

BANKERS PROFESSIONAL LIABILITY (BPL)

Bankers Professional Liability is designed to cover error and omissions claims resulting from Wrongful Professional Services Acts when brought by or on behalf of a customer. **Professional Services** are services performed or required to be performed by an Insured for or on behalf of a customer of the Company:

1. for a fee, commission or other monetary compensation;
2. where a fee, commission or other monetary compensation would usually be received by the Insured but for business or other reasons is waived by the Insured; or
3. for other remuneration which inures to the benefit of the Insured.

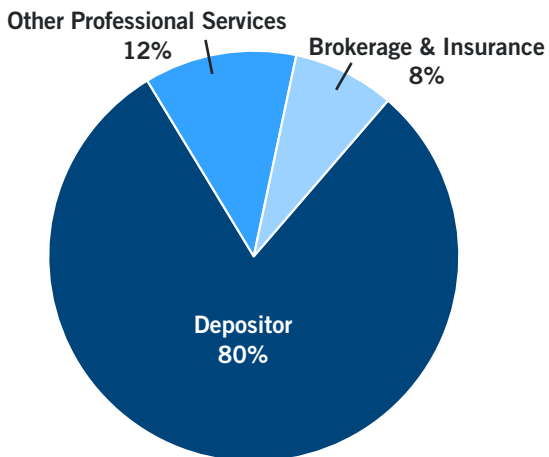
KEY COVERAGE AREAS

- **DEPOSITORY SERVICES** | Coverage applies to depository relationships. Suits can be a result of the bank honoring instrument with improper endorsements, erroneous asset transfers, and general account errors.
- **BROKERAGE/ADVISORY SERVICES** | Coverage applies to brokerage, investment advisory, and financial planning services performed by an employee or third-party service provider contracted with the bank to provide such services.
- **INSURANCE SERVICES** | Coverage applies to the sale and placement of insurance, insurance review, consultation, and claims adjusting services performed by an Insured.
- **IRA/KEOGH SERVICES** | Coverage applies to administrator, custodial and trustee services performed by the Insured under any Insured-owned or other IRA or Keogh Plan, when performed outside the scope of a trust department.
- **OTHER PROFESSIONAL SERVICES** | Coverage applies to most services not already enumerated above, including, but not limited to, real estate services, property management services, and accounting, payroll, and tax services.

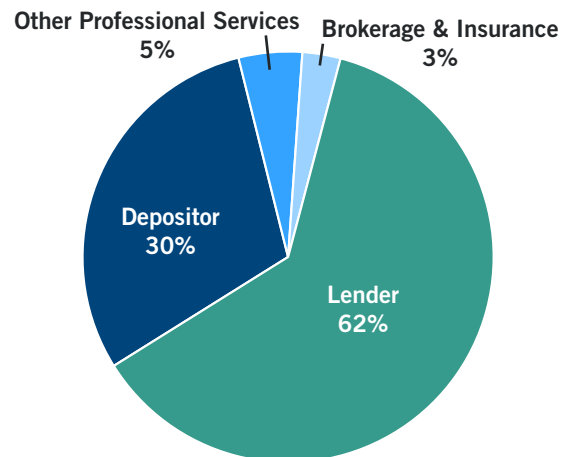
For purposes of the BPL Endorsement, Professional Services do not include:

- Medical or health care services
- Legal services or rendering of the law
- Architectural or construction management
- Any services performed by or for an entity which the Insured acquired as security for an extension of credit
- Real estate appraisals
- Actuarial services in connection with ERISA
- Safe Deposit Box Rentals
- Legal services or rendering of the law

PROFESSIONAL SERVICE ENTITY CLAIMS BROUGHT BY CUSTOMERS



ALL ENTITY CLAIMS BROUGHT BY CUSTOMERS



BANKERS PROFESSIONAL LIABILITY (BPL), continued

KEY COVERAGE ADVANTAGES with CLAIMS EXAMPLES

- **LOSS OF MONEY (DEPOSITOR CLAIM)** | Some carriers do not provide coverage for certain types of depositor claims under their Professional Services Endorsement, such as with an exclusion for loss of money in the custody of the bank. Our policy broadly covers depositor liability.
 - **Claims Example** | The bank was sued because its customer's employee embezzled from its customer (his employer). The customer sued the bank in an attempt to recover the loss.
 - **Claims Example** | The bank mistakenly transferred funds from a joint checking account to an estate account; the funds were withdrawn and the surviving co-owner sued the bank.
- **FRAUD/ILLEGAL PROFIT CLAIMS** | Some carriers require reimbursement for defense costs upon an in fact finding of fraudulent behavior or illegal profiting. Our policy pays all defense costs up to final, non-appealable adjudication of a finding of fraudulent behavior and requires no clawback upon such finding.
 - **Claims Example** | A small business owner purchased a property insurance policy from the bank owned insurance agency. The bank's insurance agent never placed the policy with the insurance carrier. The business owner sued the bank for fraud. It was discovered that the agent, with executive management's knowledge, was pocketing customer funds instead of binding coverage with the insurance carriers. The BPL paid all defense costs up and through the final, non-appealable adjudication finding of illegal profit. No reimbursement was required on the part of the bank.

OTHER CLAIMS EXAMPLES

- **BROKERAGE/ADVISORY SERVICES** | A bank employee provides investment advice to an elderly customer who allows him to purchase securities on her behalf. When the securities do not perform well, family members sue the investment advisor and the bank for negligence in rendering investment advisory services. While depreciation in value of securities due to market fluctuation unrelated to any Wrongful Act is not covered, defense costs incurred to defend the bank and the advisor are covered.
- **INSURANCE SERVICES** | A bank purchases an insurance agency to sell auto and homeowners insurance to its customers. In transitioning to a new computer system, the agency fails to act upon a renewal date, and a customer's homeowner's insurance lapses. When the customer experiences a loss and is unable to collect, he sues the bank and the agency for negligence.
- **IRA/KEOGH LIABILITY** | Stock dividends are received by a bank for a customer's IRA, but are not reinvested in a timely manner as had been requested by the customer. This causes the customer to suffer a lower rate of return on the investment. The customer sues the bank, alleging negligence and breach of fiduciary duty. While depreciation in the value of securities due to market fluctuation unrelated to any Wrongful Act is not covered, defense costs incurred to defend the bank are covered.