

Introducing First Monetary's...

Institution-Affiliated Party Program

Especially Designed to Fill the Gap in D&O insurance protection you didn't know you had.

Who are Institution Affiliated Parties?

Generally, Banking regulations define an Institution-Affiliated Party ("IAP") as any director, trustee, officer, employee, or controlling stockholder (other than a bank holding company or savings and loan holding company) of, or agent for, an insured depository institution.

What is the Insurance / Indemnity GAP?

There's a major hidden exposure in bank-provided D&O coverage that you are probably not aware of. Civil Money Penalties (CMP) are a large and growing exposure for the management, directors and decision-makers of financial institutions. Fines can be assessed for "any violation of law, rule or regulation – WHETHER OR NOT the bank is operating under a Regulatory Order.

Should bank directors be concerned about civil money penalties?

Absolutely! The troubling issue for IAP's is that CMP's may be brought against trustees, directors and officers individually, and that FDIC regulations prohibit your Institution's D&O Liability Insurance policy from providing insurance or indemnification protection as detailed in the Agency's 10 October 2013 Financial Institution Letter ("FIL"),

Civil Money Penalties can be brought while banks remain open, and penalties can be assessed for "any violation of law, rule or regulation. IAP's have the right to due process (i.e. hearings), but there are attending costs associated with defense as well.

So what's the solution?

First Monetary has developed a special Institution Affiliated Party (IAP) policy that addresses these substantive gaps in conventional coverage. Our low-cost insurance is the only product of its kind made available and issued directly to IAPs – the Directors, Trustees, Officers and staff of the institution. Our product avoids the bank integration issue by permitting IAPs to secure this critical insurance coverage on their own.

What First Monetary's IAP Plan delivers ...

- **Part One** of the IAP policy coverage provides second position D&O protection in excess of the Member Bank's primary insurance program. This means you will have individual D&O protection that will provide protection in the event the bank's insurance limit is exhausted or the Institution does not indemnify your claim.
- **Part Two** of the IAP policy coverage provides primary protection against Civil Money Penalties and reimbursements are issued directly to the IAP without Bank involvement in the transaction.

So what's the cost?

The annual premiums paid by a Member will be determined by FM and are based primarily upon the limit purchased with underwriting factors applied accordingly. The following table details the first year cost and limits:

LIMIT	PREMIUM	LIMIT	PREMIUM	LIMIT	PREMIUM
\$ 2,000	\$ 40	\$ 5,000	\$ 70	\$ 10,000	\$ 100
\$ 20,000	\$ 155	\$ 30,000	\$ 205	Special Staff Program	
\$ 40,000	\$ 255	\$ 50,000	\$ 300	\$ 5,000	\$ 25

About First Monetary

First Monetary Mutual Limited ("FM") is a non-assessable mutual company owned by community banks in the States of New York and Pennsylvania. It is organized under the laws of Bermuda in 1986 and is licensed and regulated by the Bermuda Monetary Authority ("BMA").

Visit our Website for Additional Information: firstmonetary.co.uk

Create an account to view the complete Membership information package –
There's no obligation... we promise!