, however, if insurance for any such loss is included under Insuring Agreement D of this bond, then insurance under this Insuring Agreement E shall not apply.

Actual physical possession of such security, document or other written instrument by the Insured, its correspondent bank or other authorized representative is a condition precedent to the Insured's having relied on the faith of, or otherwise acted upon, such security, document or, other written instrument.

Mechanically produced facsimile signatures shall be deemed to be handwritten signatures.

#### **F. COUNTERFEIT CURRENCY**

Loss resulting directly from the receipt by the Insured, in good faith, of any Counterfeit or altered Money issued or purporting to have been issued by any lawful government.

#### **G. FRAUDULENTLY OBTAINED SIGNATURES — REAL PROPERTY MORTGAGES**

Loss by reason of the Insured having in good faith and in the usual course of business in connection with any loan made by the Insured, accepted, received or changed its position in reliance upon the validity of any real property mortgage, real property deed of trust or like instrument pertaining to realty, or an assignment of any such mortgage, deed of trust or like instrument, which proves to be defective by reason of the signature thereon of any person having been obtained through trick, artifice, fraud or false pretenses, or by reason of the signature of any person on the recorded deed conveying or releasing title to such real property to the mortgagor or grantor under such mortgage, deed or trust or like instrument having been obtained by or on behalf of such mortgagor or grantor through trick, artifice, fraud or false pretenses.

#### **H. EXTORTION**

Loss through the surrender of property away from an office of the Insured to which this bond applies as a result of a threat communicated to the Insured

- (1) to do bodily harm to any director, officer, or employee or any relative or member of the household or guest in the household of any director, officer, or employee who is, or allegedly is, being held captive, or
- (2) to do damage to any office or property of the Insured to which this bond applies.

provided, that prior to the surrender of such property, the Insured has made every reasonable effort under the circumstances to notify

- (a) The Federal Bureau of Investigation and local law enforcement authorities concerning such threat, and
- (b) a director or officer of the Insured, other than the director or officer or employee concerned with such threat.

#### **I. STOP PAYMENT ORDER OR REFUSAL TO PAY CHECK LIABILITY**

All sums which the Insured shall become legally obligated to pay as damages

- (1) for having complied or failed to comply with the request of any depositor of the Insured, or his authorized agent, to stop payment on any check, draft or negotiable order of withdrawal made or drawn by such depositor or by an authorized agent of such depositor, or
- (2) for having refused to pay any check, draft or other negotiable order of withdrawal made or drawn by any depositor of the Insured or by any authorized agent of such depositor.

#### **J. DIRECTORS' AND OFFICERS' EXPENSES IN DEFENDING SUITS**

Loss incurred by the Insured as a result of the reimbursement of any director or officer of the Insured for reasonable expenses and attorneys' fees necessarily incurred by him (while a director or an officer of the Insured or at any time thereafter but only while this Insuring Agreement J is in force), in defending any suit or proceeding to which he shall have been made a party by reason of his being or having been a director or an officer of the Insured, provided

- (1) that in such suit or proceeding he is adjudged not to have been guilty of negligence or misconduct in the performance of his duties as such director or officer of the Insured, and
- (2) that the Company's liability with respect to all such expenses and attorneys' fees incurred by all directors and officers during any one annual period shall be limited to five times the limit of liability stated in the Table of Limits of Liability as applicable to any one loss payable under this insurance.

#### **K. EMPLOYEE DISHONESTY CLAIM EXPENSE**

Loss as a result of the necessary and reasonable expense incurred and paid by the Insured, after approval by the Company, in preparing any valid claim hereunder for loss because of any dishonest or fraudulent act of any employee.

#### **L. ALL RISK SAFE DEPOSIT BOX**

Loss of property including damage or destruction, from any cause while such property is located in any safe or box leased to a customer of the Insured within the safe deposit vaults located within any office of the Insured to which this bond applies, and occurring while such property is within such safe deposit vaults or within that part of such office used by the Insured in conducting a safe deposit business. This insurance applies to the interest of any person owning or having any rights in and to such property, but payment of any loss to which this insurance applies shall be made to the Insured only.

#### M. CASH LETTERS

##### Loss

- (1) of any non-negotiable item of property enclosed in a cash letter while in transit during the course of collection, presentation or payment between any office of the Insured to which this bond applies and any place in the United States of America or Canada.
- (2) of any canceled check drawn by a customer of the Insured after such check has been charged to the customer's account and after a statement of the condition of his account purporting to enclose such check has been dispatched or delivered to the customer, or
- (3) by reason of extra expense incurred by the Insured in identifying the depositor of a lost item or in assisting any depositor to obtain a duplicate thereof.

#### N. AUDIT EXPENSE

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 acts of any of the Employees. The total liability of the Company for such expense by reason of such acts of any Employee or in which such Employee is concerned or implicated or with respect to any one audit or examination is limited to the amount stated opposite "Audit Expense Coverage" in the Table of Limits of Liability; it being understood, however, that such expense shall be deemed to be loss sustained by the Insured through dishonest or fraudulent acts of one or more of the Employees and the liability of the Underwriter under this paragraph of Insuring Agreement (A) shall be a part of and not in addition to the Limit of Liability stated in the Table of Limits of Liability.

### GENERAL AGREEMENTS

#### A. NOMINEES

Loss sustained by any nominee organized by the Insured for the purpose of handling certain of its business transactions and composed exclusively of its officers, clerks or other employees shall, for all the purposes of this bond and whether or not any partner of such nominee is implicated in such loss, be deemed to be loss sustained by the Insured.

#### B. ADDITIONAL OFFICES OR EMPLOYEES

If the Insured shall, while this bond is in force, establish any additional offices, other than by consolidation or merger with, or purchase of assets of, another institution, such offices shall be automatically covered hereunder from the date of such establishment without the requirement of notice to the Company or the payment of additional premium for the remainder of the premium period.

#### C. CONSOLIDATION, MERGER, OR PURCHASE OF ASSETS — NOTICE

If the Insured shall, while this bond is in force, consolidate or merge with, or purchase assets of, another institution, the Insured shall not have such coverage as is afforded under this bond for loss which

- (1) has occurred or will occur in offices or premises, or
- (2) has been caused or will be caused by an employee or employees of an institution, or
- (3) has arisen or will arise out of the assets

acquired by the Insured as a result of such consolidation, merger or purchase of assets; unless the Insured shall

- (a) give the Company written notice of the proposed consolidation, merger, or purchase of assets at least 60 days prior to the proposed effective date of the consolidation, merger or purchase of assets, and
- (b) obtain the written consent of the Company to extend the coverage provided by this bond to such additional offices or premises, Employees and other exposures, and
- (c) pay to the Company an additional premium computed pro

rata from the date of such consolidation, merger or purchase of assets to the end of the current premium period.

#### D. CHANGE OF CONTROL — NOTICE

When the Insured learns of a transfer of its outstanding stock or voting rights (including rights with respect to withdrawable accounts) which result in a change in control of the Insured, the Insured shall within 30 days of such knowledge give written notice to the Company setting forth

- (1) the names of the transferors and transferees (or the names of the beneficial owners if the shares or voting rights are registered in another name);
- (2) the total number of shares or voting rights owned by the transferors and transferees (or the beneficial owners), both immediately before and after the transfer; and
- (3) the total number of outstanding shares of voting stock or voting rights.

As used in this General Agreement, control means the power to determine the management or policy of the Insured by virtue of voting stock or voting rights ownership. A change in ownership of voting stock or voting rights which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of ten per cent (10%) or more of the outstanding voting stock or voting rights of the Insured shall be presumed to result in a change of control for the purpose of the required notice.

Failure to give the required notice shall result in termination of coverage of this bond effective upon the date of stock transfer or voting rights transfer for any loss in which any transferee is concerned or implicated.

#### E. NO WARRANTY

No statement made by or on behalf of the Insured, whether contained in the application or otherwise, shall be deemed to be a warranty of anything except that it is true to the best of the knowledge and belief of the person making the statement.

## F. JOINT INSURED

If two or more Insureds are covered under this bond, the first named Insured shall act for all Insureds. Payment by the Company to the first named Insured of loss sustained by any Insured shall fully release the Company on account of such loss. If the first named Insured ceases to be covered under this bond, the Insured next named shall thereafter be considered as the first named Insured. Knowledge possessed or discovery made by any Insured shall constitute knowledge or discovery by all Insureds for all purposes of this bond. The liability of the Company for loss or losses sustained by all Insureds shall not exceed the amount for which the Company would have been liable had all such loss or losses been sustained by one Insured.

## G. COURT COSTS AND ATTORNEY FEES

The Company shall indemnify the Insured against court costs and reasonable attorneys' fees incurred and paid by the Insured in defending any suit or legal proceeding brought against the Insured to enforce the Insured's liability or alleged liability on account of any loss, claim or damage which, if established against the Insured, would constitute a collectable loss under this bond in excess of any Deductible Amount.

The Insured shall promptly give notice to the Company of the institution of any such suit or legal proceeding and at the request of the Company shall furnish it with copies of all pleadings and other papers therein. At the Company's election the Insured shall permit the Company to conduct the defense of such suit or legal proceeding, in the Insured's name, through attorneys of the Company's selection. In such event, the Insured shall give all reasonable information and assistance which the Company shall deem necessary to the defense of such suit or legal proceeding.

If the amount of the Insured's liability is greater than the amount recoverable under this bond, or if a Deductible Amount is applicable, or both, the liability of the Company under this General Agreement is limited to the proportion of court costs and attorneys' fees incurred and paid by the Insured or by the Company that the amount recoverable under this bond bears to the total of such amount plus the amount which is not so recoverable. Such indemnity shall be in addition to the Limit of Liability for the applicable Insuring Agreement or Coverage.

If the Company pays court costs and attorneys' fees in excess of its proportionate share of such costs and fees, the Insured shall promptly reimburse the Company for such excess.

## DEFINITIONS

As used in this bond:

**A. Acceptance** means a draft which the drawee has, by signature written thereon, engaged to honor as presented.

**B. Certificate of Deposit** means an acknowledgment in writing by a financial institution of receipt of Money with an engagement to repay it.

**C. Counterfeit** means an imitation which is intended to deceive and to be taken as an original.

**D. Employee** means

- (1) an officer or other employee of the Insured, while employed in, at, or by any of the Insured's offices or premises covered hereunder, and a guest student pursuing studies or duties in any of said offices or premises;
- (2) an attorney retained by the Insured and an employee of such attorney while either is performing legal services for the Insured;
- (3) a person provided by an employment contractor to perform employees duties for the Insured under the Insured's supervision at any of the Insured's offices or premises covered hereunder;
- (4) an employee of an institution merged or consolidated with the Insured prior to the effective date of this bond; and
- (5) each natural person, partnership or corporation authorized by the Insured to perform services as data processor of checks or other accounting records of the Insured, herein called Processor. (Each such Processor, and the partners, officers and employees of such Processor shall, collectively, be deemed to be one employee for all the purposes of this bond, excepting, however, the second paragraph of Condition J. A

Federal Reserve Bank or clearing house shall not be construed to be a processor.)

**E. Evidence of Debt** means an instrument, including a Negotiable Instrument, executed by a customer of the Insured and held by the Insured which in the regular course of business is treated as evidencing the customer's debt to the Insured.

**F. Forgery** means the signing of the name of another with intent to deceive, it does not include the signing of one's own name with or without authority, in any capacity, for any purpose.

**G. Letter of Credit** means an engagement in writing by a bank or other person made at the request of a customer that the bank or other person will honor drafts or other demands for payment upon compliance with the conditions specified in the Letter of Credit.

**H. Money** means a medium of exchange in current use authorized or adopted by a domestic or foreign government as a part of its currency.

**I. Negotiable Instrument** means any writing

- (1) signed by the maker or drawer; and
- (2) containing an unconditional promise or order to pay a sum certain in Money and no other promise, order, obligation or power given by the maker or drawer; and
- (3) is payable on demand or at a definite time; and
- (4) is payable to order of bearer.

**J. Property** means Money, Securities, Negotiable Instruments, Certificates of Deposit, Documents of Title, Acceptances, Evidences of Debt, Security Agreements, withdrawal orders, Certificates of Origin or Title, Letters of Credit, insurance policies, abstracts of title, deeds and mortgages on real estate, revenue and other stamps,

tokens, unsold state lottery tickets, books of account and other records whether recorded in writing or electronically, gems, jewelry, precious metals in any forms and any kind, and tangible items of personal property which are not hereinbefore enumerated.

**K. Security means an instrument which**

- (1) is issued in bearer or registered form; and
- (2) is of a type commonly dealt in upon securities exchanges or markets or commonly recognized in any area in which it is issued or dealt in as a medium for investment; and
- (3) is either one of a class or series or by its terms is divisible into a class or series of instruments; and
- (4) evidences a share, participation, or other interest in property or in an enterprise or evidences an obligation of the issuer.

**L. As used in Insuring Agreement D, Forgery, Alteration and Unauthorized Signatures, and in Insuring Agreement E, all Risk Forgery**

- (1) the word "Forgery" means the signing of the name of another with intent to deceive; it does not include the signing of one's own name with or without authority, in any capacity, for any purpose, and
- (2) the term "Unauthorized Signature or Unauthorized Endorsement" means a signature or endorsement executed

by a person using his own name which such name either (a) does not appear as an authorized signatory for the account upon which the item signed is drawn or is not on record as an authorized endorser of items, or (b) appears as an authorized signatory or endorser only in conjunction with another signatory or endorser whose signature or endorsement is not actually affixed to the item in question.

**M. As used in Insuring Agreement M, Cash Letters**

- (1) The words "cash letter" means any letter dispatched by the Insured or any correspondent bank or any Federal Reserve Bank or branch thereof, itemizing by separate amounts all checks, promissory notes, drafts, and any similar items enclosed therewith which shall have been accepted by the Insured for deposit, payment, collection, or encashment;
- (2) The word "loss" means the total amount of all items enclosed within a cash letter which shall be lost or missing 20 days after the Insured learns that such cash letter has not arrived at its destination;
- (3) The words "extra expense" mean extra telephone expenses, wages paid to employees, or overtime wages paid to regular employees engaged in identifying the depositors of lost items or in assisting depositors in obtaining duplicates thereof.

## EXCLUSIONS

This bond does not cover:

**A.** loss resulting directly or indirectly from Forgery or alteration, except when covered under Insuring Agreement A, D, E, or F;

**B.** loss due to riot or civil commotion outside the United States of America and Canada; or loss due to military, naval, or usurped power, war or insurrection unless such loss occurs in transit in the circumstances recited in Insuring Agreement C, and unless, when such transit was initiated, there was no knowledge of such riot, civil commotion, military, naval, or usurped power, war or insurrection on the part of any person acting for the Insured in initiating such transit;

**C.** loss resulting directly or indirectly from the effects of nuclear fission or fusion or radioactivity; provided; however, that this paragraph shall not apply to loss resulting from industrial uses of nuclear energy;

**D.** loss resulting directly or indirectly from any acts of any director of the Insured other than one employed as a salaried, pensioned, or elected official or an Employee of the Insured, except when performing acts coming within the scope of the usual duties of an Employee, or while acting as a member of any committee duly elected or appointed by resolution of the board of directors of the Insured to perform specific, as distinguished from general, directorial acts on behalf of the Insured;

**E.** loss resulting directly or indirectly from the complete or partial nonpayment of, or default upon, any loan or transaction in the nature of a loan or extension of credit, whether involving the Insured as a lender or as a borrower, including the purchase, discounting or other acquisition of false or genuine accounts, invoices, notes, agreements or Evidences of Debt, whether such loan or transaction

was procured in good faith or through trick, artifice, fraud or false pretenses, except when covered under Insuring Agreement A, D, or E;

**F.** loss of Property contained in customers' safe deposit boxes, except when the Insured is legally liable therefor and the loss is covered under Insuring Agreement A, unless insurance for such loss is provided under Insuring Agreement L;

**G.** loss through cashing or paying forged or altered travelers' checks or travelers' checks bearing forged endorsements, except when covered under Insuring Agreement A; or loss of unsold travelers' checks or unsold money orders placed in the custody of the Insured with authority to sell, unless

- (1) the Insured is legally liable for such loss, and
- (2) such checks or money orders are later paid or honored by the drawer thereof, except when covered under Insuring Agreement A;

**H.** loss caused by an Employee, except when covered under Insuring Agreement A;

**I.** loss resulting directly or indirectly from trading, with or without the knowledge of the Insured, whether or not represented by an indebtedness or balance shown to be due the insured on any customer's account, actual or fictitious, and notwithstanding any act or omission on the part of any employee in connection with any account relating to such trading, indebtedness, or balance, except when covered under Insuring Agreement D or E;

**J.** shortage in any teller's cash due to error, regardless of the amount of such shortage; and any shortage in any teller's cash which is not in excess of the normal shortage in the teller's cash in the office where such shortage shall occur shall be presumed to be due to error;

**K.** loss resulting directly or indirectly from the use of credit, debit, charge, access, convenience, identification or other cards

- (1) in obtaining credit, or
- (2) in gaining access to automated mechanical devices which, on behalf of the Insured, disburse Money, accept deposits, cash checks, drafts or similar written instruments or make credit card loans, or
- (3) in gaining access to point of sale terminals, customer-bank communication terminals, or similar electronic terminals of electronic funds transfer systems.

whether such cards were issued, or purport to have been issued, by the Insured or by anyone other than the Insured, except when covered under Insuring Agreement A;

**L.** loss involving automated mechanical devices which, on behalf of the Insured, disburse Money, accept deposits, cash checks, drafts or similar written instruments, or make credit card loans, unless such automated mechanical devices are situated within an office of the Insured which is permanently staffed by an employee whose duties are those usually assigned to a bank teller, even though public access is from outside the confines of such office, but in no event shall the Company be liable for loss (including loss of Property):

- (1) as a result of damage to such automated mechanical devices from vandalism or malicious mischief perpetrated from outside such office, or
- (2) as a result of failure of such automated mechanical devices to function properly, or
- (3) through misplacement or mysterious unexplainable disappearance while such Property is located within any such automated mechanical devices,

except when covered under Insuring Agreement A;

**M.** loss through the surrender of Property away from an office of the Insured as a result of a threat

- (1) to do bodily harm to any person, except loss of Property in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or
- (2) to do damage to the premises or property of the Insured.

except when covered under Insuring Agreement A or H;

**N.** loss resulting directly or indirectly from payments made or withdrawals from a depositor's account involving erroneous credits to such account, unless such payments or withdrawals are physically received by such depositor or representative of such depositor who is within the office of the Insured at the time of such payment or withdrawal, or except when covered under Insuring Agreement A;

**O.** loss resulting directly or indirectly from payments made or withdrawals from a depositor's account involving items of deposit which are not finally paid for any reason, including but not limited to Forgery or any other fraud, unless such payments or withdrawals are physically received by such depositor or representative of such depositor who is within the office of the Insured at the time of such payment or withdrawal, or except when covered under Insuring Agreement A;

**P.** loss resulting directly or indirectly from counterfeiting, except when covered under Insuring Agreement A, E, or F;

**Q.** loss of any tangible item of personal property which is not specifically enumerated in the paragraph defining Property and for which the Insured is legally liable, if such property is specifically insured by other insurance of any kind and in any amount obtained by the Insured, and in any event, loss of such property occurring more than 60 days after the Insured shall have become aware that it is liable for the safekeeping of such property, except when covered under Insuring Agreement A or B(2);

**R.** loss or loss of Property in or from an office or premises listed in Item 4 of the Declarations;

**S.** loss of Property while in the mail or with a carrier for hire (other than an armored motor vehicle company), except when covered under Insuring Agreement A or C(2);

**T.** potential income, including but not limited to interest and dividends, not realized by the Insured;

**U.** damages of any type for which the Insured is legally liable, except direct compensatory damages arising from a loss covered under this bond;

**V.** costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of loss covered under this bond, except as provided under Insuring Agreement H;

**W.** indirect or consequential loss of any nature;

**X.** loss of Property under Insuring Agreements C and M unless the Insured shall to the best of its ability make and retain a photographic record of the front (face) of each item of Property bearing not more than one endorsement and of the front (face) and the back of each item bearing more than one endorsement, excepting always the mechanical failure of the photographic equipment used in making such photograph, damage to or destruction of the film from any cause, failure of the film to reveal a readable image of such item from any cause, or error or omission of any employee of the Insured.

## CONDITIONS

### A. LIMIT OF LIABILITY/NONACCUMULATION OF LIABILITY

The total liability of the Company under this bond on account of loss, including court costs and attorneys' fees,

- (1) caused by any one act of burglary, robbery or attempt thereat, in which no Employee is implicated, or
- (2) with respect to any one unintentional or negligent act or

omission on the part of any person (whether an Employee or not) resulting in damage to or destruction or misplacement of Property, or

- (3) other than those specified in (1) and (2) preceding caused by all acts or omissions by any person (whether an Employee or not) or all acts or omissions in which such person is implicated, or

- (4) other than those specified in (1), (2) and (3) preceding, resulting from any one casualty or event.

is limited to the Limit of Liability stated in Item 3 of the Declarations of this bond or amendment thereto or to the amount of the applicable coverage, if such amount be smaller, without regard to the total amount of such loss.

Subject to the foregoing, payment of loss shall not reduce liability for other losses whenever sustained.

Regardless of the number of years this bond shall continue in force and the number of premiums which shall be payable or paid, the liability of the Company shall not be cumulative in amounts from year to year or from period to period.

If any loss is covered under more than one Insuring Agreement or Coverage the maximum payable for such loss shall not exceed the largest amount available under any one Insuring Agreement or Coverage.

#### **B. DISCOVERY**

This bond applies to loss discovered by the Insured during the bond period. Discovery occurs when the Insured becomes aware of facts which would cause a reasonable person to assume that a loss covered by the bond has been or will be incurred, even though the exact amount of details or loss may not then be known.

Notice to the Insured of an actual or potential claim by a third party which alleges that the Insured is liable under circumstances which, if true, would create a loss under this bond constitutes such discovery.

#### **C. NOTICE/PROOF — LEGAL PROCEEDINGS**

- (1) At the earliest practicable moment, not to exceed 30 days after discovery of loss, the Insured shall give the Company notice thereof.
- (2) within 6 months after such discovery, the Insured shall furnish to the Company proof of loss, duly sworn to, with full particulars.
- (3) Lost Securities listed in a proof of loss shall be identified by certificate or bond numbers if the Securities were issued therewith.
- (4) Legal proceedings for the recovery of any loss hereunder shall not be brought prior to the expiration of 60 days after the original proof of loss is filed with the Company or after the expiration of 24 months from the discovery of such loss, except that any actions or proceeding to recover hereunder on account of any judgment against the Insured in any suit mentioned in General Agreement G, or to recover attorneys' fees paid in any such suit, shall be brought within 24 months from the date upon which the judgment and such suit shall become final.
- (5) If any limitation embodied in this bond is prohibited by any law controlling the construction hereof, such limitation shall be deemed to be amended so as to equal the minimum period of limitation provided by such law.
- (6) This bond affords coverage only in favor of the Insured. No suit, action or legal proceedings shall be brought hereunder by any one other than the named Insured.

#### **D. VALUATION**

Any loss of Money, or payable in Money, shall be paid, at the option of the Insured, in the Money of the country in which the loss was sustained or in the United States of America dollar equivalent thereof determined at the rate of exchange at the time of payment of such loss.

##### **Securities**

The Company shall settle in kind its liability under this bond on account of a loss of any Securities or, at the option of the Insured, shall pay to the Insured the cost of replacing such Securities, determined by the market value thereof at the time of such settlement. In case of a loss of subscription, conversion or redemption privileges or voting rights through the misplacement or loss of Securities, the amount of such loss shall be the value of such privileges or voting rights immediately preceding the expiration thereof. If such Securities cannot be replaced or have no quoted market value, or if such privileges or voting rights have no quoted market value, their value shall be determined by agreement or arbitration.

If the applicable coverage of this bond is subject to a Deductible Amount and/or is not sufficient in amount to indemnify the Insured in full for the loss of Securities for which claim is made hereunder, the liability of the Company under this bond is limited to the payment for, or the duplication of, so much of such Securities as has a value equal to the amount of such applicable coverage.

##### **Books of Account and Other Records**

In case of loss of, or damage to, any books of account or other records used by the Insured in its business, the Company shall be liable under this bond only if such books or records are actually reproduced and then for not more than the costs of the blank books, blank pages or other materials plus the cost of labor for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such books and other records.

##### **Property Other than Money, Securities or Records**

In case of loss of, or damage to, any Property other than Money, Securities, books of account or other records, or damage covered under Insuring Agreement B(2), the Company shall not be liable for more than the actual cash value of such Property, or of items covered under Insuring Agreement B(2). The Company may, at its election, pay the actual cash value of, replace or repair such property. Disagreement between the Company and the Insured as to the cash value or as to the adequacy of repair or replacement shall be resolved by arbitration.

#### **E. ASSIGNMENT — SUBROGATION — RECOVERY — COOPERATION**

- (1) In the event of payment under this bond, the Insured shall deliver, if so requested by the Company, an assignment of such of the Insured's rights, title and interest and causes of action as it has against any person or entity to the extent of the loss payment.
- (2) In the event of payment under this bond, the Company shall be subrogated to the Insured's rights of recovery thereof against any person or entity to the extent of such payment.

(3) Recoveries, whether effected by the Company or by the Insured, shall be applied net of the expense of such recovery first to the satisfaction of the Insured's loss in excess of the amount paid under this bond, secondly, to the Company as reimbursement of amounts paid in settlement of the Insured's claim, and thirdly, to the Insured in satisfaction of any Deductible Amount. Recovery on account of loss of Securities as set forth in the second paragraph of Condition C or recovery from reinsurance and/or indemnity of the Company shall not be deemed a recovery as used herein.

(4) Upon the Company's request and at reasonable times and places designated by the Company, the Insured shall

(a) submit to examination by the Company and subscribe to the same under oath, and

(b) produce for the Company examination all pertinent records, and

(c) cooperate with the Company in all matters pertaining to the loss.

(5) The Insured shall execute all papers and render assistance to secure to the Company the rights and causes of action provided for herein. The Insured shall do nothing after discovery of loss to prejudice such rights or causes of action.

#### **F. LIMIT OF LIABILITY UNDER THIS BOND AND PRIOR INSURANCE**

With respect to any loss set forth in subsection (3) of Condition A of this bond which is recoverable or recovered in whole or in part under any other bonds or policies issued by the Company to the Insured or to any predecessor in interest of the Insured and terminated or canceled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Company under this bond and under such other bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on such loss or the amount available to the insured under such other bonds or policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

If the coverage of this bond supersedes in whole or in part the coverage of any other bond or policy of insurance issued by an Insurer other than the Company and terminated, canceled or allowed to expire, the Company, with respect to any loss sustained prior to such termination, cancellation or expiration and discovered within the period permitted under such other bond or policy for the discovery of loss thereunder, shall be liable under this bond only for that part of such loss covered by this bond as is in excess of the amount recoverable or recovered on account of such loss under such other bond or policy, anything to the contrary in such other bond or policy notwithstanding.

#### **G. OTHER INSURANCE OR INDEMNITY**

Coverage afforded hereunder shall apply only as excess over any valid and collectable insurance or indemnity obtained by the Insured or by one other than the Insured on Property subject to Exclusion Q, or by an armored motor vehicle company, or by another entity on whose premises the loss occurred or which employed the persons causing the loss or the messenger conveying the Property involved.

#### **H. OWNERSHIP**

This bond shall apply to loss of Property

(1) owned by the Insured,

(2) held by the Insured in any capacity, or

(3) for which the Insured is legally liable.

This bond shall be for the sole use and benefit of the Insured named in the Declarations.

#### **I. DEDUCTIBLE AMOUNT**

The Company shall be liable hereunder only for the amount by which any loss exceeds the Deductible Amount for the Insuring Agreement or Coverage applicable to such loss, subject to the Limit of Liability for such Insuring Agreement or Coverage.

#### **J. TERMINATION OR CANCELLATION**

This bond shall be deemed terminated or canceled as an entirety

(1) 60 days after the receipt by the Insured of a written notice from the Company of its desire to terminate or cancel this bond, or

(2) immediately upon the receipt by the Company of a written request from the Insured to terminate or cancel this bond, or

(3) immediately upon the taking over of the Insured by a receiver or other liquidator or by State or Federal officials, or

(4) immediately upon the taking over of the Insured by another institution.

The Company shall, on request, refund to the Insured the unearned premium, computed pro rata, if this bond be terminated or canceled or reduced by notice from, or at the instance of, the Company, or if terminated or canceled as provided in subsection (3) or (4) of this paragraph. The Company shall refund to the Insured the unearned premium computed at short rates if this bond be terminated or canceled or reduced by notice from, or at the instance of, the Insured.

This bond shall be deemed terminated or canceled as to any Employee or any partner, officer or employee of any Processor 15 days after the receipt by the Insured of a written notice from the Company of its desire to terminate or cancel this bond as to such person.

If the Insured be a Federal Savings and Loan Association or a state chartered association insured by the Federal Savings and Loan Insurance Corporation, no termination or cancellation of this bond whether by the Insured or the Company shall take effect prior to the expiration of ten (10) days from the receipt by the Federal Home Loan Bank of which the Insured is a member of written notice of such termination or cancellation unless an earlier date of termination or cancellation is approved by said Federal Home Loan Bank.

Termination of the bond as to any Insured terminates liability for any loss sustained by such Insured which is discovered after the effective date of such termination.

#### **K. RIGHTS AFTER TERMINATION OR CANCELLATION**

At any time prior to the termination or cancellation of this bond as an entirety, whether by the Insured or the Company, the Insured may give to the Company notice that it desires under this bond an



additional period of 12 months within which to discover loss sustained by the Insured prior to the effective date of such termination or cancellation and shall pay an additional premium therefor.

Upon receipt of such notice from the Insured, the Company shall give its written consent thereto, provided, however, that such additional period of time shall terminate immediately

- (1) on the effective date of any other insurance obtained by the Insured, its successor in business, or any other party, replacing in whole or in part the insurance afforded by the bond, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or

- (2) upon any takeover of the Insured's business by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed for this purpose

without the necessity of the Company giving notice of such termination. In the event that such additional period of time is terminated, as provided above, the Company shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any State or Federal official or agency, or by any receiver or liquidator, acting or appointed to take over the Insured's business for the operation or for the liquidation thereof or for any other purpose.

**IN WITNESS WHEREOF**, the Company has caused this bond to be signed by its president and secretary but this bond shall not be valid unless completed by the attachment hereto of a Declarations Page and countersigned on the aforesaid Declarations Page by a duly authorized representative of the Company.

*Robert J. Durbans*

Secretary

*Robert B. Meyer*

President

FHLBB Compliance Endorsement

It is hereby understood and agreed that:

I. Insuring Agreement B., On Premises, Section (1) is deleted in its entirety and replaced with the following:

(1) Loss of Property resulting directly from:

- (a) robbery, burglary, misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof while the property is lodged or deposited within offices or premises located anywhere, or
- (b) theft, false pretense, common law or statutory larceny, committed by a person present in an office or on the premises of the Insured, or present on the premises in which the property is lodged or deposited.

II. Insuring Agreement E, All Risk Forgery, is amended by changing:

(1) The Words "Coverage 11;" to "Insuring Agreement D", and

(2) The Words "Coverage 12;" to "Insuring Agreement E", and

III. Definitions D. "Employee means" shall be amended to include the following additional positions:

- (6) a natural person (sometimes known as a conveyancer) duly elected or appointed by the Insured to draw deeds of conveyances of lands, to investigate titles of real property or otherwise to assist the Insured in the making (as distinguished from the servicing or collection) of mortgage loans, while performing such services;
- (7) a natural person duly elected or appointed by the Insured to collect rents for the account of the Insured while collecting or having possession of such rents; and
- (8) a natural person appointed by or with the approval of the Insured to make collection of savings from persons who compose, or purport to compose, a group making systematic deposits with the Insured while collecting or having possession of any such savings and such savings, while upon the premises where collected and in the possession or custody of the said person collecting them, shall be deemed to be in the possession of the Insured, and

IV. Exclusions H. shall be deleted in its entirety, and replaced with the following:

- H. Loss caused by an Employee, except when covered under Insuring Agreement A. or when covered under Insuring Agreement B. or C. and resulting directly from misplacement, mysterious unexplainable disappearance or destruction of or damage to Property.

- V. The word "Property" as it appears in Exclusion X shall be defined as meaning all non-negotiable instruments, and
- VI. Conditions C.(1) shall be deleted in its entirety and replaced with the following:
- (1) As soon as practicable, not to exceed 60 days, after discovery by the Insured, or by the Federal Home Loan Bank of which the Insured is a member if the Insured is either a federal savings and loan association or a state-chartered savings and loan association insured by the Federal Savings and Loan Insurance Corporation but not subject to state supervisory authority, of any loss covered under this bond, the Insured or said Federal Home Loan Bank shall give the Company notice thereof.

POLICY CORRECTION ENDORSEMENT

It is hereby understood and agreed that the following typographical errors in the attached policy shall be corrected as follows:

I. INSURING AGREEMENTS

B. On Premises (2)(b): the word "or" in line 4 is deleted in its entirety

II. GENERAL AGREEMENTS

D. Change of Control-Notice: the word "result" in paragraph 1, line 3, is changed to "results"

F. Joint Insured: the word "name" in line 4 is changed to "named"

III. DEFINITIONS

"K. Security means in instrument which" is deleted in its entirety and replaced with the following: "K. Security means an instrument which"

IV. EXCLUSIONS

paragraph O., line 5: the word "deposition" is replaced with "depositor"

V. CONDITIONS

A. Limit of Liability/Nonaccumulation of Liability (1): the word "threat" is replaced with the phrase "there at"

B. Discovery: paragraph 1, line 5 is deleted in its entirety and replaced with the following phrase "exact amount or details of loss may not then be known"

C. Notice/Proof-Legal Proceedings (4), line 9: the word "and" is replaced with "in"

E. Assignment-Subrogation-Recovery-Cooperation (1), line 2: this line is deleted in its entirety and replaced with "deliver, if so requested by the Company, an assignment of"

E. Assignment-Subrogation-Recovery-Cooperation (3), line 9: the letter "C" is replaced with the letter "D"