

Credit Union
Protection

Fidelity Bond

Protection from the original credit union advocate



Fraudulent activity is at an all-time high. Criminals are successfully attacking payment systems via checks, wire transfers and corporate credit cards. How confident are you in your credit union's protection coverage?



73% organizations exposed to actual or attempted payments fraud*



Wire transfers were 2nd most popular for payments fraud with 48% organizations exposed*



9 out of 10 believe EMV cards will alleviate point-of-sale fraud*

YOUR CREDIT UNION IS TOO IMPORTANT TO SETTLE FOR AN IMITATION

Other coverage may appear similar to ours, but it's definitely not the same. With our Fidelity Bond, you get more than a policy. You get meaningful, innovative coverage to help protect against emerging risks—before others copy our approach—and our long-standing promise to quickly pay all covered claims. By closely monitoring industry and credit union trends, we're able to refine our offerings for your benefit. Every policy or service enhancement must meet one—or more—of three standards: improve coverage, enrich service or make it easier to do business with us. You also gain direct, multi-channel access to our Risk & Compliance Solutions team of consultants and to valuable resources to help you manage your most pressing risks and compliance concerns.

RECENT POLICY CHANGES

The highlights listed below reflect our ongoing commitment to protect our Bond policyholders, to provide security and to help you make good strategic decisions about your credit union's unique exposures.

Fraudulent Deposit Enhanced: Coverage is amended to include new endorsement for fraudulent Automated Clearing House (ACH) debit transactions.

Electronic Crime - Loan Enhanced: New endorsement adds coverage for fraudulent booster payments made on a credit card or line of credit loan by Automated Clearing House (ACH) debit transactions.

Trauma Counseling: Renamed Post-Robbery Trauma Counseling to Trauma Counseling. Expanded coverage includes reimbursement of trauma counseling expenses as a result of witnessing any acts of violence.

Payments For Injury Or Death: Expanded coverage provides reimbursement for death benefit or medical / surgical expense payment related to any acts of violence.

Cash Letter: Coverage is expanded to allow for electronic cash letters.

TO LEARN MORE ABOUT OUR ONE-OF-A-KIND FIDELITY BOND POLICY, contact your Sales Executive at **800.356.2644** or email **cuprotection@cunamutual.com**



The descriptions and loss scenarios below and on the following pages help to illustrate common exposures your credit union may face. They also demonstrate the multitude of ways CUNA Mutual Group's Fidelity Bond helps to protect and mitigate your unique risks. Coverage is dependent upon your policy and the actual facts of the claim(s).

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
EMPLOYEE/DIRECTOR DISHONESTY	Covers loss resulting directly from dishonest acts committed by an employee or director, acting alone or in collusion with others. For a loss involving a loan or trade, the dishonest acts must be committed with the intent to cause the credit union to sustain a loss, and to obtain an improper financial benefit for the employee or director, or a financial benefit for any other person or entity.	<ul style="list-style-type: none"> • A credit union employee creates a valid password for a member's internet banking account without authorization, then accesses the member's account and uses the bill payment feature to send unauthorized payments to their friends. • A credit union uses a local loan collection agency under the usual contingency basis to collect the credit union's delinquent loans and employees of the agency embezzle funds collected from the members. • A credit union employee who has access to pension assets embezzles the pension funds. • A credit union employee withdraws funds from the account of his father-in law and creates fictitious statements reflecting a balance that should be in the account.
ON PREMISES	Provides coverage for loss of covered property (including cash) resulting directly from theft by non-employees, but the person and the covered property must be considered "on premises" for coverage to apply. Coverage includes losses to offices, furnishings, fixtures, supplies, paper books, paper records, or equipment resulting directly from a theft or attempted theft on premises. Coverage is provided for loss of covered property resulting directly from mysterious unexplainable disappearances, misplacement, damage or destruction while on the credit union premises. Coverage is also provided for the expenses related to replacing "covered property" from contamination due to floodwater; bodily fluids; sewage; any foreign substance or chemical, including dye packs, which may pose a health hazard or safety risk or mold or mildew.	<ul style="list-style-type: none"> • A robber gets away with cash from a credit union branch office. • An explosion and resulting fire destroys the cash at a credit union. • A sewer backup floods the vault and the currency in the vault is contaminated. The credit union hires a remediation company to prepare the currency to be sent to the Federal Reserve for replacement
IN TRANSIT	Provides coverage for loss of currency resulting directly from theft, mysterious unexplainable disappearance, misplacement, damage or destruction while in transit and within the custody of an employee or other person selected to act as a messenger, or an armored motor vehicle company while being transported in an armored motor vehicle. "In transit" is considered to begin immediately upon receipt of the currency by the messenger and ends immediately upon delivery to the designated recipient or its agent.	<ul style="list-style-type: none"> • A credit union employee is robbed of funds when delivering cash and coin from the main office to a branch office.
DEFENSE COSTS	Pays all reasonable defense costs when suit allegations would result in a covered bond loss in excess of the coverage deductible.	<ul style="list-style-type: none"> • A credit union is sued by a business whose employee has forged endorsements on checks made payable to the business, and deposited them at the credit union. Defense Costs coverage may provide a defense for the credit union for the forgery suit filed by the business under the Credit Union Fidelity Bond's Fraudulent Deposit coverage. • A credit union member's share drafts are stolen, forged, and clear the account. The member reports the loss ten months later, is not satisfied with the amount of funds the credit union is willing to reinstate, and files suit against the credit union. • A credit union is sued by a member alleging that the credit union honored checks that had forged signatures, and is ordered by the court to pay compensatory damages to the member for pre-judgment interest, attorney's fees and interest for the loss of use of property. • A credit union with Fraudulent Deposit coverage is sued by a bank for a shortage of funds in an alleged check kiting scheme between the credit union and bank. The expenses for defense of the credit union are covered under Defense Costs coverage.

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
COUNTERFEIT CURRENCY	Pays for loss resulting from the credit union's acceptance of counterfeit currency, as well as losses resulting from the credit union's paying or redeeming United States Savings Bonds that are counterfeit, altered or forged.	<ul style="list-style-type: none"> • A teller balances the cash drawer at the end of the workday and uncovers several counterfeit bills that the credit union accepted.
EMPLOYEE AND MEMBER PROPERTY	Reimburses the credit union for payments it makes to an employee or a member for property stolen or damaged by a person committing a robbery or burglary on the credit union premises, or at an ATM or service center owned or operated by the credit union.	<ul style="list-style-type: none"> • A branch manager's wallet is stolen during a robbery. • A credit union employee has her purse stolen in the credit union's parking lot. • A member is robbed of her purse during an armed robbery at the credit union. • A member is robbed while using the credit union's ATM.
REWARD PAYMENT	Reimburses for a pre-approved, paid reward up to their Reward Payment limit. The capture or apprehension of the criminal can be no later than 18 months after the expiration of the annual Bond period in which the incident is discovered.	<ul style="list-style-type: none"> • A credit union has experienced repeated armed robberies and obtains approval from the CUNA Mutual claims department to offer a cash reward for information leading to the capture or apprehension of the robber.
PAYMENTS FOR INJURY OR DEATH	The coverage reimburses the credit union for a death benefit to an employee's, director's or member's heirs and for costs the credit union decides to cover relating to the victim's (or victims') medical or surgical treatment.	<ul style="list-style-type: none"> • A member is killed during an armed robbery, and the credit union pays the member's heirs a death benefit payment. • A member is injured when pushed to the floor by a robber and incurs medical expenses not covered by other medical insurance.
TRAUMA COUNSELING	Provides reimbursement for payments made for counseling expenses resulting from mental trauma injury inflicted upon a director, employee or credit union's member by a person while committing or attempting to commit a robbery or burglary, or any other act involving the use of deadly force, or committing extortion, kidnap or ransom.	<ul style="list-style-type: none"> • The credit union reimburses two members and several credit union employees for post-trauma counseling expenses after they witness an armed robbery in the credit union lobby.
FAITHFUL PERFORMANCE/ FAITHFUL PERFORMANCE ENHANCED	Faithful Performance covers loss resulting directly from a named employee's failure to faithfully perform their trust, acting in conscious disregard of the credit union's established and enforced share, deposit or lending policies. Coverage is NOT provided for losses caused by negligence, mistakes or oversights, inadequate training or unintentional violations of regulations or procedures. Faithful Performance-Enhanced includes coverage for the realized earnings on the loans, such as interest or fees.	<ul style="list-style-type: none"> • A credit union discovers its vice president of lending intentionally violated loan policies when granting a number of member business loans. After the loans go into default, the credit union pursues collection activity and finds that the members are not creditworthy. • A teller knowingly allows a member to withdraw shares that were pledged as security to a designated loan. • A loan officer knowingly violates a credit union's lending policy by failing to secure pledged collateral or perform a credit check prior to the disbursement of loan proceeds, which eventually go in to default.
EXTORTION, KIDNAP AND RANSOM LOSS	Coverage pays the ransom, covers settlements from lawsuits associated with the ransom, and pays for the salary of the person being held. The coverage also pays damages awarded in a lawsuit against the credit union claiming establishment of a negligent act, error or omission on its part in connection with extortion, kidnap or ransom, or computer extortion.	<ul style="list-style-type: none"> • A criminal calls a credit union CEO and demands credit union funds, stating that if the money is not provided, a bomb will go off at the credit union. • A caller to a credit union CEO demands credit union funds, stating that if the money is not provided, a malicious computer virus will be introduced into the credit union's computer systems. • A credit union employee is kidnapped and the credit union receives a cash ransom demand. • A credit union receives an extortion threat to divulge or disseminate confidential member personal loan information or credit card numbers. • A credit union employee's grandchild is kidnapped and a ransom demand is made. The grandchild is later returned, but the parents sue the credit union, alleging credit union negligence in connection with the kidnapping.

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
EXTORTION - KIDNAP/ INVESTIGATION EXPENSES	Pays the credit union for reasonable investigative and mitigation fees and expenses incurred in connection with computer extortion, an extortion, kidnap or ransom, as well as including independent investigators, travel and accommodations, legal services, security consultants, security guards, etc. Prior CUNA Mutual Group Claims Department approval may be required.	<ul style="list-style-type: none"> • A credit union hires an independent security consultant, a public relations consultant and security guards in response to a kidnapping threat to the credit union's CEO. • A credit union president's wife is kidnapped, and the credit union incurs expenses for an independent investigator or negotiator, legal services, and travel and accommodations to the foreign country where the president's wife is being held.
CASH LETTER	Provides coverage for losses and reasonable expenses resulting from theft, unexplained disappearance, misplacement, damage or destruction of a cash letter being transported for deposit, payment, collection or exchange for cash.	<ul style="list-style-type: none"> • A courier misplaces a credit union's entire cash letter. The credit union is required to produce duplicates of the cash letter items, but finds that a mechanical failure occurred and the images are not readable. The credit union incurs overtime and phone expenses associated with obtaining duplicate checks for collection purposes. • A cash letter is sent electronically, but is not received at its intended destination. The original transmission is not recoverable and the backup copy was damaged and unable to be utilized. The credit union incurs overtime and phone expenses associated with obtaining duplicate checks for collection purposes.
FUNDS TRANSFER	Pays for loss resulting directly from fraudulent instruction through email, telefacsimile or telephonic means received, sent or purportedly sent by the credit union; and for loss resulting directly from a fraudulent and unauthorized ACH debit from the credit union member's account.	<ul style="list-style-type: none"> • A member's son, claiming to be his father, requests an unauthorized transfer from his father's share account to his account. The credit union makes a callback verification to the father's home phone number and the son answers the phone, pretending to be his father. The credit union transfers the funds to the son's account, and the son withdraws the funds. • A fraudulent and unauthorized ACH debit is posted on a member's account. The member notifies the credit union several months later, but since it is too late to return the unauthorized ACH debit as allowed, the credit union is liable to the member for this one-time unauthorized transaction.
ELECTRONIC CRIME	Covers loss of funds resulting directly from a hacker who breaks into the credit union's computer system and makes fraudulent changes to the credit union electronic data or computer programs (including service bureau, EFT or internet banking systems). This also encompasses destruction of information, electronic data or computer programs stored on the credit union's computer system.	<ul style="list-style-type: none"> • A hacker uses a credit union's internet banking system to fraudulently transfer funds from hundreds of members' share accounts. • An unauthorized user accesses members' home banking passwords and fraudulently transfers funds from their accounts to his, then withdraws the funds. • A fraudster makes an unauthorized entry in a member's electronic bill payer service, causing the service to issue a sizable check payable to the perpetrator.
KIOSK ENDORSEMENT	This endorsement extends coverage under Electronic Crime for fraudulent access into a member's account (that leads to unauthorized transactions) through a member self-service kiosk.	<ul style="list-style-type: none"> • An unauthorized person obtains a member's account access password and uses a self-service kiosk to make numerous unauthorized cash withdrawals from the account.
AUDIT EXPENSE	Audit Expense coverage provides for necessary and reasonable expenses incurred by the credit union for a special audit of the credit union's records to establish a valid and collectible loss under Employee or Director Dishonesty coverage or, if purchased, Faithful Performance or Faithful Performance – Enhanced coverage.	<ul style="list-style-type: none"> • An employee is found creating fictitious loans, and the credit union hires an outside accountant to prepare a proof of loss for an employee dishonesty claim.

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
<p>FRAUDULENT DEPOSIT / FRAUDULENT DEPOSIT ENHANCED</p>	<p>The Fidelity Bond pays for loss resulting directly from a member depositing into a share, share draft or other depository account, or cashing an item of deposit that ultimately is not paid. The coverage does NOT apply to all items that are uncollectible. The member presenting the item must intend to deceive the credit union and commit a fraud, and have full knowledge that the "item of deposit" would ultimately not be paid. The Fraudulent Deposit Enhanced endorsement modifies "item of deposit" to include an ACH debit.</p>	<ul style="list-style-type: none"> • A credit union is sued by a bank for a shortage of funds in an alleged check kiting scheme between the credit union and bank. Damages paid to the bank are covered under Fraudulent Deposit coverage, while the credit union's legal expenses are covered under Defense Costs coverage. • A new member deposits funds in various checks and then withdraws those funds before the checks are returned as 'accounts closed.' • A new member makes an online deposit using the credit union's Account-to-Account transfer capability, by originating an ACH debit to pull funds from an account at another financial institution. The member withdraws the proceeds. The other financial institution returns the ACH debit transaction as fraudulent and unauthorized 45 days later, causing the member's account to have a negative balance.
<p>FORGERY OR ALTERATION</p>	<p>Covers loss resulting directly from forged or altered share drafts paid against your member's account, or for digitized signatures on electronic instruments, where the member is signing the document using an electronic signature pad for purposes of capturing an electronic image of the handwritten signature.</p>	<ul style="list-style-type: none"> • A member's share drafts are stolen and forged, with several drafts clearing before the member discovers the loss. • A loan with a co-maker goes into default, but the co-maker's signature is a forgery. The credit union is paid the loan amount less realized earnings. • A person posing as a credit union member provides counterfeit identification and requests a withdrawal from the member's account. The credit union uses an electronic withdrawal order, and the person forges the member's signature on the electronic signature pad
<p>STOP PAYMENT AND WRONGFUL DISHONOR</p>	<p>Stop Payment covers loss resulting directly from the credit union's failure to comply with a proper notice from a member to stop payment on a share draft or check payable by the credit union and made or drawn by the member. Wrongful Dishonor covers loss resulting directly from the credit union's wrongful refusal to pay a share draft or check drawn by a member.</p>	<ul style="list-style-type: none"> • A member gives proper notice to the credit union to place a stop payment on a share draft, but the credit union never processes the stop payment. Due to the error, the credit union becomes liable to credit the member's share draft account for the amount of the loss. • A member issues a share draft as earnest money on a home. The credit union errs and dishonors the share draft, and the member loses the home to another buyer. The member files suit against the credit union, stating that a comparable house cost the member substantially more. An investigation determines the amount of damages for which the credit union is liable to the member.
<p>UNAUTHORIZED SIGNATURE</p>	<p>Covers loss resulting directly from the credit union honoring a share draft, check or withdrawal order of a member in reliance upon an unauthorized signature. For coverage to apply, the credit union must have on file the signatures of all persons authorized to sign drafts, checks and withdrawal orders on behalf of that member.</p>	<ul style="list-style-type: none"> • A member's houseguest steals a share draft from the member and purchases items from a catalog, signing his own name as the maker on the share draft. The guest suddenly moves out of state and the credit union becomes liable to credit the member's share draft account for the unauthorized withdrawal.
<p>MORTGAGE DEFECTIVE SIGNATURE</p>	<p>This coverage pays for the credit union's loss resulting from accepting mortgage instruments that are defective by reason of a signature obtained by trick, artifice, fraud or false pretenses. It also covers loss due to accepting recorded deeds conveying real property to a credit union member where the signature on the deed was obtained by, or on behalf of, the member through trick, artifice, fraud or false pretenses.</p>	<ul style="list-style-type: none"> • A credit union grants a member a home mortgage, but the member defaults a year later. The credit union then discovers that the member obtained the deed for the house by tricking the member's elderly parent to sign a document she did not understand. The credit union is unable to foreclose on the property, since it was proved that the elderly parent's signature on the deed is defective because it was obtained under false pretenses by the member.
<p>COUNTERFEIT SHARE DRAFT, CHECK OR SECURITIES</p>	<p>The Fidelity Bond pays for loss from a counterfeit share draft or check paid against a member account or the credit union's own corporate account. Also pays for loss resulting directly from having acquired, sold, delivered, given value to, extended credit or assumed liability in reliance on any counterfeit certificated security, deed, mortgage, certificate of origin or title, or document of title.</p>	<ul style="list-style-type: none"> • A thief uses a high quality printer to print several share drafts, using a member's account encoding on the counterfeit instrument. Although these counterfeit share drafts bear a fictitious name, they do use the member's account information and clear against the member's account. • A member obtains a loan from the credit union using a counterfeit certificated security as collateral on the loan. When the loan becomes delinquent, the credit union learns that the security is counterfeit.

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
BUSINESS CREDIT OR DEBIT CARD/TRAVEL ADVANCE	The coverage pays for losses resulting directly from the unauthorized use of a lost, altered, stolen or counterfeit credit card or debit card issued to the credit union by another financial institution. It also pays for loss of funds advanced to an employee or director for business travel expenses when the loss results from theft, damage or destruction of those funds.	<ul style="list-style-type: none"> • A credit union management employee loses his corporate credit card and a number of unauthorized transactions occur before the card is discovered as missing. • A credit union CEO attending an out-of-town meeting has his wallet stolen, which contains travel advance funds issued from the credit union.
IRA AND EDCP	Pays for credit union loss from any negligent act, error or omission by an employee or director in carrying out his/her duties as an administrator or trustee of an IRA, or as an administrator or sponsor of the credit union's EDCP. IRA/EDCP provides coverage only to the credit union entity.	<ul style="list-style-type: none"> • A credit union is negligent in the administration of a member's IRA, resulting in the member making a claim against the credit union for extra expenses in re-filing income tax forms, plus fines and penalties.
ATM - OFF PREMISES	ATM - Off Premises covers loss resulting directly from burglary, robbery, damage or destruction of covered property, including deposits, money and other items dispensed by an ATM owned, operated and maintained by the credit union; it does NOT include physical damage to the machine. Coverage is also provided for the expenses related to replacing "covered property" from contamination due to floodwater; bodily fluids; sewage; any foreign substance or chemical, including dye packs, which may pose a health hazard or safety risk or mold or mildew.	<ul style="list-style-type: none"> • The cash within a credit union's ATM in a shopping mall is destroyed by a fire. • A flood damages all of the currency in the ATM . The credit union hires a remediation company to prepare the currency to be sent to the Federal Reserve for replacement.
TELEPHONE TOLL CRIME	Covers loss resulting from toll charges incurred by the credit union due to a hacker who breaks into the credit union's voice computer/telephone system through the fraudulent use, manipulation or circumvention of a password.	<ul style="list-style-type: none"> • A credit union discovers long-distance phone calls that it did not make, and later determines that a hacker broke in to the credit union's voice mail system and accessed outside phone lines
SIGNATURE GUARANTEE	Provides coverage for loss resulting from an employee guaranteeing a signature for the transfer, surrender, exchange or purchase of securities.	<ul style="list-style-type: none"> • A credit union employee guarantees a credit union member signature as genuine when she is transferring ownership of registered securities. The securities issuer discovers the signature is not genuine, making the credit union liable for the value of the securities.
ELECTRONIC CRIME - LOAN / ELECTRONIC CRIME - LOAN ENHANCED	Pays for loss when: 1) an electronic signature is fraudulently used to perpetrate an electronic forgery on an instrument used to create a loan. An electronic signature can be any electronic sound, symbol or process used to sign electronic documents or records. 2) It also covers a breach of computer security through which the credit union's established and customarily enforced loan review and approval process is circumvented, and a loan is created, or the amount of credit extended in connection with an existing loan to a member is increased. 3) ACH debit payments are made toward a credit card or other line of credit loan and are subsequently returned as fraudulent transactions.	<ul style="list-style-type: none"> • A perpetrator applies for a loan using a member's name and identity. The loan documents are delivered electronically, and the perpetrator signs the documents using an electronic signature in the name of the member. The loan is disbursed, and the credit union is unable to recover the loan proceeds. • A hacker breaks into the credit union system, and manages to log in as a loan officer. They then manage to create numerous unauthorized loans on the system without the credit union's knowledge, and eventually withdraw the funds • Member opens a \$10,000 credit card account with credit union and immediately spends the entire limit. Using the online card system, the balance due is immediately paid through an ACH debit pulling funds from an account at another institution. The line is entirely spent again before the ACH debit is returned as being from a non-existent account. The member goes into default, and the credit union' loss is greater than the approved line of credit.
COMPUTER CRISIS MANAGEMENT	Pays for reasonable fees and expenses you pay to avoid, investigate or mitigate the potential or actual impact a covered attack (unauthorized web site modification, denial of service, computer extortion, etc.) has or would have on business operations, including expenses such as computer security consultants, computer programmers or other technical specialists, public relations or substitute systems used to resume activities.	<ul style="list-style-type: none"> • A thief steals a credit union laptop that contains member names, addresses, Social Security numbers and account numbers. As a result, the credit union hires a computer security consultant to investigate the system security and hires a public relations firm to mitigate the impact on the credit union's reputation.

COVERAGE	DESCRIPTION	LOSS SCENARIO(S)
<p>FRAUDULENT MORTGAGE LOAN DOCUMENTATION/ FRAUDULENT MORTGAGE LOAN DOCUMENTATION ENHANCED</p>	<p>Provides coverage for fraudulent acts committed by borrowers in making material misrepresentations on certain residential mortgage lending documents. Covered documents include verifications of income, verifications of employment, offers to purchase, and/or appraisal reports utilized by the credit union for lending decisions. Coverage applies to single-family dwellings that are a residence of the borrower.</p> <p>The fraudulent characteristics of the documents provided by the borrower must be discovered within one year of the closing date. Fraudulent Mortgage Loan Documentation-Enhanced removes this discovery requirement.</p>	<ul style="list-style-type: none"> • A member seeking to purchase a home alters documents to inflate her reported income in order to secure a mortgage loan beyond her means. Eight months later, after the member defaults on her payments, the credit union discovers the falsified documents. <p>The credit union is forced to foreclose on the property and incurs a loss.</p>
<p>THIRD-PARTY VENDOR THEFT</p>	<p>Pays for loss resulting directly from dishonest acts committed by certain third-party vendors. The types of vendors that are covered include the following while they are performing services for the credit union: Insurance agency or insurance brokerage services, loan production services, funds transfer services, secondary market services, automated teller machine services, shared branching services, call center services, and foreclosure or repossession services.</p> <p>Coverage applies to actual theft of credit union funds or property by the vendor; it does not cover fee disputes, losses caused by vendor insolvency or bankruptcy, or any failures of the vendor to fulfill their contractual obligations.</p>	<ul style="list-style-type: none"> • A credit union hires a vendor to sell its repossessed vehicles. The vendor's employee sells the credit union's vehicles and embezzles the sales proceeds. The vendor has insufficient funds to pay what is owed to the credit union. The employee is subsequently convicted of fraud and sentenced to prison.
<p>SAFE DEPOSIT BOX</p>	<p>Safe Deposit Box coverage is essential for credit unions that offer these services, as members can sue the credit union alleging loss of valuables from a safe deposit box, regardless of whether or not the member waived legal liability against the credit union. A credit union may select Safe Depository coverage, Loss of Member's Property coverage, or both. Safe Depository coverage provides legal defense coverage for credit unions in case of a lawsuit, while Member's Property provides coverage for the actual loss of member's physical property.</p>	<ul style="list-style-type: none"> • A member files a lawsuit against a credit union, claiming several items are missing from their safe deposit box. • Burglars break in to the credit union safe deposit vault and take valuables from several safe deposit boxes.
<p>CONSUMER LEGISLATION</p>	<p>Pays for statutory penalties resulting directly from the credit union's violation of the Truth-In-Lending Act, Fair Credit Billing Act, Consumer Leasing Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, Federal Trade Commission Holder in Due Course Rule, Electronic Fund Transfers Act, Expedited Funds Availability Act (subparts A and B). Defense costs are included within the coverage.</p>	<ul style="list-style-type: none"> • A credit union member submits a loan application in his name only, but the loan officer pulls the wife's credit report as well. The wife files suit, alleging violation of the Fair Credit Reporting Act, saying the credit union had no legitimate business purpose for accessing her credit report. A defect in a lending disclosure statement leads to a truth-in-lending suit and eventually a statutory penalty to the credit union.

Unmatched risk and compliance resources backed by industry-leading coverage.

You get more than a policy.

One of the unique advantages of working with CUNA Mutual Group is your gaining direct, multi-channel access to our risk and compliance team of consultants. With their expertise and diversified backgrounds in accounting, claims, fraud/criminal investigation, as well as credit union and other financial institution experience, you can stay ahead of today's ever-evolving risks.

CUNA Mutual Group Risk & Compliance Resources



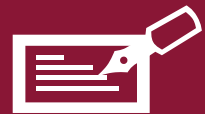
1:1 Analyses & Consultations

- Thousands of analyses, assessments, and consultations conducted with Bond policyholders annually



Protection Resource Center

- **RISK Alerts** with actionable insights
- **Whitepapers, checklists and guidelines**
- **Online Risk Assessments** with focused recommendations
- **Webinars and Education**



Bondability Verification

- 40+ years of credit union claims data
- 50,000+ annual verifications completed saving Bond policyholders millions of dollars in 2016

SOURCE: 2016 CUNA Mutual Group Risk Management internal data.

Contact your sales executive to discuss the risk management services available from CUNA Mutual Group at **800.356.2644**.



P.O. Box 391 | 5910 Mineral Point Road | Madison, WI 53701-0391 | cunamutual.com

*2016 AFP Payments Fraud and Control Survey, Association for Financial Professionals, <http://www.afponline.org/docs/default-source/registered/mbr/2016-payments-fraud-key-highlights.pdf>

CUNA Mutual Group is the marketing name for CUNA Mutual Holding Company, a mutual insurance holding company, its subsidiaries and affiliates. Insurance products offered to financial institutions and their affiliates are underwritten by CUMIS Insurance Society, Inc. or CUMIS Specialty Insurance Company, members of the CUNA Mutual Group. Some coverages may not be available in all states. If a coverage is not available from one of our member companies, CUNA Mutual Insurance Agency, Inc., our insurance producer affiliate, may assist us in placing coverage with other insurance carriers in order to serve our customers' needs. CUMIS Specialty Insurance Company, our excess and surplus lines carrier, underwrites coverages that are not available in the admitted market. This summary is not a contract and no coverage is provided by this publication, nor does it replace any provisions of any insurance policy or bond. Please read the actual policy for specific coverage, terms, conditions, and exclusions.

CUPBO-1719635.1-0217-0319 © CUNA Mutual Group, 2017 All Rights Reserved.