

**FINANCIAL INSTITUTION BOND,  
STANDARD FORM NO. 15 (Revised to May, 2011)**

**I. INSTITUTIONS ELIGIBLE FOR FORM 15**

- a. Finance Companies the majority of whose business is financing paper for and through dealers, and Investment or Finance Companies licensed under the Small Business Administration Act.
- b. Small Loan Companies (excluding Pawn Brokers and Factors) including Personal Finance Companies, Chattel Loan Companies and Benevolent, Charitable, Prudential or Remedial Loan Associations, and Industrial Loan Companies in the State of Washington.
- c. Mortgage Bankers and Dealers in Mortgages (but not fiscal agencies representing another in the servicing of mortgages, etc.), Dealers in Commercial Paper and Note Brokers.
- d. Title Insurance Companies principally engaged in the mortgage business. (This does not include those Title Insurance Companies referred to in Financial Institution Bonds 24 and 25.)
- e. Holding Companies that do not operate the business under their control, but merely act as managers of the stocks and securities in their custody.
- f. Real Estate Investment Trusts.

**II. FORM 15 COVERAGE SYNOPSIS**

**a. The basic bond coverage provided under Form 15 consists of Insuring Agreements A, B, C and F:**

**Insuring Agreement A – Fidelity**

Covers loss resulting directly from dishonest or fraudulent acts committed by an employee acting alone or in collusion with others, with the manifest intent to cause the insured to sustain such loss and to obtain an improper financial benefit for the employee or another person or entity. However, if some or all of the insured's loss results directly or indirectly from loan transactions, that portion of the loss is not covered unless the employee has received an improper financial benefit of at least \$2,500.

**Insuring Agreement B – On Premises**

Covers loss of property resulting directly from

- 1) robbery, burglary, misplacement, mysterious unexplainable disappearance and damage thereto or destruction thereof, or
- 2) theft, false pretenses, common-law or statutory larceny, committed by a person physically present in an office or on the premises of the insured at the time the property is surrendered, while the property is lodged or deposited within

offices or premises located anywhere, except offices-premises specifically excludes.

Also covers loss or damage to the insured's furnishings, fixtures, supplies or equipment through specified perils, except loss or damage through fire.

### **Insuring Agreement C – In Transit**

Covers loss of property resulting directly from robbery, common-law or statutory larceny, misplacement, mysterious unexplainable disappearance, and damage thereto or destruction thereof, while the property is in transit anywhere in the custody of a natural person acting as messenger, or in the custody of a transportation company.

### **Insuring Agreement F – Counterfeit Currency**

Covers loss resulting directly from the receipt by the insured, in good faith, of any counterfeit money of the United States, Canada or any other country in which the insured maintains a branch office.

### **b. The following coverages contained in Form 15 are optional:**

#### **Insuring Agreement D – Forgery or Alteration**

Covers loss through forgery or alteration of, on or in any negotiable instruments except registered or bearer obligations.

#### **Insuring Agreement E – Securities**

Covers loss resulting directly from the insured having, in good faith, for its own account or for the account of others, acquired, sold or delivered, or given value, extended credit or assumed liability, on the faith of any original instrument specified in the Insuring Agreement which proves to bear a forged signature or which has been altered, lost or stolen.

### **c. The following optional coverages may be added to Form 15 by rider:**

#### **Closing Attorneys Coverage – For Title Insurance Companies Only**

The rider covers as employees, attorneys retained by the insured to draw deeds of conveyances of lands, investigate titles of real property or otherwise assist the insured in the making of mortgage loans.

#### **Computer Systems Fraud Insuring Agreement**

The rider covers loss resulting directly from a fraudulent entry of electronic data or computer program into, or change of electronic data or computer program within a computer system covered under the terms of the rider.

#### **Extortion – Threats to Persons Insuring Agreement**

The rider covers loss of property surrendered away from an office of the insured as a result of a threat communicated to the insured to do bodily harm to a

director, trustee, employee or partner of the insured or a relative of theirs who was, or allegedly was, kidnapped anywhere.

**Extortion – Threats to Property Insuring Agreement**

The rider covers loss of property surrendered away from an office of the insured as a result of a threat communicated to the insured to do damage to the premises or property of the insured located anywhere.

**Trading Loss Coverage**

The rider covers loss resulting directly or indirectly from trading, whether in the name of the insured or otherwise, in a genuine or fictitious account.