

Attorneys Title Guaranty Fund, Inc.



## Financial Institutions Bond Summary

*2014 -2015 Policy Period*

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Julio Bermudez >> Partner  
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# POLICY SUMMARY

PRIMARY CARRIER: **Lloyds of London**  
 SYNDICATES: **ACE Syndicate 2488 – 50% /Markel Supporting – 50%**  
 A.M. BEST RATING: **A “Excellent”**  
 FINANCIAL SIZE CATEGORY: **XV (\$2 Billion or Greater)**  
 COVERAGE: **FI Bond - Including Agents Defalcation**  
 POLICY PERIOD: **January 26, 2014 to January 26, 2015**  
 RETROACTIVE DATE: **January 26, 2011**  
 PREMIUM: **\$330,000**

INSURING AGREEMENT	LIMIT OF LIABILITY (PER CLAIM)	DEDUCTIBLE (PER CLAIM)
Employee Dishonesty	\$3,000,000	\$250,000
On Premises	\$3,000,000	\$250,000
In Transit	\$3,000,000	\$250,000
Forgery or Alteration	\$3,000,000	\$250,000
Securities	\$3,000,000	\$250,000
Computer Systems	\$3,000,000	\$250,000
Audit Expense	\$100,000	\$2,500
General, Soliciting & Servicing Agents Audit Expense	\$100,000	\$2,500
Agents Coverage	\$3,000,000	\$500,000

**LOSS NOTIFICATION:**

- Underwriters via Integro Insurance Brokers Limited  
100 Leadenhall Street  
London EC3A 3BP  
**(NOTE: Notification can be sent through Thompson Flanagan)**

**NOTICE REQUIREMENT:**

- At the earliest moment practicable, not to exceed 30 days, after discovery of loss.

**DISCOVERY:**

- Discovery occurs when the Insured first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this bond has been or will be incurred.

## POLICY FORM &amp; ENDORSEMENTS:

- Standard Form No. 25 Revised October 1987
- ERISA Endorsement – *Extends coverage to Employee Benefit Plans required to be bonded under ERISA.*
- Agents Endorsement – *Extends coverage to provide Agents Defalcation.*
- Audit Expense Endorsement – *Extends coverage to provide a sublimit for audits or examinations required by state or federal supervisory authorities due to a loss sustained by the insured due to the acts of an employee or title agent.*
- Employee Definition Endorsement - *Amends the definition of a covered attorney under the policy.*
- Computer Crime Coverage Endorsement – *Adds the following insuring agreements with respect to Computer Crime Coverage: Computer Systems Fraud, Data Processing Service Operations, Voice Initiated Transfer Fraud, Telefacsimile Transfer Fraud, Destruction of Data or Programs by Hacker, Destruction of Data or Programs by Virus, & Voice Computer Systems Fraud.*
- Termination or Cancellation Clause Amended Endorsement (Credit Rating Trigger) – *Amends the Termination provision to allow cancelation of the policy on a pro-rata basis in the event the insurers rating slips below A- (A.M. Best) or BBB (Standard & Poor's).*
- Coverage Territory Endorsement – *Denotes that payment of loss under the bond shall be in compliance with the U.S Treasury's Office of Foreign Assets Control.*
- NMA 1256 Nuclear Incident Exclusion Clause – Liability – Direct (Broad) – *Standard Lloyds of London exclusion added to multiple policy forms including the bond.*
- NMA 1477 Radioactive Contamination Exclusion Clause – Liability – Direct - *Standard Lloyds of London exclusion added in conjunction with the Nuclear Exclusion.*
- NMA 45 New Short Rate Cancellation Table Endorsement – *Schedule of Earned Premium when the policy is canceled by the Insured.*
- NMA 2918 War and Terrorism Exclusion Endorsement - *Standard Lloyds of London Exclusion.*
- NMA 1998 Service of Suit Clause Naming Mendes & Mount LLP, 750 Seventh Avenue, New York, NY 10019-6829, USA – *Denotes to whom suit may be served upon on behalf of the Underwriters.*
- Choice of Law Clause – *Denotes that the policy shall be governed and construed based upon the laws of Colorado.*
- LSW 585 Premium Payment Warranty 45 days – *Denotes that Premium payment is required with 45 days of binding.*
- LMA3333 Re-Insurers Liability Clause - *Denotes that the liability of any one insurer or syndicate is several and not joint.*
- Employee Deletion Endorsement – Deleted – *Removes the previous endorsement which deleted the Employee Dishonesty coverage (thus granting it under the policy).*
- Retroactive Date Endorsement - *Excludes losses which were sustained prior to the retroactive date listed on the declarations page of the policy (1/26/11).*
- No Claims Bonus Endorsement - *Provides for a No Claims Bonus of 10% of the net premium payable by the underwriters subject to specified provisions being met including full release of the policy.*
- Other Insurance, Drop Down and Difference In conditions - *Provides for deductible erosion, follow form language, and DIC enhancement in the event of a loss covered under this policy and a policy issued by Stateside Underwriting Agency for ATGF's Escrow Bond Program.*
- Other Insurance – *Provides for a deductible waiver under this policy for claims also covered under and Agent Bond Policy where the loss exceeds the Agents Bond limit.*

# TEAM/DISCLOSURES

FOR COVERAGE QUESTIONS, TO REPORT A CLAIM OR CHECK THE STATUS OF A CLAIM AND FOR ANY OTHER POLICY INQUIRIES PLEASE CONTACT:

**Julio Bermudez** – Partner

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Direct: 312.239.2803

[eclaffy@thompsonflanagan.com](mailto:eclaffy@thompsonflanagan.com)

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1) We have provided you with a summary of the policy form, its terms/conditions and endorsements to help you understand the contents of the policy(s). If you would like to see the exact policy language, a specimen can be provided to better assist you in understanding the specifics of the policy language.