

EXTORTION PERSONS AND PROPERTY RIDER

To be attached to and form part of Financial Institution Bond, Standard Form No. 24, No. [policynbr].

It is agreed that:

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

EXTORTION - THREATS TO PERSONS AND PROPERTY

Loss of Property surrendered away from an office of the Insured or loss of Digital Currency surrendered as a direct result of an extortion threat communicated to the Insured which occurs anywhere in the world:

- (a) to do bodily harm to any director, trustee, Employee or partner of the Insured, or a relative or invitee of such director, trustee, Employee, or partner who is, or allegedly is being held captive; or
- (b) to do damage to the premises or Property of the Insured located anywhere in the world; or
- (c) to perpetrate an E-Commerce Extortion Threat;

by persons who then demand a ransom as a condition of not carrying out such threats.

It is understood and agreed that coverage shall only apply if prior to the surrender of any such Property or Digital Currency, the person receiving the threat has made a reasonable effort to notify:

- (i) an Employee;
- (ii) the Federal Bureau of Investigation or foreign equivalent thereof; and
- (iii) local law enforcement authorities

concerning the extortionist's demands.

2. For the purpose of this **EXTORTION PERSONS AND PROPERTY RIDER** only, **CONDITIONS AND LIMITATIONS, Section 1 - DEFINITIONS** of the bond shall apply and the following definitions are added:

DEFINITIONS

- (a) Confidential Information means any secret, confidential or sensitive information maintained by, and within the control of, the Insured with respect to its own business activities or those of its customers, and where the unauthorized publication of such information would ordinarily constitute a breach of statutory or regulatory law.
- (b) Computer Programs means a set of related electronic instructions which direct the operations and functions of a computer or devices connected to it which enable the computer or devices to receive, process, store or send Electronic Data.
- (c) Computer System means:
 - (1) computers with related peripheral components, including storage components, wherever located;

- (2) systems and applications software;
- (3) terminal devices; and
- (4) related communication networks

by which Electronic Data is electronically collected, transmitted, processed, stored and retrieved.

(d) Digital Currency means a medium of exchange that:

- (1) requires cryptographic techniques to regulate the generation of units of currency and verify the transfer thereof;
- (2) is both stored and transferred electronically; and
- (3) operates independently of a central bank or other central authority.

(e) E-Commerce Extortion Threat means a threat by a natural person to:

- (1) cause the Insured to transfer, pay or deliver any funds or Property using the Insured's Computer System; or
- (2) sell or disclose Confidential Information about the Insured or about a customer of the Insured which is unique to the relationship of the customer and Insured and is not otherwise publicly available provided such Confidential Information is stored in an electronic medium in the Insured's Computer System and is retrievable in a perceivable form; or
- (3) alter, damage or destroy Electronic Data or electronic computer instructions of the Insured that are stored within the Insured's Computer System; or
- (4) maliciously or fraudulently introduce a computer virus into the Insured's Computer System; or
- (5) initiate an intentional attack on the Insured's Computer System that depletes system resources or causes an Interruption of the Insured's banking services available through the Internet to authorized external users of the Insured's Computer System;

where such person alleges to have gained or has gained unauthorized access to the Insured's Computer System.

(f) Electronic Data means facts or information converted to a form usable in a Computer System by Computer Programs and which is stored on magnetic tapes or disks, optical storage disks or other bulk media.

(g) Interruption means a suspension, cessation or delay in the Insured's provision of banking services due to failure or impairment of an Internet website or of a private computer network controlled by the Insured, due to:

- (1) unauthorized taking of or access to Electronic Data within any Computer System operated by or on behalf of the Insured;
- (2) malicious or unauthorized introduction or implantation of any computer code, program, virus or other data into any Computer System operated by or on behalf of the Insured;
- (3) an intentional attack, through the transmission of Electronic Data, upon any Computer System operated by or on behalf of the Insured that results in loss of access to banking services;

- (4) inability of any Computer System operated by or on behalf of the Insured to provide proof of the origin and/or delivery of any message or data necessary to provide banking services; or
- (5) the Insured's intentional limitation of access to the website or any Computer System in an attempt to protect Electronic Data or any Computer System or secure Confidential Information from an extortion threat;

provided, however, that the Electronic Data and Computer System are protected by security measures in conformity with currently accepted industry standards at the time the bond is issued.

3. For the purpose of this **EXTORTION PERSONS AND PROPERTY RIDER** only, all exclusions contained in **CONDITIONS AND LIMITATIONS, Section 2 – EXCLUSIONS** of the bond shall apply except for exclusions (k), (m) and (aa) which are deleted and replaced as follows:

EXCLUSIONS

- (k) loss resulting directly or indirectly from the use or purported use of credit, debit, charge, access, convenience, identification or other cards
 - (1) in obtaining credit or funds, 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), or the Extortion-Threats to Persons and Property Insuring Agreement above.
- (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 a 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 with respect to (1) above, when covered under Insuring Agreement (A), or with respect to (2) above, when covered under Insuring Agreement (A), or the Extortion-Threats To Persons and Property Insuring Agreement above.
- (aa) loss resulting directly or indirectly from the theft, disappearance or destruction of confidential information including, but not limited to, trade secrets, customer lists, and intellectual property, except when covered under the Extortion - Threats to Persons and Property Insuring Agreement above.

4. For the purpose of this **EXTORTION PERSONS AND PROPERTY RIDER** only, the following subsection is added to **CONDITIONS AND LIMITATIONS**, **Section 6. – VALUATION:**

DIGITAL CURRENCY

Any loss of Digital Currency shall be paid in United States of America dollars at the applicable rate of exchange published in The Wall Street Journal, or similar reputable financial publication, on the date the currency was surrendered in response to an extortion threat.

5. The Single Loss Limit of Liability and the Single Loss Deductible for the **EXTORTION PERSONS AND PROPERTY RIDER** are the amounts shown on the Declarations Page or amendment thereto. The Single Loss Limit of Liability under this Insuring Agreement shall be a part of, and not in addition to, the amount stated in Item 4 of the Declarations.
6. This rider shall become effective as of 12:01 a.m. on [endorsementeffdt].

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the bond, other than as above stated.