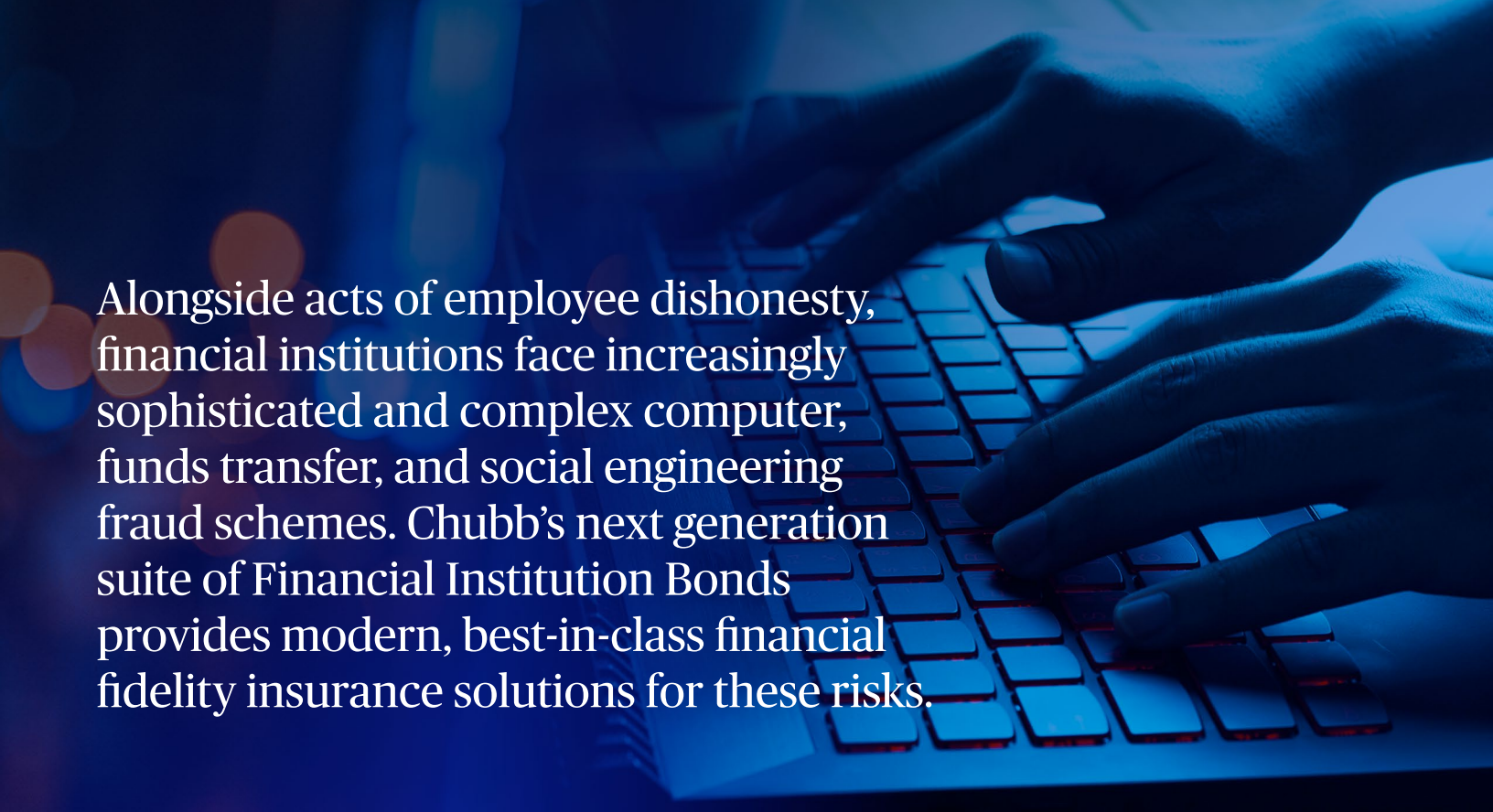


CHUBB®

Chubb Financial Institution Bonds





Alongside acts of employee dishonesty, financial institutions face increasingly sophisticated and complex computer, funds transfer, and social engineering fraud schemes. Chubb's next generation suite of Financial Institution Bonds provides modern, best-in-class financial fidelity insurance solutions for these risks.

The Product Suite

Chubb's Financial Institution Bond product suite consists of new and updated solutions for operational risks as well as both regulatory and compliance requirements.

Operational Risks

Chubb's fidelity bond products have been redesigned to provide a financial fidelity insurance solution that complements a financial institution's management and professional liability program by combining time-tested fidelity bond coverage with contemporary coverage designed for today's unique risks.

Comprehensive Coverage for the Digital Age

Compliance and fiduciary risks for safeguarding customer and firm funds from hackers and criminals have never been more pronounced. Social engineering of employees; and the impersonation of customers, vendors, and executives; are commonplace and such scams have become increasingly complex.

The Chubb Solution:

| | | |
|--|---|---|
| Financial Institution Bond for Asset Managers | Financial Institution Bond for Banks | Financial Institution Bond for Insurance Companies |
|--|---|---|

Chubb's Asset Manager, Bank, and Insurance Company bonds provide an integrated financial fidelity insurance solution with state-of-the-art coverage for today's digital age.

Each bond can include coverage for:



Computer Fraud –

Financial loss resulting from unauthorized access into the firm's computer system by hackers:

Each bond introduces clear, concise, and modern coverage for theft of funds that results from a computer hack, including systems hosted by third-party cloud service providers.

Between January 2014 and October 2019:

The Internet Crime Complaint Center (IC3) received complaints totaling more than

▶ **\$2.1 billion in actual losses**

from Business Email Compromise scams using two popular cloud-based email services.¹



Customer's Funds Transfer and Social Engineering Fraud –

The transfer of customer funds through fraudulent instructions over the Internet, email, or a telecommunication device:

Coverage for loss of funds from a customer's account arising from the impersonation of the customer.

According to Check Point Research's Brand Phishing Report for Q1 2021:

▶ **Banking overtook retail**

in the top 3 industries

likely to be targeted

by brand phishing,

whereby criminals steal customers' personal information by impersonating leading brands and using those credentials to steal funds.²



Assured's Funds Transfer and Social Engineering Fraud –

The impersonation of an employee or known vendor that causes the firm's funds to be fraudulently transferred by an authorized employee:

Chubb's customized bonds provide protection for the firm's capital where an executive or a vendor is impersonated.

According to the Anti-Phishing Working Group (APWG):

There were

260,642

phishing attacks in July 2021

the highest monthly result in APWG's reporting history and doubling from early 2020.

Attacks against financial institutions and payment providers

were a combined

34.9%

of all attacks.³

Financial Institution Bond for Asset Managers

Chubb's Asset Manager Bond can cover a wide range of perils caused by both employees and third parties, and provides a unique, cost-effective insurance solution to give asset managers peace of mind. The bond addresses risk such as theft of customers' capital by dishonest employees, and loss caused by dishonest partners and outside private fund administrators.

Target Classes:

- Registered Investment Advisers, including:
 - Dual-Registered Advisers
 - Advisers to Mutual Funds
- Private Equity Firms
- Venture Capital Firms
- Hedge Funds
- Real Estate Funds
- Family Offices

Financial Institution Bond for Banks

Chubb's Bank Bond provides an updated and modernized banker's blanket bond that keeps the 21st century financial fidelity risk concerns of banks and non-depository financial institutions at its forefront.

Target Classes:

- Commercial Banks
- Trust Companies
- Finance Companies

Financial Institution Bond for Insurance Companies

Chubb's Insurance Company Bond provides insurance companies with a straightforward financial fidelity insurance solution for their complex financial and regulatory risks.

Target Classes:

- Property & Casualty insurers
- Life, Health, and Annuities insurers
- Reinsurers of all types

Regulatory and Compliance Needs

The product suite is made complete with updated solutions for financial fidelity insurance programs mandated by certain regulations:

The Chubb Solution:

| | | |
|--|--|--|
| Financial Institution Bond for Broker-Dealers | Financial Institution Bond for Fiduciaries of ERISA Plans | Financial Institution Bond for Investment Companies |
|--|--|--|

Financial Institution Bond for Broker-Dealers

Chubb's Broker-Dealer Bond provides fidelity bond coverage to entities registered as broker-dealers in accordance with the fidelity bonding requirements set forth under FINRA Rule 4360 of the Financial Industry Regulatory Authority.

Highlights:

- No aggregate limit of liability applicable to mandated coverage
- Ability to include optional coverages for a complete risk management program, including:
 - Computer System Fraud
 - Fraudulent Funds Transfer
 - Social Engineering Fraud

Financial Institution Bond for Fiduciaries of ERISA Plans

Chubb's ERISA Bond provides coverage to insured ERISA Plans for loss resulting from fraud or dishonesty committed by a covered employee of the fiduciary, as set forth in the bonding requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

Highlights:

- Omnibus coverage for any pension or welfare plan sponsored by an employer that is subject to ERISA for which the policyholder acts as fiduciary
- Limits, as required by statute, are provided per plan, with additional coverage available for additional plans the fiduciary becomes responsible for during the bond period

Financial Institution Bond for Investment Companies

Chubb's ICAP Bond serves registered investment companies by providing coverage for loss resulting from larceny or embezzlement by employees as required by the Rules and Regulations of the Investment Company Act of 1940 (Rule 17g-1).

Highlights:

- Coverage limits increased to the minimum required pursuant to Rule 17g-1, with no reporting requirement, due to the creation of a new investment company or an increase in the gross assets of the investment companies covered under the bond during the policy period
- HTML conversion of the bond contract at no additional cost to facilitate electronic submission to the Securities Exchange Commission

Why Chubb?

Leadership

Chubb is the largest underwriter of Fidelity in North America according to the Surety and Fidelity Association of America, a position held since 2001. Chubb offers a full suite of complementary insurance solutions for a wide range of financial institution risks, including directors and officer's liability, professional liability, employment practices liability, and property & casualty coverages.

Contact Us

To learn more, visit
www.chubb.com/us/fidelitybonds
or contact your local agent or broker.

Protection and Service

We strive to treat each customer with integrity, empathy, promptness, and fairness — and to reach mutually agreeable outcomes.

Endurance

Chubb's financial stability and ability to pay claims rate among the best in the insurance industry.

1. <https://www.ic3.gov/Media/Y2020/PSA200406>
2. <https://www.checkpoint.com/press/2021/microsoft-continues-to-be-most-imitated-brand-for-phishing-attempts-in-q1-2021/>
3. <https://apwg.org/trendsreports/>

Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. Insurance provided by Federal Insurance Company and its U.S.-based Chubb underwriting company affiliates. All products may not be available in all states. This communication contains product summaries only. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers.

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