

ELECTRONIC FUNDS TRANSFER

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 the attached "Bond" is amended by deleting **Insuring Agreement D** and by substituting in lieu thereof the following:

Insuring Agreement D: Forgery or Alteration

Loss resulting directly from:

- (1) **"Forgery"** or alteration of, on, or in any;
 - (a) request made for change of beneficiary in any policy issued by the **"Insured"**;
 - (b) Policy loan agreement made with the **"Insured"**;
 - (c) assignment to the **"Insured"** of any of its policies;
 - (d) any **"Negotiable Instrument"** (except an **"Evidence of Debt"**), **"Acceptance"**, **"Withdrawal Order"**, receipt for the withdrawal of **"Property"**, **"Certificate of Deposit"** or **"Letter of Credit"**.
- (2) transferring, paying or delivering any funds or **"Property"** or establishing any credit or giving any value on the faith of any written instructions or advices directed to the **Insured** and authorizing or acknowledging the transfer, payment, delivery or receipt of funds or **"Property"**, which instructions or advices purport to have been signed or endorsed by any customer of the **"Insured"** or by any banking institution but which instructions or advices either bear a signature which is a **"Forgery"** or have been altered without the knowledge and consent of such customer or banking institution. Telegraphic, cable or teletype instructions or advices, as aforesaid, exclusive of transmissions of electronic funds transfer systems, sent by a person other than the said customer or banking institution purporting to send such instructions or advices shall be deemed to bear a signature which is a **"Forgery"**.

A mechanically reproduced facsimile signature is treated the same as a handwritten signature for **Insuring Agreements D** (1) and (D) (2).
- (3) transferring, paying or delivering any funds or **"Property"** through an electronic funds transfer system on the faith of an original **"Electronic Payment Instruction"** received by the **"Insured"** which instruction purports to have been signed by at least two authorized signatories of the **"Insured"** in handwriting with their full signature but which:
 - (a) bears a forged signature(s) of an authorized signatory of the **"Insured"** upon which the **"Insured"** relied; or
 - (b) bears a fraudulent alteration upon which the **"Insured"** relied.

SPECIAL DEFINITION

"Electronic Payment Instruction" means a written instruction prepared by the **"Insured"** bearing a sequential number authorizing the transfer, payment or delivery of funds or **"Property"** by the **"Insured"** through an electronic funds transfer system. The foregoing instrument must be in a format with which the **"Employee"**, acting upon such instrument is conversant. Mechanically reproduced facsimile signatures shall not be deemed to be handwritten signatures.

CONDITION PRECEDENT TO LIABILITY

It is a condition precedent to **"Underwriter's"** liability that the handwritten authorized signatures of the **"Insured's"** **"Employees"** upon the **"Electronic Payment Instruction"** be verified by the **"Insured's"** **"Employee"** prior to acting upon such **"Electronic Payment instruction"** and that such **"Employee"** has actual physical possession of the original **"Electronic Payment Instruction"** at the time of such verification.

All other terms and conditions of the policy remain unchanged.