



Management Liability Policy for Depository Institutions

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Berkley Financial Specialists is a leader in providing insurance coverage to financial institutions. Our team of experts delivers industry-leading products based upon an average of over 20 years of experience. The following descriptions provide an overview summary of insuring agreements within our Management Liability Insurance Policy for Depository Institutions policy form, which may be helpful in gaining a high-level understanding of the benefits of coverage.

The Management Liability Insurance Policy for Depository Institutions is written on a claims-made and reported basis, and defense is within the limits of liability.

Coverages:

A. Insured Persons Liability:

Provides coverage for directors and officers against loss when not indemnified by the company for claims arising from a covered management practices act

B. Company Indemnification:

Extends coverage to a director or officer against loss arising from a covered management practices act for which the directors and officers are indemnified by the company.

Pre-Claim Inquiry Expenses:

Covers expenses incurred by a director or officer in connection with their preparation and response to a pre-claim inquiry.

Outside Position Liability:

Provides an extension of coverage to directors or officers serving in an outside directorship position with the knowledge of the bank. Coverage is specifically excess of any other available limit of insurance, and subject to provisions outlined within coverage and definitions.

C. Company Securities Liability:

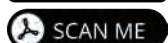
Coverage is provided for loss that the company or employees become legally obligated to pay as a result of a securities act. The insuring agreement includes an extension for Investigative Costs Coverage that provides a sublimit for reasonable expenses in the course of investigation or evaluation of any securities act.

D. Company Professional and Depository Services Liability:

Provides coverage for the company and employees for actions arising from a covered professional and depository services act. An extension for Cost of Corrections Coverage is included within this insuring agreement.

E. Company Lender Liability:

This insuring agreement extends coverage for claims against the bank for lending activities, which may include extending or refusing to extend credit or grant a loan, servicing loans, collections or repossessions and foreclosures of loans.



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F. Trust Liability:

Coverage for administration of trust accounts when the company serves in the capacity of an administrator, conservator, guardian or representative of an individual or their estate, including a decedent's estate. This coverage also extends to situations where the company acts as an interest or dividend disbursing agent, transfer or paying agent, fiscal agent, registrar of securities, warrant agent, depositor or agent for a committee of holders of securities, sinking fund agent, escrow agent, tax withhold agent, exchange agent, redemption or subscription agent or a trustee or trustee agent under a corporate bond indenture, or a trustee exercising any other trust or fiduciary powers permitted by law.

Cost of Corrections:

This sublimit provides coverage for the cost to mitigate or correct direct monetary damages to a customer of the company arising from a trust liability loss.

G. Fiduciary Liability:

Contemplates coverage for welfare and benefit plan administration by the bank provided to employees. Coverage extends to protect the bank against claims arising from a fiduciary act, and includes coverage for trustees of plans, employees and the company. The Fiduciary Liability Insuring Agreement includes coverage extensions for Voluntary Compliance Program, Health Insurance Portability and Accountability Act Penalties, Patient Protection and Affordable Care Act Penalties and Section 502(c) and Section 4975 Penalties.

H. IRA/Keogh/Health Savings Account Liability:

Protects from claims of errors, omissions, misstatements, misleading statements, neglect or breach of duty while serving in the capacity of a trustee for such plans.

I. Employment Practices Liability:

Provides a broad insuring agreement to protect against claims arising from hiring, terminating and other employment circumstances against the company. These include allegations of acts such as sexual harassment, wrongful termination, bullying and discrimination.

J. Third Party Harassment Liability:

Unlike other providers, our third party harassment liability is a separate limit, not a part of employment practices liability. This allows a broad insuring agreement to cover actual or alleged harassment, defamation, libel, bullying, common law or civil law violations of discrimination and false arrest or false imprisonment.

K. Electronic Publishing Liability:

This insuring agreement is designed to address electronic publishing exposures such as actual or allegedly committed defamation, libel or slander published by the company, or any plagiarism or false advertising. Coverage is also provided for violation of a right to privacy, infringement of a copyright, title, trademark, service mark or slogan via electronic publishing or the unauthorized use of titles, formats, styles, characters, plots or other protected material via electronic publishing activities.

L. Data Security Banking Liability:

Coverage provides cyber protection for third party claims arising from an actual or alleged security breach, unauthorized access to or use of a covered electronic system, a denial of service attack, and malicious code or computer virus created or transmitted by, or introduced into a covered electronic system.

M. Security Breach Expenses:

Provides coverage for expenses associated with a security breach, and includes expenses like forensic and breach counsel costs, notification of customers and monitoring, crisis management and reward expenses, and data restoration expenses.

N. Business Interruption:

Provides coverage for income loss and extra expense incurred by the bank during the period of restoration due to business interruption from a cyber incident.

O. Ransomware Extortion:

Covers the amount surrendered by the bank in order to prevent or terminate a ransomware threat act, as well as the fees and expenses incurred to prevent, terminate, or determine the credibility of such ransomware threat.

P. Public Relations Expenses:

This insuring agreement provides coverage for expenses arising from negative publicity, and specifically where costs are incurred in retaining a public relations firm or consultant to protect or restore the business reputation. It considers the costs in planning, implementing, executing and managing a public relations campaign under the direction of a consultant.

Optional Endorsements:

Entity Liability:

An endorsed insuring agreement that provides coverage for loss from an error, misstatement, misleading statement, act, omission, neglect or breach of duty against the company that is not covered under another insuring agreement within the policy, subject to exclusions noted in the endorsement and all other terms and conditions of the policy.

Excess Directors and Officers Liability:

This endorsed insuring agreement provides an additional limit of liability available to directors and officers to cover loss in excess of the Insured Persons Liability Insuring Agreement limit of liability. This insuring agreement is applicable when the bank is not allowed or required to indemnify the director or officer, or is not able to indemnify such director or officer due to financial impairment.

EPL Carry-Thru:

Access to counsel through Jackson Lewis for common questions regarding employment matters and best practices for our policyholders.

Cyber Carry-Thru:

An online service that provides access to risk management, self-assessments, breach cost projections, business interruption and breach planning templates, and risk advisory. It also provides post-breach services.

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866.539.3995

www.berkleyfs.com

info@berkleyfs.com

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