

Travelers SelectOne® For Community Banks Financial Institution Bond* With Extended Coverages

As with all businesses, employee dishonesty continues to be a significant and growing threat within community banks. Maintenance of strong, enforceable internal controls should be a priority for your bank. Yet those systems, no matter how well conceived, may fall short of stopping an employee you know and trust from engaging in fraudulent activity. In fact, the median length of occupational fraud schemes is 24 months, and more than half the time crimes are revealed through an employee, customer or vendor tip.**

Travelers SelectOne Financial Institution Bond with extended coverages provides an important backstop against the actions of a dishonest employee, protecting your company's assets at the time of a crime's discovery, regardless of whether it occurred prior to or during the policy period.

Why you need protection

Employee dishonesty is costly and pervasive. According to recent research, U.S. organizations lose an estimated 7 percent of annual revenues to fraud. Based on the projected U.S. Gross Domestic Product for 2008, this indicates a staggering estimate of losses around \$994 billion, up from \$652 billion in 2006.** Travelers SelectOne provides a wide range of protection for financial losses due to specified crimes, and the optional extended insuring clauses eliminate the need to carry multiple insurance policies.

Key features and benefits

- No aggregate annual limit of liability (available for limits up to \$10 million)
- Three-year premium guarantee for qualifying accounts
- Modified representation of insured provision
- Coverage for court costs and attorney fees
- No charge for mid-term acquisitions or mergers (less than 25 percent of the policyholder's assets)

- Discovery begins with the knowledge of a titled officer, branch or risk manager or board member
- Optional 12-month period to discover losses that occur before the bond's termination

Additional features and benefits

- Optional employee dishonesty coverage to recover destroyed computer programs and data records
- Coverage for customer and employee property destroyed during on-premise holdups and robberies
- Forgery, alteration and fraudulent instructions include instructions via telephone and facsimile
- Voice and fax authentication protocols do not represent a warranty to coverage
- Optional electronic notes coverage
- Claim and audit expenses available up to \$100,000 to prove a covered dishonesty loss
- Computer theft coverage for fraudulent data entry or computer programming by outside persons, including recovery of destroyed computer programs and data records

*Form 6511 revised June 2001

**Association of Certified Fraud Examiners, 2008 Report to the Nation on Fraud and Abuse

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Optional extended insuring clauses

- Kidnap and extortion, including e-commerce extortion
- Claims and audit expenses
- Indemnity for director or employee injury or death
- Servicing contractors
- Unattended automated mechanical devices
- Combination safe deposit boxes
- Transit cash letters
- Defective signatures on property mortgage loans
- Stop-payment legal liability and wrongful-check dishonor liability
- Computer theft

The Bond & Financial Products advantage

- Our decentralized underwriting—provided through more than 25 locations—allows for efficient, expert service
- Our dedicated claim group is staffed by qualified claim specialists who are professional, yet compassionate and respond to claims in a timely manner
- More than 100 years of protecting financial institutions and #1 writer of community banks

Travelers — an experienced market leader

- Since our formation in 1853, Travelers has offered effective insurance solutions to a wide range of industries
- We are continually ranked on the Fortune 100 list of the largest U.S. companies
- A.M. Best* has assigned Travelers a financial strength rating of A+ (Superior)
- We are the second-largest commercial property casualty insurer in the United States

Count on Travelers to protect your bank, so you can focus on building your business

To learn more about Travelers SelectOne for Community Banks, talk with your independent insurance agent or call 1.800.542.8770, ext. 6712, or visit travelers.com/communitybanks.

*A.M. Best's rating of A+ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of June 3, 2008, are used with permission, are subject to changes by the rating services. For the latest rating, access www.ambest.com.



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