

## TRANSIT CASH LETTER 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:

### TRANSIT CASH LETTER

Loss resulting directly from the destruction or other loss of

- (1) an item enclosed and listed in a Transit Cash Letter while in transit between any office of the Insured and any place in the United States of America or Canada during the course of collection, presentation or payment, provided that such item is still missing twenty-one (21) days after the Insured learns that the item has not arrived at the destination, or
- (2) a cancelled check (or checks) drawn by a customer after such check (or checks) has been charged to the customer's account and after a statement of the condition of the account purporting to enclose such check (or checks) has been dispatched or delivered to the customer.

The Underwriter will also indemnify the Insured for the wages paid to temporary employees and overtime wages paid to regular employees for necessary services rendered in identifying the depositors of lost items, and in assisting those depositors in obtaining duplicates thereof and also necessary costs incurred in the use of mechanical devices and materials in obtaining duplicates of the Transit Cash Letter items(s) where such devices and materials are not owned by the Insured.

The Insured agrees:

- (1) to photograph the front and back of each item enclosed in a Transit Cash Letter; or
- (2) maintain a back-up file containing images of the front and back of each item enclosed in a Transit Cash Letter; or
- (3) otherwise make a descriptive record of each item enclosed in a Transit Cash Letter.

However, if no photograph or image of the item can be produced because of equipment failure or error by an Employee, coverage shall not be denied for that reason. A descriptive record of an item shall provide information identifying the bank upon which the item is drawn, the payee, the drawer or maker of the item, the amount payable, the date of the item and any other information necessary to reconstruct the item.

2. **CONDITIONS AND LIMITATIONS, Section 1 – DEFINITIONS** is amended to add the following:

Transit Cash Letter means:

- (1) any letter or package containing checks, drafts and similar items (itemized by separate amounts and accepted by the Insured for deposit, payment, collection or encashment)
- (2) an electronic file containing images of the front and back of checks, drafts and similar items (itemized by separate amounts and accepted by the Insured for deposit, payment, collection or encashment)

sent by the Insured to another office of the Insured, to a processing center, to a correspondent bank or to a Federal Reserve Bank for deposit, payment, collection or encashment.

3. All of the exclusions contained in **CONDITIONS AND LIMITIATIONS, Section 2 – EXCLUSIONS** of the bond shall apply and the following exclusion is added:

Loss resulting directly or indirectly from a dishonest or fraudulent act of an employee of a correspondent or drawee bank to which the Transit Cash Letter involved in the loss is transmitted or addressed, except when covered under Insuring Agreement (A).

4. **CONDITIONS AND LIMITIATIONS, Section 2 – EXCLUSIONS**, Paragraph (h) of the bond is amended as follows:

(h) loss caused by an Employee, except

- (1) when covered under Insuring Agreement (A); or
- (2) when covered under Insuring Agreements (B), (C), or under the **TRANSIT CASH LETTER RIDER**, and resulting directly from unintentional acts of the Employee causing mysterious unexplainable disappearance, misplacement, destruction of or damage to Property;

5. **CONDITIONS AND LIMITIATIONS, Section 2 – EXCLUSIONS**, Paragraph (r) of Section 2, is amended as follows:

(r) loss of Property while

- (1) in the mail, or
- (2) in the custody of any Transportation Company, unless covered under Insuring Agreement (C), or under the **TRANSIT CASH LETTER RIDER**; or
- (3) while located on the premises of any Messenger or Transportation Company,

except when covered under Insuring Agreement (A).

6. The Single Loss Limit of Liability and the Single Loss Deductible for the **TRANSIT CASH LETTER RIDER** are the amounts shown on the Declaration 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.

7. 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.