

FDIC #: _____

DATE: _____



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Electronic Banking Liability Application

Security National Insurance Company
(all states except: AZ, CT, DE, FL, LA and NJ)

Wesco Insurance Company
(applies to: AZ, CT, DE, FL and NJ)

AmTrust Insurance Company of Kansas
(LA only)

THE LIABILITY POLICY THAT MAY BE ISSUED BASED UPON THIS APPLICATION PROVIDES CLAIMS MADE COVERAGE WRITTEN ON A NO DUTY TO DEFEND BASIS. DEFENSE COSTS ARE INCLUDED WITHIN THE LIMIT OF LIABILITY AND REDUCE THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS AND JUDGMENTS. PLEASE READ THE POLICY CAREFULLY.

Section 1 – General Information

Applicant (Parent Company): _____ FDIC #: _____

Address: _____ City: _____ State: _____ Zip Code: _____

P.O. Box: _____ City: _____ State: _____ Zip Code: _____

Telephone: _____ Website: _____

Representative authorized to receive notices on behalf of the applicant and all subsidiaries:

Name: _____ Title: _____ Email: _____

For purposes of this Application for coverage, “Applicant” means the Parent Company and any Subsidiary listed below, including any limited liability companies and joint ventures for which coverage is desired.

Section II – Current Coverage

Type of coverage:	Carrier	Limit	Indicate if Separate Limit	Retention	Premium	Expiration
Internet / Electronic Banking:	_____	\$ _____	<input type="checkbox"/>	\$ _____	\$ _____	_____

Section III – Corporate Structure

- Applicant is a: Commercial Bank Savings Bank Savings & Loan/Thrift
 Bank Holding Company Multi-bank Holding Company Other (specify): _____
- Stock is: Privately Held Publicly Traded Not Applicable (Mutual Association)
- If Parent Company or any Subsidiary is a Mutual Association, are there any plans to convert to stock ownership? **If yes, attach details.** Yes No
- Total shares outstanding: _____ Ticker Symbol (if applicable): _____
- Number of shareholders: _____ Number of shares owned directly or beneficially by D&Os: _____
- Does any shareholder own 5% or more of common stock (including debentures convertible to common stock, which if exercised, would result in a controlling interest)? **If yes, attach details including names and percentages owned.** Yes No
- During the past 5 years, has the Applicant been involved in any actual or proposed merger, acquisition or stock divestment? **If yes, attach details.** Yes No
- List all subsidiaries (including limited liability companies and joint ventures) here or by attachment.

Subsidiary	Parent	Date established	% Owned	Nature of Business
			%	
			%	
			%	

It is understood and agreed that coverage will not be provided for any Subsidiary, limited liability company or joint venture unless listed above and expressly agreed to by the Insurer.

Section IV – Management/Levels of Review

1. During the past 5 years:
- a) have there been any changes in Chairman of the Board, President, Chief Financial Officer, Chief Operations Officer or Chief Lending Officer? Yes No
- b) were there any loans to Directors or Officers or any of their affiliates criticized, classified or 90 days past due? Yes No
- c) has any Director or Officer been charged with or convicted of any criminal act or been the subject of a criminal investigation? Yes No

If any answer is yes, attach details.

2. External audit is: Full-scope Directors-scope Not Performed
3. The external audit is performed: Annually Every other year Other Not Applicable
4. Were all weaknesses identified in the most recent Management letter addressed by the Board of Directors? Not Applicable Yes No
5. Does the Applicant have a continuous internal audit by an internal auditor who reports directly to the Board of Directors? Yes No
6. For each depository institution applying for coverage, please provide the following:
- a) Last Regulatory Examination Date: _____ Regulatory Agency: _____
- b) Current level of internally classified assets: Substandard: \$ _____ Doubtful: \$ _____ Loss: \$ _____
- c) Have all criticisms or comments cited as of the most recent regulatory examination, internal audit and external audit been addressed by the Board of Directors? Yes No
- d) During the past 3 years, has the Applicant or any Subsidiary been or, to the best of your knowledge do you anticipate that the Applicant or any Subsidiary will be placed under a Cease and Desist Order, Formal Written Agreement, Consent Order, Supervisory Agreement, Memorandum of Understanding or similar regulatory agreement? Yes No
- e) Were adversely classified assets (sum of substandard, doubtful and loss) from the most recent regulatory exam in excess of 40% of capital? Yes No
- f) During the past 3 years, has the Applicant been alerted to any:
- i. Concentration of credit that warranted a reduction or correction? Yes No
- ii. Legal lending limit violations? Yes No
- iii. Violations of law cited as a result of a regulatory examination? Yes No

If any answers to question 6(a) to 6(f) are yes, attach details, including copy of regulatory order(s) and most recent response.

Section V – Internal/Electronic Banking Liability

1. Provide the website home page addresses and the name of the vendor(s) used to provide Internet banking or any other electronic services for which coverage is desired:
Website: _____ Website: _____ Website: _____
Provide the name of all vendor(s) used to provide Internet or other electronic banking capabilities.
2. Has the Applicant screened all trademarks used by the Applicant for infringement with existing trademarks prior to first use? Yes No
3. Does the Applicant obtain written permission from website owners for the Applicant to "link" to or "frame" such individual or entity's website? Yes No
4. Does the Applicant have a procedure in place to review content prior to posting? Yes No
5. Are service providers required by contract to indemnify the Applicant for harm arising from a breach of the provider's security? Yes No
6. Does the Applicant have written procedures in place to comply with laws governing the handling or disclosure of such information, including any applicable Red Flag Rules? Yes No
7. Is a multi-factor authentication process (multiple security measures used to reliably authenticate/verify the identity of a customer or other authorized user) or a layered security approach required to access secure areas of Applicant's website? Yes No
8. Does the Applicant have secondary computer system or site available if the primary resource becomes inoperative? Yes No
9. If the Applicant provides remote access to network, is access restricted to Virtual private Networks? Yes No

10. Does the Applicant use intrusion detection software to detect unauthorized access to internal networks and computer systems? Yes No
11. Is anti-virus software installed on all of the Applicant's computer systems, including laptops, personal computers, and networks? Yes No
12. Does the Applicant send or accept financial transactions intended for deposit, via the use of remote deposit capture technology? Yes No

Section VI - Prior/Pending Litigation & Claims History

1. Is the Applicant or any Subsidiary a defendant in any lawsuit which, if the allegations are proven, could materially affect the financial condition of the company? Yes No
2. **New Applicants only:** During the past 3 years has the Applicant:
- a) been made aware of any unauthorized access to information of the Applicant or its customers through the Applicant's computer system, Website, Internet Service Provider or Website host? Yes No
- b) sustained a systems intrusion, tampering, hacking or similar incident that resulted in:
- i) damage to or destruction of data or computer programs; Yes No
- ii) damages to a third party; or 3) other loss to the institution? Yes No
- c) been made aware of any lawsuits, administrative charges or proceedings, or written demands involving any Internet-related service offered by the Applicant or its Subsidiaries? Yes No

If Question 1 or Question 2 is yes, attach full details.

New Applicants:

It is understood and agreed that any claim arising from any prior or pending litigation or written or oral demand shall be excluded from coverage. It is further understood and agreed that if any fact, circumstance or situation which could reasonably be expected to give rise to a future claim exists, any claim or action subsequently arising therefrom shall also be excluded from coverage.

Renewal Applicants:

It is understood and agreed that if the undersigned or any insured has knowledge of any fact, circumstance or situation which could reasonably be expected to give rise to a future claim, then any increased limit of liability or coverage enhancement shall not apply to such fact, circumstance, or situation. In addition, any increased limit of liability or coverage enhancement shall not apply to any claim, fact, circumstance or situation for which the Insurer has already received notice.

Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or another person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which may be a crime and may subject the person to criminal penalties.

ALABAMA, ARKANSAS, LOUISIANA, NEW JERSEY, NEW MEXICO, RHODE ISLAND, VIRGINIA and WEST VIRGINIA: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an Application for insurance is guilty of a crime. In Alabama, Arkansas, Louisiana, Rhode Island and West Virginia that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

COLORADO: It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

DISTRICT OF COLUMBIA, KENTUCKY and PENNSYLVANIA: Any person who knowingly and with intent to defraud any insurance company or other person files an Application for insurance or statement of claim containing materially false information or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime. In District of Columbia, penalties include imprisonment and/or fines. In addition, the Insurer may deny insurance benefits if the Applicant provides false information materially related to a claim. In Pennsylvania, the person may also be subject to criminal and civil penalties.

FLORIDA and OKLAHOMA: Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an Application containing any false, incomplete or misleading information is guilty of a felony. In Florida it is a felony to the third degree.

KANSAS: An act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an Insurer, purported Insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for personal or commercial insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto is considered a crime.

MAINE: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

MARYLAND: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully presents false information in an Application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

OHIO: Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an Application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OREGON: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

TENNESSEE and WASHINGTON: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines and/or denial of insurance benefits.

Representation Statement

The undersigned declare that, to the best of their knowledge and belief, the statements in this Application, any prior Applications, any additional material submitted, and any publicly available information published or filed by or with a recognized source, agency or institution regarding business information for the Applicant for the 3 years prior to the Bond/Policy's inception [hereinafter called "Application"] are true, accurate and complete, and that reasonable efforts have been made to obtain sufficient information from each and every individual or entity proposed for this insurance. It is further agreed by the Applicant that the statements in this Application are their representations, they are material and that the Bond/Policy is issued in reliance upon the truth of such representations.

The signing of this Application does not bind the undersigned to purchase the insurance and accepting this Application does not bind the Insurer to complete the insurance or to issue any particular Bond/Policy. If a Bond/Policy is issued, it is understood and agreed that the Insurer relied upon this Application in issuing each such Bond/Policy and any Endorsements thereto. The undersigned further agrees that if the statements in this Application change before the effective date of any proposed Bond/Policy, which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately.

Chief Executive Officer, President or Chairman of the Board:

Print Name: _____ Signature: _____

Title: _____ Date: _____

Chief Financial Officer or Equivalent Officer:

Print Name: _____ Signature: _____

Title: _____ Date: _____

A BOND/POLICY CANNOT BE ISSUED UNLESS THE APPLICATION IS SIGNED AND DATED BY TWO INDIVIDUALS

Agent Name: _____ License Number: _____

Agent Signature: _____

Please provide the following information with your submission:

- Current Declarations Page from the Applicant's Internet/Electronic Liability or other internet-related policy, if not currently written by AmTrust North America.
- Most recent Directors' Examination Report, Annual Report, or audited financial statements.
- Management Letter and Applicant's responses to any recommendations made therein.

Submit Application to:

banksubmissions@amtrustgroup.com

AmTrust North America Attention: Financial Institution Division

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