

FORGED TELEFACSIMILE COVERAGE

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

In consideration of the payment of the premium, it is hereby understood and agreed that:

1. **Insuring Agreement D: Forgery or Alteration** is amended by the addition of the following paragraph:
 - (3) the **"Insured"** transferring, paying or delivering any funds or **"Property"** or establishing any credit or giving any value on the faith of any fraudulent instructions sent by a customer or another banking institution by Telefacsimile transmitted directly to the Insured authorizing, or acknowledging, the transfer, payment or delivery of said funds or **"Property"** by the **"Insured"**, which Telefacsimile instructions:
 - (i) bear a valid test key exchanged between the **"Insured"** and a customer or another banking institution with authority to use such test key or **"Telefacsimile"** instructions in the ordinary course of business, but which test key in fact proves to have been wrongfully obtained by a person who was not authorized to initiate, make, validate or authenticate a test key arrangement; and
 - (ii) fraudulently purport to have been sent by such customer or banking institution, but which **"Telefacsimile"** instructions were transmitted without the knowledge or consent of such customer or banking institution by a person other than such customer or banking institution and bear a Forged Signature.
2. The following definition is added to **Section 1. DEFINITIONS** under **CONDITIONS AND LIMITATIONS**:

"Telefacsimile" means a system of transmitting written documents by means of electronic signals over telephone lines to equipment maintained by the **"Insured"** for the purpose of reproducing a copy of said document. It does not mean electronic communications sent by Telex or through an automated interbank communication system, or automated customer communication system or any similar electronic communication system.
3. Sub-paragraph (a) under **Section 2. EXCLUSIONS** is deleted and replaced by the following:
 - (a) loss resulting directly or indirectly from **"Forgery"** or alteration, except when covered under **Insuring Agreements A, D, E or G** or resulting directly or indirectly from **"Telefacsimile"** except when covered under **insuring Agreement D: Forgery or Alteration**.

All other terms and conditions of this Policy remain unchanged.