



## Summary of Terms and Conditions for the EFT Guard Protection Plan

This Summary of Benefits is a summary of the terms and conditions of the EFT Guard Protection Plan (the “**Plan**”) administered by RGS Limited, LLC (RGS) on behalf of the North American Data Security Program LLC (NADSP). Subject to certain terms and conditions, **accountholders** are entitled to the benefits below.

### GENERAL INFORMATION

Should you have any questions regarding the Plan, please visit the web site <http://www.eftguard.com>. If you have additional questions, select the tab “Contact” to submit your question. Questions will be answered within one business day.

### PLAN ANNUAL AGGREGATE LIMIT:

- Each business is protected up to a maximum of \$100,000. annual aggregate limit.
- \$250.annual retention applies per business.

### PROTECTION PLAN SUMMARY

Subject to all the terms, conditions and exclusions set forth below, the insurer shall pay, on behalf of NADSP, for all **loss** resulting from any **account security event** first discovered during the **policy period** and reported pursuant to the terms and conditions of the policy. To report an **account security event** under the Plan, visit the web site <http://www.eftguard.com> and view the section “Incident Response”. Please follow the instructions for submitting an **account security event**.

### DEFINITIONS

**Account** means any commercial account at a **bank** held by or for the benefit of an **accountholder**.

**Account Loss** means the value of any money stolen from an **account** as a result of an **account security event**.

**Account Security Event** means the unauthorized access to any **account** arising out of a failure or violation of the security of a **bank’s** or an **accountholder’s computer system**.

**Accountholder** means a **member** of the **policyholder** who is a commercial **account** customer of a United States domiciled **bank** conducting online banking with one or multiple **accounts** comprised of common ownership and or the same Federal Tax Identification Number.

**Authentication** means those technologies effected by the **accountholder** which provide for electronic handwritten signatures, virtual PIN numbers, digital signatures, public key cryptography, smart cards, or similar methods of technology or encryption as declared in the application.

**Bank** means an officially chartered United States financial institution, organized under strict requirements by either the federal or state government, empowered to provide services such as accepting deposits, making loans and providing checking and or savings **account**.

**Computer System** means any computer hardware, software of any components thereof that are under the ownership, operation or control of an **accountholder** and that are linked together through a network of two or more devices accessible through the internet, internal network or connected with data storage or other peripheral devices.

**EFT Guard** means the **account** security, education and awareness program provided to **accountholders** by the **policyholder** pursuant to an **EFT Guard** service agreement between the **policyholder** and the covered **accountholders**. The **EFT Guard** service agreement shall require, among other things, that participating **accountholders** implement **EFT security controls**.

**EFT Security Controls** means the security products, procedures and controls described in the **EFT Guard** service agreement to be adhered to by the **accountholder**.

**Loss** means **account loss**.

**Member** refers to a **member**, customer, cardholder, or borrower of the **policyholder** in good standing with the **policyholder**:

1. who has paid the membership/product fee; and
2. whose name, identification number, or other personally identifiable information is shown on the membership enrollment/registration form.

**Notification Costs** means the costs to provide any notice required by state or federal law to individuals affected by an account security event of such account security event or of any actual or possible loss of personally identifiable information of such individuals in connection with an account security event.

**Policy** means this **Policy** and any endorsements attached hereto, together with the application with any attachments thereto and material incorporated therein.

**Policyholder** means the entity indicated on the Declarations Page of this **Policy**.

**Pollutants** means, but are not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, asbestos, acids, alkalis, chemicals and waste. Waste includes, but is limited to, materials to be recycled, reconditioned, or reclaimed and nuclear materials.

**Related Account Security Events** means all **account security events** which arise out of or relate to the same, related or continuous events, acts, errors or omissions. All **related account security events** shall be considered to have occurred at the time the first such **account security event** occurred.

**We, Us, and Our** means the insurer issuing this **Policy**.

## **ADDITIONAL CONDITIONS**

There shall be no coverage for any **account security event** first occurring after the expiration or cancellation or non-renewal effective date and time of this **Policy**.

Upon cancellation of this **Policy**, coverage will remain in effect until all premium is fully earned, for any contracts that were issued and not cancelled, and for which the premium was paid to **us** and not refunded by us, during the term of the **Policy** or until **we** are notified **accountholders** cancellation, whichever occurs first

## **NOTICE AND OTHER DUTIES IN THE EVENT OF AN ACCOUNT SECURITY EVENT**

- A. The **accountholder** shall, as a condition precedent to **our** obligations under this **Policy**, give written notice to of any **account security event** as soon as practicable, but in all events no later than sixty (60) days after such **account security event** occurs.
- B. Notice of an **account security event** must include:
  1. the name of the **bank** and **accountholder(s)** affected;
  2. a description of the **account security event**;
  3. if multiple **accounts** are affected by the **account security event**, a list of **accounts** affected;
  4. the amount of **account loss** of each **account** affected by the **account security event**; and
  5. a copy of all notices and correspondence sent to or received by the **accountholder** concerning the **account security event**.
- C. If written notice of any **account security event** has been given to **NADSP** pursuant to paragraph III.A. above, then any subsequent **account security event** arising out of, based upon or attributable to the facts giving rise to such **account security event** for which such notice has been given, or alleging any **related account security events** thereto, shall be considered made at the time such notice was given.

- D. Under all circumstances, the **accountholder**, shall admit any liability, assume any financial obligations, pay any money, or incur any expense in connection with any **account security event** without **our** prior written consent.
- E. The **accountholder** shall take reasonable steps to prevent an **account security event** and to mitigate the **loss** arising out of an **account security event**, including without limitation, implementing the **EFT security controls** and following the procedures required by **EFT Guard** in the event of an **account security event**. In all events, the **policyholder** shall take no action, or fail to take any action, without **our** prior written consent, which prejudices **our** rights under this **Policy**.

## EXCLUSIONS

This **Policy** shall not apply to:

- A. any **loss** arising out of or attributable to a claim, suit, action or proceeding against the **accountholder** that is brought by or on behalf of any federal, state or local government agency; provided, however, this exclusion shall not apply to any **loss** where such government agency is the **accountholder**;
- B. any **account security event** arising out of an **accountholder** allowing any party (other than its employees or the **bank**) or itself to access its **computer system**.
- C. any **account security event** arising out of use of a **computer system** by **accountholder** that does not include a method of **authentication** for the security and integrity of data or electronic funds transfer or communications and identification of the sender of such data or electronic funds transfer or communications which does not:
  - 1. authenticate the identity or information from the sender of the data or electronic funds transfer or communication;
  - 2. confirm that the data or electronic funds transfer or communication was not altered or modified during transmission; and
  - 3. verify that the data or electronic funds transfer or communication was sent by the sender and that the sender had the requisite authority to do so.
- D. any expenses, other than **loss**, arising out of, based upon or attributable to an **account security event**, including without limitation, expenses incurred to bring an **accountholder** or **bank** into compliance with any security standard;
- E. any **loss** arising out of, based upon or attributable to physical injury, sickness, disease, disability, shock or mental anguish sustained by any person, including without limitation, required care, loss of services or death at any time resulting therefrom;
- F. any **loss** arising out of, based upon or attributable to any of the following:
  - 1. fire, smoke, explosion, lightening, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, an act of God or any other physical event, however, caused;

2. strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, or any action taken to hinder or defend against these actions; or
  3. electrical or mechanical failures, including any electrical power interruption, surge, brownout or blackout; a failure of telephone lines, data transmission lines, satellites or other infrastructure comprising or supporting the internet, unless such lines or infrastructure were under the **policyholder's** operational control;
- G. any **loss** arising out of, based upon or attributable to the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of **pollutants** (including nuclear materials), or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **pollutants**, or in any way respond to or assess the effects of **pollutants**;
- H. any **account security event** that was not properly reported to **us** pursuant to the terms of this **Policy**;
- I. any **account security event** that first occurred prior to the Retroactive Date indicated on the Declarations Page of this **Policy**, or the effective date of the **EFT Guard** service agreement or after the termination of this **Policy** or such agreement;
- J. any expenses incurred for, or as a result of, regularly scheduled, recurring or routine security assessments, regulatory examinations, inquiries or compliance activities;
- K. any (i) gaining of a profit or advantage to which the **accountholder** or any of their respective employees is not legally entitled or (ii) expenses or charges of the **accountholder**, including employee compensation and benefits, overhead, over-charges or cost over-runs;
- L. any liability or obligation of the **accountholder** under any contract or agreement; however, this exclusion shall not apply to: (i) liability the **accountholder** would have in the absence of such contract or agreement or (ii) liability or obligation to an **accountholder** in the applicable **EFT Guard** service agreement;
- M. any **loss** arising out of, based upon or attributable to the infringement of copyright, patent, trademark, trade secret or other intellectual property rights;
- N. any **loss** arising out of, based upon or attributable to any discrimination against any person or entity on any basis, including but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, sex, sexual orientation or pregnancy;
- O. any **loss** arising out of, based upon or attributable to any dishonest, fraudulent, criminal or malicious act, error or omission, or any intentional or knowing violation of the law, if committed by an employee of the **policyholder** or an **accountholder**; or



- P. any **loss** covered by the Electronic fund Transfer Act, 15 U.S.C. §1693 *et. seq.*, (as amended) and its implementing regulations.
- Q. any loss where the **accountholder** failed to meet commercially reasonable **security control** measures, or failed to continue to adhere to the minimum commercially reasonable **security control** measures mandated by the bank and in place at the time coverage began.

## LIMITS OF INSURANCE

The Accountholder Account Security Event Limit of Insurance set forth in the Declaration Page of this Policy, is our maximum liability for all loss arising out of or relating to an accountholder of the policyholder and we shall not be responsible to pay any loss of such accountholder upon the exhaustion of its Accountholder Account Security Event Limit of Insurance. The Accountholder Account Security Event Limit of Insurance. Only one (1) Account Security Event benefit will be paid per accountholder per claim occurrence and only three (3) claims per accountholder per twelve (12) month period.

The Accountholder Notification Costs Sublimit of Insurance set forth in the Declarations Page of this Policy is our maximum liability for all notification costs arising out of or relating to each accountholder and we shall not be responsible to pay any accountholder notification costs arising out of or relating to such account upon the exhaustion of its respective Accountholder Notification Costs Sublimit of Insurance. The Accountholder Notification Costs Sublimit of Insurance is part of, and not in addition to the Accountholder Account Security Event Limit of Insurance set for in the Declarations Page of this Policy. Only one (1) Accountholder Notification Costs Sublimit of Insurance benefit will be paid per accountholder per claim occurrence and only three (3) claims per accountholder per twelve (12) month period.

## RETENTION

We shall only be liable for the amount of account loss and or notification costs from each covered account that exceeds the Retention set forth in the Declarations Page of this Policy applicable to such accountholder.

Upon request, please contact 1-888-747-8220 for full program terms, conditions and exclusions.