

IN THE CIRCUIT COURT OF ST. LOUIS COUNTY
STATE OF MISSOURI

2007 MAR 15 11:13:18

FIRST BANK,)
)
Plaintiff,)
)
v.)
)
FEDERAL INSURANCE COMPANY,)
)
Defendants.)
)
)
)
Serve:)
Missouri Department of Insurance)
301 West High Street)
Jefferson City, Missouri 65101)

Case No. 09SL-CC00992

Div.

20

PETITION

COMES NOW Plaintiff, First Bank ("First Bank" or "Plaintiff"), and for its Petition against Defendant Federal Insurance Company ("Federal" or "Defendant"), states as follows:

BREACH OF CONTRACT

1. Plaintiff First Bank is a Missouri chartered bank with its principal place of business at 11901 Olive Boulevard, Creve Coeur, Missouri 63141, which is located in St. Louis County.
2. Defendant Federal Insurance Company is an Indiana insurance corporation with its principal place of business in the State of New Jersey, and an office located at 7733 Forsyth Boulevard, St. Louis, Missouri 63105, which is in St. Louis County.
3. Venue is proper in this Court because Plaintiff First Bank resides in St. Louis County and Defendant may be found in St. Louis County. Further, venue is proper in this Court because Defendant resides in St. Louis County.

4. Federal issued its Policy No. 81911496, CyberSecurity By ChubbSM For Financial Institutions, to First Banks, Inc. for the policy period from October 1, 2007, to October 1, 2008 (the "Policy") (copy attached hereto as Exhibit A). The Policy provides coverage for certain losses with a single loss limit of \$10 million, per loss, subject to a \$500,000 deductible.

5. First Banks, Inc. and its subsidiaries are insured under the Policy. (Exhibit A, at 1). Plaintiff First Bank is a subsidiary of First Banks, Inc. entitled to coverage under the Policy.

6. Under Insuring Clause A of the Policy, Federal agrees to pay the Insured for certain losses. The Insuring Clause states in pertinent part:

The COMPANY . . . agrees to pay the INSURED for:

A.1. Loss resulting directly from the Insured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value:

a. due to the fraudulent input of Data either directly into the INSURED'S System or through a Network into the INSURED'S System,

b. due to the fraudulent preparation or the fraudulent modification of Instructions,

* * *

d. on the faith of any fraudulent Communication directed to the INSURED and purporting to have been sent by a customer of the INSURED, automated clearing house, custodian or financial institution, but which communication was not sent by such person."

(Ex. A at 2).

7. In addition, Insuring Clause D of the Policy, in pertinent part. provides that:

The COMPANY . . . agrees to pay the INSURED for:

* * *

Loss resulting directly from the malicious acts of a natural person who alters, damages, deletes or destroys any **Data, Instructions** or **Communication** which reside or exist internal or external to the **INSURED'S System**, which is owned by the **INSURED** or for which the **INSURED** is legally liable.

(Ex. A at 3).

8. The Policy Definitions state in pertinent part:

A. As used in this Policy:

* * *

3. Communication means an electronic record or message created, generated, sent, communicated, received or stored by electronic means that is capable of retention by the recipient at the time of receipt, including a **Telefacsimile** transmission or e-mail, and that was transmitted or purported to having been transmitted through a **Network**.

* * *

12. Instructions means an ordered set of **Data** representing coded instructions or statements that, when executed by a **Computer**, cause it to process **Data** or perform one or more operations and may be in any form, including magnetic storage media, punched cards, or stored internally in the memory of a **Computer**.

* * *

(Ex. A at 7-9)

9. The Amended Definitions Endorsement to the Policy, Endorsement/Rider # 4, states in part:

4. Computer means a device or group of devices that by manipulation of electronic, magnetic, optical or electromechanical impulses pursuant to a computer program can perform operations on **Data**.

6. Data means a representation of information, knowledge, facts, concepts or instructions that have been, or are being, processed in a **Computer**.

* * *

15. **Network** means any and all services provided by or through the facilities of any electronic or computer communication system that allows the input, output, examination, or transfer of **Data** or programs from one computer to the INSURED's **Computer**, including interbank communication systems such as Fedwire Funds Service (Fedwire), Clearing House Interbank Payment System (CHIPS) and Society of Worldwide International Financial Telecommunication (SWIFT), automated teller networks and point of sale networks in which the INSURED participates.

* * *

22. **System** means a **Computer** and:

- a. all input, output, processing, storage and communication devices controlled, supervised, accessed by the operating systems that are proprietary to, or licensed to, the owner of the **Computer**; and
- b. **Media**

(Ex. A at Endorsement/Rider No. 4).

The Relationship Between First Bank and iWire

10. In 2003, First Bank entered into an agreement with Nexsys Technology, LLC (later known as "iWire") to provide "Stored Value Card Program" services.

11. Under the agreement with iWire, First Bank agreed to sponsor a bank card program for iWire, pursuant to which First Bank issued bank cards used by customers contracting through iWire for accessing funds through the MasterCard International ("MasterCard") network and its affiliated Maestro and Cirrus networks.

12. As a participant in these networks, First Bank was responsible for settlement of the transactions made with the First Bank/iWire cards that clear through the MasterCard network. These were to be debited from iWire's deposit account held at First Bank.

The Relationship Between First Bank and MasterCard

13. The relationship between First Bank and MasterCard, including First Bank's settlement obligations, is governed by the MasterCard Application, the MasterCard License Agreement and the rules and procedures of the MasterCard network and the rules of the affiliated Cirrus and Maestro networks.

14. Settlement is the term used to describe the process by which MasterCard, through its network, facilitates the exchange of funds on behalf of its members that have sent or received financial transactions through its clearing system.

15. As the settlement entity, First Bank was required to remit funds to the MasterCard settlement bank on time and in the amount indicated by the settlement instructions sent to First Bank.

The Loss Incurred By First Bank

16. On or about September 30, 2007, iWire's system shut down. It was later learned that this shut down occurred because of a security breach of iWire's system. The breach involved the invasion of iWire's system by an unknown third party using malware. The malware allowed the third party to gain unauthorized access to iWire's system and the ability to bypass the authentication process. As a result, fraudulent transactions that should have been denied were permitted to go through the MasterCard system on or about October 1, 2007, resulting in not less than \$5.2 million dollars being disbursed to the participants in the scheme.

17. On October 2, 2007, First Bank was notified through the network of the settlement amounts for these fraudulent transactions on the First Bank/iWire MasterCard. The iWire account at First Bank did not have sufficient funds to cover the amount, however. First

Bank was obligated to accept the instructions to settle the debits to the iWire account in an amount of not less than \$5.2 million ("Loss"), resulting in a loss of \$5,043,473.52 to First Bank.

The Policy Provides Coverage for the Loss Incurred by First Bank

18. By letter dated October 19, 2007, First Bank timely provided notice to Federal of the breach of iWire's system, its Loss and its claim under the Policy.

19. By letter dated October 6, 2008, Federal acknowledged that there was, in fact, a fraudulent input of data as defined in the Policy, that this fraudulent input of data ultimately caused the insured's loss, and that this fraudulent data constituted a "fraudulent modification of instructions." However, Federal denied First Bank's Loss was covered under the Policy.

20. In denying coverage for the Loss, Federal erroneously asserted that First Bank's Loss did not result "directly from" the fraudulent input of data, that it was "indirect or consequential" and was thereby excluded.

21. In the MasterCard system, any fraudulent data input which results in the disbursement from an ATM through the use of a First Bank/iWire card flows directly for settlement to First Bank through the network.

22. Coverage for the First Bank loss is, in fact, available under Insuring Clause A.1.a because, in the terms of the Federal policy, the "fraudulent input of data" that resulted in the Loss occurred directly and virtually instantaneously through the MasterCard and its affiliated networks into the insured's system for settlement.

23. Coverage for the Loss is also available under Insuring Clause A.1.b because the Loss resulted directly from First Bank crediting the accounts as required to settle the account with MasterCard "due to the fraudulent preparation or the fraudulent modification of instructions."

24. Coverage for the Loss is also available under insuring clause A.I.d. The Communications which resulted in the Loss were fraudulent Communications sent by individuals purporting to be customers and which Communications were in fact not sent by legitimate MasterCard customers of the insured.

25. Finally, coverage for the Loss is also available under insuring clause D, in which Federal agreed to pay the insured for "Loss resulting directly from the malicious acts of a natural person who alters ... Data, Instructions or Communication which reside or exist internal or external to the Insured's System... for which the Insured is legally liable." As Federal has acknowledged, the malware used by the perpetrator altered Instructions. The Instructions reside or exist internal or external to the Insured's system.

26. To date First Bank has recovered \$72,548.80 of the sums fraudulently withdrawn through the use of the First Bank/iWire cards, resulting in an insured Loss of \$4,970,924.72.

27. Pursuant to the terms of the Policy, Federal is obligated to pay First Bank for the Loss, less the \$500,000 deductible and \$72,548.80 recovered, in an amount not less than \$4,470,924.72.

28. First Bank has fully performed all of its promises, performances, duties and obligations under the policies issued by Federal, or, as a result of Federal's failure to perform, default, acts, omissions, conduct, assent, ratification, or acquiescence, have otherwise been discharged from the performance of such promises, performances, duties and obligations.

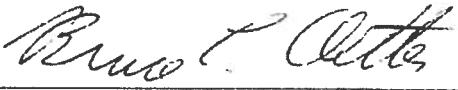
29. Federal has breached and continues to breach its obligations under the Policy by wrongfully denying coverage, refusing to reimburse First Bank for the Loss, and repudiating its obligations under the Policy.

30. As a direct and proximate result of Federal's failure to perform and its breach of other promises, duties and obligations under the terms of the Policy, First Bank has suffered damages in an amount not less than \$4,470,924.72.

WHEREFORE, First Bank prays for damages in an amount not less than \$4,470,924.72, pre-judgment and post-judgment interest on all amounts awarded, costs, and any and all other relief that this Court deems equitable and just.

Respectfully submitted,

BRYAN CAVE LLP

By 

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Attorneys for Plaintiff



DECLARATIONS
CYBERSECURITY BY CHUBB SM
FOR FINANCIAL INSTITUTIONS

NAME OF INSURED (including its Subsidiaries):

Policy Number: 81911496

FIRST BANKS INC

MAIL CODE 014
HAZELWOOD, MO 63042

FEDERAL INSURANCE COMPANY

Incorporated under the laws of Indiana
a stock insurance company herein called the COMPANY
Capital Center, 251 North Illinois, Suite 1100
Indianapolis, IN 46204-1927

ITEM 1. POLICY PERIOD: from 12:01 A.M. on October 1, 2007
to 12:01 A.M. on October 1, 2008
standard time at the above NAME OF INSURED address.

ITEM 2. AGGREGATE LIMIT OF LIABILITY: \$ 10,000,000

ITEM 3. SINGLE LOSS LIMITS OF LIABILITY - DEDUCTIBLE AMOUNTS:

The amounts set forth below shall be part of and not in addition to the AGGREGATE LIMIT OF LIABILITY. If "NOT COVERED" is inserted opposite any specified INSURING CLAUSE, such INSURING CLAUSE and any other reference to such INSURING CLAUSE in this Policy shall be deemed to be deleted.

Table with 3 columns: INSURING CLAUSE, SINGLE LOSS LIMIT OF LIABILITY, DEDUCTIBLE AMOUNT. Rows A-F: E-Theft, Denial or Impairment of E-Service, E-Communication, E-Vandalism, E-Threat, E-Signature.

ITEM 4. THE LIABILITY OF THE COMPANY IS ALSO SUBJECT TO THE TERMS OF THE FOLLOWING ENDORSEMENTS EXECUTED SIMULTANEOUSLY HEREWITH:

- Non-Cumulative Endorsement
Missouri Amendatory Endorsement
Compliance with Trade Sanction Laws
Terrorism Notice
All Mandatory Endorsements

IN WITNESS WHEREOF, THE COMPANY has caused this Policy to be signed by its authorized officers, but it shall not be valid unless also signed by an authorized representative of the Company.

Handwritten signature of Andrew Mason

Secretary

Handwritten signature of Thomas F. Motamed

President

Exhibit A

Countersigned by _____

Handwritten signature of Robert Hamburger

Authorized Representative



The COMPANY, in consideration of payment of the required premium, and in reliance on the APPLICATION and other statements made and information furnished to the COMPANY by the INSURED, and subject to the DECLARATIONS made a part of this Policy and to all other terms and conditions of this Policy, agrees to pay the INSURED for:

Insuring Clauses

E-Theft

- A. 1. Loss resulting directly from the INSURED having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value:
- a. due to the fraudulent input of **Data** either directly into the INSURED'S **System** or through a **Network** into the INSURED'S **System**,
 - b. due to the fraudulent preparation or the fraudulent modification of **Instructions**,
 - c. due to a **Cyber-attack**, or
 - d. on the faith of any fraudulent **Communication** directed to the INSURED and purporting to have been sent by a customer of the INSURED, automated clearing house, custodian, or financial institution, but which communication was not sent by such person.
2. Loss resulting directly from a misappropriation of a **Record** of the INSURED by means of copying, reproducing, duplicating, removing or altering that **Record** by a natural person who, during the POLICY PERIOD, has fraudulently:
- a. accessed the INSURED'S **System** without authorization, or
 - b. **Exceeded Authorized Access**,
- with the intent to obtain financial gain for such natural person or another person.
3. Physical loss, damage or destruction of **Media** resulting directly from robbery, burglary, larceny, misplacement or mysterious unexplainable disappearance.

Denial or Impairment of E-Service

- B. The actual:
- 1. **Business Income** loss the INSURED incurs due to the actual impairment or denial of **Operations**, and
 - 2. **Extra Expense** the INSURED incurs due to the actual or potential impairment or denial of **Operations**,

during the **Period of Recovery of Services**.

This actual or potential impairment or denial of **Operations** must result directly from a natural person who, during the POLICY PERIOD, has fraudulently:

- a. accessed the INSURED'S **System** without authorization,
- b. **Exceeded Authorized Access**, or

Insuring Clauses

Denial or Impairment of
E-Service
(continued)

c. transmitted a **Cyber-attack** into the INSURED'S **System**
and, thereby, impaired or denied the INSURED'S **Services**.

E-Communication

C. Loss resulting directly from a customer of the INSURED, automated clearing house, custodian, or financial institution having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value on the faith of any fraudulent **Communication** purporting to have been directed by the INSURED to such person for the purpose of initiating, authorizing or acknowledging the transfer, payment, delivery or receipt of funds or property but which **Communication** was either not sent by the INSURED or was fraudulently modified during electronic transmission and for which loss the INSURED is held to be legally liable.

E-Vandalism

D. Loss resulting directly from the malicious acts of a natural person who alters, damages, deletes or destroys any **Data, Instructions** or **Communication** which reside or exist internal or external to the INSURED'S **System**, which is owned by the INSURED or for which the INSURED is legally liable.

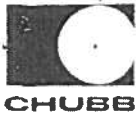
E-Threat

E. 1. Loss resulting directly from the INSURED having surrendered any funds or property to a natural person where such natural person has gained or alleges to have gained access to the INSURED'S **System** and makes a **Threat** to:

- a. cause the INSURED to transfer, pay or deliver any funds or property using the INSURED'S **System**,
- b. sell or disclose a **Record** to another person,
- c. alter, damage or destroy the INSURED'S **Data** or the INSURED'S **Instructions** while stored within the INSURED'S **System**,
- d. alter, damage, or destroy the INSURED'S **Data** or the INSURED'S **Instructions** through the transmitting of a **Cyber-attack**, or
- e. impair or deny the INSURED'S **Services**.

However, before surrendering any funds or property the INSURED makes every reasonable effort to conduct an investigation which provides a reasonable basis for concluding such **Threat** is technologically credible, and the INSURED reports such **Threat** to the Federal Bureau of Investigation or other law enforcement agency having jurisdiction over such matters and reasonably complies with the recommendations, instructions or suggestions of such law enforcement agency.

2. Loss resulting directly from the actual destruction, disappearance, confiscation or wrongful abstraction of funds or property intended as an extortion payment covered under INSURING CLAUSE E.1. while being held or conveyed by any person duly authorized by the INSURED to have custody of such funds or property.



Insuring Clauses

E-Threat (continued)

3. Expenses set forth below that were incurred by the INSURED solely and directly as a result of a **Threat** which would constitute a loss under INSURING CLAUSE E.1.:
 - a. reasonable fees and expenses of any independent negotiator or consultant,
 - b. reasonable fees and expenses of any independent public relations consultant,
 - c. reasonable travel and accommodation expenses,
 - d. the reward paid by the INSURED to an **Informant** for information not otherwise available which leads to the arrest and conviction of persons responsible for such **Threat**, or
 - e. any other reasonable expense with the COMPANY'S prior written approval.

E-Signature

- F. Loss resulting directly from the INSURED having, in good faith, for its own account or for the account of others, acquired, or given value, extended credit or assumed liability on the faith of any **Transferable Record** which bears an **Electronic Signature** of any maker, drawer, issuer, endorser, assignor or of any person signing in any other capacity, which **Electronic Signature** is not the **Electronic Signature** of such person.

General Agreements

Joint Insured

- A. Only the first named INSURED shall be deemed to be the sole agent of the others for all purposes under this Policy, including but not limited to the giving or receiving of any notice or proof required to be given and for the purpose of effecting or accepting any amendments to or termination of this Policy Period. Each and every other INSURED shall be conclusively deemed to have consented and agreed that none of them shall have any direct beneficiary interest in or any right of action under this Policy and neither this Policy nor any right of action shall be assignable.

Knowledge possessed or discovery made by any INSURED shall constitute knowledge possessed or discovery made by all of the INSUREDS for the purposes of this Policy.

All losses and other payments, if any, payable by the COMPANY shall be payable to the first named INSURED without regard to such INSURED'S obligations to others, and the COMPANY shall not be responsible for the application by the first named INSURED of any payment made by the COMPANY. If the COMPANY agrees to and makes payment to any INSURED other than the one first named, such payment shall be treated as though made to the first named INSURED. The COMPANY shall not be liable for loss sustained by one INSURED to the advantage of any other INSURED.

General Agreements

(continued)

Representations Made By Insured

- B. The INSURED represents that all information it has furnished in the APPLICATION for this Policy or otherwise is complete, true and correct. Such APPLICATION and other information constitute part of this Policy.

The INSURED must promptly notify the COMPANY of any change in any fact or circumstance which materially affects the risk assumed by the COMPANY under this Policy.

Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact, in the APPLICATION or otherwise, shall be grounds for rescission of this Policy.

Additional Offices or Employees — Consolidation, Merger or Purchase or Acquisition of Assets or Liabilities — Notice to Company

- C. If the INSURED, while this Policy is in force, merges or consolidates with, or purchases or acquires the assets or liabilities of another institution, the INSURED shall not have the coverage afforded under this Policy for loss which has:

1. occurred or will occur on premises,
2. was or will be caused by any employee, or
3. arisen or will arise out of such assets or liabilities,

of such institution, unless the INSURED:

- a. gives the COMPANY written notice of the proposed consolidation, merger or purchase or acquisition of assets or liabilities prior to the proposed effective date of such action,
- b. obtains the written consent of the COMPANY to extend some or all of the coverage provided by this Policy to such additional exposure, and
- c. on obtaining such consent, pays to the COMPANY an additional premium.

Notwithstanding anything stated above to the contrary, the COMPANY hereby agrees to provide coverage which shall be effective on the date of acquisition under this Policy for those acquired institutions in which the INSURED owns greater than fifty (50%) percent of the voting stock or voting rights either directly or through one or more of its subsidiaries for the remainder of the POLICY PERIOD, with no additional premium, provided the acquired institution meets all of the following conditions:

- (1) the assets shall not exceed ten (10%) percent of the INSURED'S assets,
- (2) there shall be neither any paid nor pending Bond or Computer Crime Policy claim for the three (3) year period prior to the date of acquisition, and
- (3) the INSURED is not aware of any disciplinary action or proceeding by State or Federal officials involving the acquired institution as of the date of acquisition.



General Agreements

*Additional Offices or
Employees —
Consolidation, Merger or
Purchase or Acquisition of
Assets or Liabilities —
Notice to Company
(continued)*

The COMPANY further agrees that, as respects any acquisition that involves a State or Federal regulatory assisted acquisition or assumption of assets or liabilities, coverage shall be provided under this Policy for the remainder of the POLICY PERIOD as long as conditions (1) and (2) above are met. As respects such acquisition or assumption of assets or liabilities, coverage applies only to a **Single Loss** fully sustained by the INSURED on or after the date of such acquisition or assumption. All of the circumstances, conditions or acts causing or contributing to such **Single Loss** must occur on or after the date of such acquisition or assumption for coverage to apply.

*Change of Control —
Notice to Company*

- D. The INSURED shall notify the COMPANY at the earliest practical moment, not to exceed sixty (60) days, after the INSURED learns of a change of control.

There shall be no coverage under this Policy for any loss involving a partner, stockholder or affiliated group of stockholders that acquires control if such loss occurs after the date such party acquired control and if notice of such change in control is not received by the COMPANY within the sixty (60) day time period.

As used in this General Agreement, control means the power to determine the management or policy of a controlling holding company or of the INSURED by virtue of partnership interest or voting stock ownership. A change in control, for the purpose of the required notice, means a change in ownership of voting stock or voting rights which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of ten (10%) percent or more of such stock or voting rights.

*Court Costs and Attorneys' E.
Fees — Election by the
Company to Defend*

E. The COMPANY shall indemnify the INSURED for court costs and reasonable attorneys' fees incurred and paid by the INSURED in defense, whether or not successful, whether or not fully litigated on the merits and whether or not settled, of any claim, suit or legal proceeding in excess of the DEDUCTIBLE AMOUNT under the applicable INSURING CLAUSE with respect to which the INSURED would be entitled to recovery under this Policy.

The INSURED shall promptly give notice to the COMPANY of any such claim, suit or legal proceeding and at the request of the COMPANY shall furnish copies of all pleadings and pertinent papers to the COMPANY. The COMPANY may, at its sole option, elect to conduct the defense of all or part of such legal proceedings. The defense by the COMPANY shall be in the name of the INSURED through attorneys selected by the COMPANY. The INSURED shall provide all reasonable information and assistance as required by the COMPANY for such defense.

If the amount demanded in any such claim, suit or legal proceeding is greater than the SINGLE LOSS LIMIT OF LIABILITY stated in ITEM 3. of the DECLARATIONS for the applicable INSURING CLAUSE, or if a DEDUCTIBLE AMOUNT is applicable, or both, then the COMPANY'S liability for court costs and attorneys' fees incurred in defending all or part of such legal proceeding is limited to the proportion of such court costs and attorneys' fees incurred that the amount recoverable under this Policy bears to the total of the amount demanded in such legal proceeding.

Amounts paid by the COMPANY for court costs and attorneys' fees shall be part and reduce the SINGLE LOSS LIMIT OF LIABILITY stated in ITEM 3. of the DECLARATIONS, subject to Condition and Limitation C.2.

General Agreements

(continued)

Nominee

- F. Loss sustained by any nominee organized by the INSURED for the purpose of handling certain of the INSURED'S business transactions and composed exclusively of its **Employees** shall, for all the purposes under this Policy and whether any partner of the nominee is concerned or implicated in such loss, be deemed to be loss sustained by the INSURED.

Conditions and Limitations

Definitions

- A. As used in this Policy:
1. **Authentication** means those technologies effected by the INSURED 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.
 2. **Business Income** means:
 - a. net profit or loss that would have been earned or incurred before income taxes, and
 - b. the INSURED'S continuing normal operating and payroll expenses.

Business Income does not mean bank interest or investment income.
 3. **Communication** means an electronic record or message created, generated, sent, communicated, received or stored by electronic means that is capable of retention by the recipient at the time of receipt, including a **Telefacsimile** transmission or e-mail, and that was transmitted or purported to having been transmitted through a **Network**.
 4. **Computer** means a device or group of devices which, by manipulation of electronic, magnetic, optical or electrochemical impulses, pursuant to a computer program, can automatically perform arithmetic, logical storage or retrieval operations with or on computer data, and includes any connected or directly related device, equipment or facility which enables such computer to store, retrieve or communicate to or from a person, another computer or another device the results of computer operations, computer programs or computer data.
 5. **Cyber-attack** means a set of unauthorized **Instructions** that are designed to modify, alter, damage, destroy, delete, record or transmit information within the INSURED'S **System** without the authorization of the INSURED including those **Instructions** that are self-replicating or self-propagating and are designed to contaminate other computer programs or **Data**, consume computer resources or in some fashion usurp the normal operation of the INSURED'S **System**.
 6. **Data** means a representation of information, knowledge, facts, concepts or instructions which are being processed, or have been processed in a **Computer** and may be in any form, including magnetic storage media, punched cards, or stored internally in the memory of such **Computer**.
 7. **Electronic Signature** means an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the contract or record.



Conditions and Limitations

Definitions (continued)

8. **Employee** means:
- a. an officer of the INSURED,
 - b. a natural person while in the regular service of the INSURED, compensated directly by the INSURED through its payroll system and subject to the United States Internal Revenue Service Form W-2 or equivalent income reporting plans of other countries, and whom the INSURED has the right to control and direct both as to the result to be accomplished and details and means by which such result is accomplished in the performance of such service,
 - c. a guest student pursuing studies or duties in any of the INSURED'S premises,
 - d. an attorney retained by the INSURED and an employee of such attorney while either is performing legal services for the INSURED,
 - e. a natural person provided by an employment contractor to perform employee duties for the INSURED under the INSURED'S supervision at any of the INSURED'S premises,
 - f. an employee of an institution merged or consolidated with the INSURED prior to the effective date of this Policy,
 - g. a director or trustee of the INSURED, but only while performing acts within the scope of the customary and usual duties of any officer or other employee of the INSURED or while acting as a member of any committee duly elected or appointed to examine or audit or have custody of or access to **Data, Media or Instructions** of the INSURED, or
 - h. each natural person, partnership or corporation duly authorized by the INSURED to perform data processing of the INSURED'S checks and accounting records related to such checks, but only while such natural person, partnership or corporation is performing services and not creating, preparing, modifying or maintaining the INSURED'S computer software or programs.

Each employer of persons as set forth in 8.d., 8.e. and 8.h. preceding and the partners, officers and other employees of such employers shall collectively be deemed to be one person for the purpose of Condition and Limitation A.20. below, and in the event of payment under this Policy, the COMPANY shall be subrogated to the INSURED'S rights of recovery, as stated in Condition and Limitation I., against any such employer.

Employee does not mean any agent, broker, factor, commission merchant, independent contractor not specified in 8.d., 8.e. or 8.h. preceding, intermediary, finder or other representative of the same general character who is not on the INSURED'S payroll system or who is not subject to the INSURED'S reporting to the United States Internal Revenue Service of a Form W-2 or equivalent income reporting plans of other countries.

9. **Exceeded Authorized Access** means to access the INSURED'S **System** with authorization and to use such access to obtain information in the INSURED'S **System** that the accessor is not entitled to obtain.

Conditions and Limitations

Definitions (continued)

10. **Extra Expense** means expenses the INSURED incurs in an attempt to continue **Operations** over and above the expenses the INSURED would have normally incurred.
11. **Informant** means any person providing information solely in return for monetary payment paid or promised by the INSURED.
12. **Instructions** means an ordered set of **Data** representing coded instructions or statements that, when executed by a **Computer**, cause it to process **Data** or perform one or more operations and may be in any form, including magnetic storage media, punched cards, or stored internally in the memory of a **Computer**.
13. **Internet** means a group of connected networks that allow access to the INSURED'S **System** through service providers using telephone service, digital subscriber lines, integrated service digital network lines, cable modem access or similar transfer mediums.
14. **Media** means the magnetic tape, magnetic disk, optical disk, or any other bulk media on which **Data** is recorded.
15. **Network** means any and all services provided by or through the facilities of any electronic or computer communication system, including Fedwire, Clearing House Interbank Payment System (CHIPS), Society for Worldwide Interbank Financial Telecommunication (SWIFT) and similar automated interbank communication systems, automated teller machines, point of sale terminals, and other similar operating systems and includes any shared networks, **Internet** access facilities, or other similar facilities for such systems, in which the INSURED participates, allowing the input, output, examination, or transfer of **Data** or programs from one computer to the INSURED'S **Computer**.
16. **Operations** means the INSURED'S business activities occurring prior to its loss.
17. **Period of Recovery of Services** means the period of time that:
 - a. for **Extra Expense**, begins immediately after a natural person who, during the POLICY PERIOD, has fraudulently:
 - (1) accessed the INSURED'S **System** without authorization,
 - (2) **Exceeded Authorized Access**, or
 - (3) transmitted a **Cyber-attack** into the INSURED'S **System**.
 - b. for **Business Income**, begins twenty-four (24) business hours after the fraudulent access or transmission occurs.

Period of Recovery of Services will continue until the earlier of the following:

- c. the date **Operations** are restored, with due diligence and dispatch, to the condition that would have existed had there been no impairment or denial, or



Conditions and Limitations

Definitions (continued)

- d. sixty (60) days after the date the **INSURED'S Services** are fully restored, with due diligence and dispatch, to the level that would have existed had there been no impairment or denial.

The expiration date of this Policy will not cut short the **Period of Recovery of Services**.

18. **Record** means information about a customer held by the **INSURED** pertaining to that customer's relationship with the **INSURED** which is not publicly available that is stored in an electronic medium and is retrievable in a perceivable form.
19. **Services** means computer time, data processing, or storage functions or other uses of the **INSURED'S System**.
20. **Single Loss** means all covered loss, resulting from:
- a. any one act of burglary, robbery or attempt at either, in which no **Employee** is implicated,
 - b. any one act or series of related acts on the part of any natural person resulting in damage or destruction of **Data, Media, or Instructions**,
 - c. any one act or series of related acts which impairs or denies the **INSURED'S Services**,
 - d. all **Threats** related by a common committed, attempted or threatened wrongful act or made contemporaneously against the same **INSURED**,
 - e. all loss of property and other consideration actually surrendered as ransom and extortion payments arising from one **Threat** or a series of related **Threats**,
 - f. all expenses arising from one **Threat** or a series of related **Threats**,
 - g. all acts, other than those specified above, caused by any person or in which such person is implicated, or
 - h. any one event not specified above.
21. **Subsidiary** means any organization that, at the inception date of this Policy is named in the **APPLICATION** or is created during the **POLICY PERIOD** and of which more than fifty (50%) percent of the outstanding securities or voting rights representing the present right to vote for election of directors is owned or controlled by the **INSURED** either directly or through one or more of its subsidiaries.
22. **System** means a **Computer** and all input, output, processing, storage, off-line media libraries, and communication facilities which are connected to a **Computer** and which are under the control or supervision of the operating system or application software used by the **INSURED**.
23. **Telefacsimile** means a system of transmitting written documents by electronic signals over telephone lines to equipment maintained by the **INSURED** for the purpose of reproducing a copy of such document.
24. **Threat** means a threat as set forth in **INSURING CLAUSE E.**, made by a natural person demanding an extortion payment or a series of such payments as condition for the mitigation or removal of such threat.

Conditions and Limitations

Definitions (continued)

25. **Transferable Record** means a record which is created, generated, sent, communicated, received or stored by technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities and:
- a. would be a note under Article 3 of the Uniform Commercial Code if it were in writing,
 - b. the issuer of such record has agreed is a transferable record,
 - c. relates to a loan secured by real property, and
 - d. is executed using an **Electronic Signature**.

For the purposes of these definitions, the singular includes the plural and the plural includes the singular, unless otherwise indicated.

Exclusions

B. This Policy does not directly or indirectly cover:

1. loss not reported to the COMPANY in writing within sixty (60) days after termination of this Policy as an entirety,
2. loss due to riot or civil commotion, outside the United States of America or Canada, or any loss due to military, naval or usurped power, war or insurrection. However, this Exclusion shall not apply to loss which occurs in transit, provided that when such transit was initiated, there was no knowledge on the part of any person acting for the INSURED of such riot, civil commotion, military, naval or usurped power, war or insurrection,
3. loss caused by an **Employee** of the INSURED. However, this Exclusion shall not apply to INSURING CLAUSE A 2., B., D., or E.,
4. loss resulting from the effects of nuclear fission or fusion or radioactivity,
5. loss of potential income including, but not limited to, interest and dividends not realized by the INSURED or any customer of the INSURED. However, this Exclusion shall not apply to INSURING CLAUSE B.,
6. loss resulting from an indirect or consequential loss of any nature. However, this Exclusion shall not apply to INSURING CLAUSE A.2. or B.,
7. damages of any type for which the INSURED is legally liable, except compensatory damages, but not multiples thereof, arising directly from a loss covered under this Policy,
8. any costs, fees and expenses incurred by the INSURED in establishing the existence of or amount of loss covered under this Policy, except to the extent covered under GENERAL AGREEMENT E.,
9. loss or misuse of any confidential information, material or data; except to the extent covered under INSURING CLAUSE A.2. or E.,
10. liability assumed by the INSURED by agreement under any contract, unless such liability would have attached to the INSURED even in the absence of such agreement,
11. loss of **Data, Media, or Instructions** while in the mail,



Conditions and Limitations

Exclusions (continued)

12. loss resulting directly or indirectly from:
 - a. written instruction or advice, other than a **Telefacsimile** or e-mail,
 - b. telegraphic or cable instruction or advice, or
 - c. instruction or advice by voice over the telephone,
13. loss resulting directly or indirectly from forged, altered or fraudulent negotiable instruments, securities, documents or written instruments used as source documentation in the preparation of **Data**,
14. loss of negotiable instruments, securities, documents or written instruments except as converted to **Data** and then only in that converted form. However, this Exclusion shall not apply to INSURING CLAUSE A.1. or F.,
15. loss resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, **Media** failure or breakdown or any malfunction or error in programming or error or omission in processing,
16. that part of any **Business Income** loss or **Extra Expense** the INSURED incurs to respond to extortion or other similar threat,
17. loss arising out of defamation, discrimination, libel, slander, wrongful termination of employment, wrongful entry into or eviction from a premises, false arrest, false imprisonment, malicious prosecution, assault or battery,
18. loss resulting from bodily injury, sickness, disease, mental or emotional distress or anguish, or death of any person,
19. loss based upon, arising from, or in consequence of:
 - a. the underwriting, securitizing, syndicating, promoting, or market making (as defined in Section 3(A)(38) of the Securities Exchange Act of 1934 as amended) of any debt or equity security or other evidence of indebtedness, or any other similar investment banking activity,
 - b. any actual, attempted or threatened merger, acquisition, divestiture, tender offer, proxy contest, leveraged buy-out, going private transaction, insolvency proceeding, reorganization, capital restructuring, recapitalization, spinoff, primary or secondary offering of debt or equity securities or other evidence of indebtedness, dissolution or sale of all or substantially all of the assets, debt or equity securities of a business entity or any effort to raise or furnish capital or financing for any enterprise or entity,
 - c. a fairness opinion,
 - d. the valuation of any assets or business entity, or
 - e. any acquisition or sale of securities by the INSURED for such INSURED'S own account, except to the extent covered under INSURING CLAUSE A.1.,or any disclosure requirements in connection with any of the foregoing.

Conditions and Limitations

Exclusions (continued)

20. loss based upon, arising from, or in consequence of any function or activity as a receiver, trustee in bankruptcy, conservator or assignee for the benefit of creditors, or
21. loss based upon, arising from, or in consequence of the actual or alleged infringement, violation or defense of any of the following rights or laws:
 - a. copyright,
 - b. patent,
 - c. trade dress,
 - d. trade secrets, or
 - e. trademark, service mark, certification mark, collective mark or trade name.

Limit of Liability

- C. The COMPANY'S total cumulative liability for all **Single Loss** of all INSUREDS discovered during the POLICY PERIOD shall not exceed the AGGREGATE LIMIT OF LIABILITY as stated in ITEM 2. of the DECLARATIONS. Each payment made under the terms of this Policy shall reduce the unpaid portion of the AGGREGATE LIMIT OF LIABILITY until it is exhausted.

Aggregate Limit of Liability

On exhausting the AGGREGATE LIMIT OF LIABILITY by such payments:

1. the COMPANY shall have no further liability for loss or losses regardless of when discovered and whether or not previously reported to the COMPANY, and
2. the COMPANY shall have no obligation under General Agreement E. to continue the defense of the INSURED and on notice by the COMPANY to the INSURED that the AGGREGATE LIMIT OF LIABILITY has been exhausted, the INSURED shall assume all responsibility for its defense at its own cost.

The unpaid portion of the AGGREGATE LIMIT OF LIABILITY shall not be increased or reinstated by any recovery made and applied in accordance with Condition and Limitation I. In the event that a loss of property is settled by indemnity in lieu of payment, then such loss shall not reduce the unpaid portion of the AGGREGATE LIMIT OF LIABILITY.

Single Loss Limit of Liability

The COMPANY'S liability for each **Single Loss** discovered during the POLICY PERIOD shall not exceed the applicable SINGLE LOSS LIMIT OF LIABILITY as stated in ITEM 3. of the DECLARATIONS or the unpaid portion of the AGGREGATE LIMIT OF LIABILITY, whichever is less. If a **Single Loss** is covered under more than one INSURING CLAUSE, the maximum payable shall not exceed the largest applicable SINGLE LOSS LIMIT OF LIABILITY.

Discovery

- D. This Policy applies only to loss first discovered by an officer of the INSURED during the POLICY PERIOD. Discovery occurs at the earlier of an officer of the INSURED being aware of:
 1. facts which may subsequently result in a loss of a type covered by this Policy, or



**Conditions and
Limitations**

*Discovery
(continued)*

2. an actual or potential claim in which it is alleged that the INSURED is liable to a third party.

regardless of when the act or acts causing or contributing to such loss occurred, even though the amount of loss does not exceed the applicable DEDUCTIBLE AMOUNT, or the exact amount or details of loss may not then be known.

With respect to INSURING CLAUSE E., this Policy does not cover any loss arising from any **Threat** unless such **Threat** occurs or is communicated directly or indirectly to the INSURED prior to the effective date of termination of coverage hereunder and is discovered by the INSURED and communicated to the COMPANY in writing prior to sixty (60) days after the effective date of the termination of this Policy in its entirety.

*Notice to Company —
Proof — Legal Proceedings
Against Company*

- E. The INSURED shall give the COMPANY notice at the earliest practicable moment, not to exceed sixty (60) days, after discovery of a loss, in an amount that is in excess of fifty (50%) percent of the applicable DEDUCTIBLE AMOUNT, as stated in ITEM 3. of the DECLARATIONS.

The INSURED shall furnish to the COMPANY proof of loss, duly sworn to, with full particulars, within six (6) months after such discovery.

Legal proceedings for the recovery of any loss under this Policy shall not be brought prior to the expiration of sixty (60) days after the proof of loss is filed with the COMPANY or after the expiration of twenty-four (24) months from the discovery of such loss.

This Policy affords coverage only in favor of the INSURED where legally permissible. No claim, suit, action or legal proceeding shall be brought under this Policy by anyone other than the INSURED.

Deductible Amount

- F. The COMPANY shall be liable under this Policy only for the amount by which any **Single Loss** is greater than the applicable DEDUCTIBLE AMOUNT as stated in ITEM 3. of the DECLARATIONS, and is equal to or less than the applicable SINGLE LOSS LIMIT OF LIABILITY.

System Security

- G. The INSURED shall maintain a method of **Authentication** for the security and integrity of **Data** or **Communication** and identification of the sender of such **Data** or **Communication** which shall:
1. authenticate the identity of or information from the sender of the **Data** or **Communication**,
 2. confirm that the **Data** or **Communication** was not altered or modified during transmission, and
 3. verify that the **Data** or **Communication** was sent by the sender and that the sender had the requisite authority to do so.

Conditions and Limitations

- Valuation* H. Loss of funds shall be valued in the same currency as that shown in the DECLARATIONS for the LIMITS OF LIABILITY and shall be converted to that currency using the rate of exchange published in The Wall Street Journal in effect on the date such loss is discovered.
- Foreign Funds*
- Data, Media, or Instruction* In case of loss of, or damage to, **Data, Media, or Instructions** used by the INSURED in its business, the COMPANY shall be liable under this Policy only if such items are actually reproduced from other **Data, Media, or Instructions** of the same kind or quality and then for not more than the cost of the blank media and the cost of labor for the actual transcription or copying of data which shall have been furnished by the INSURED in order to reproduce such **Data, Media, or Instructions** subject to the applicable SINGLE LOSS LIMIT OF LIABILITY.
- However, if such **Data** cannot be reproduced and said **Data** represents securities or financial instruments having a value, then the loss will be valued as indicated in the Securities and Other Property paragraphs of this Condition and Limitation.
- Records* In case of this misappropriation or alteration of a **Record**, the COMPANY shall be liable under the Policy only if the **Record** is actually reproduced or restored and then for not more than the cost of the blank media and cost of labor for actual transcription or copying of data which shall have been furnished by the INSURED in order to reproduce such **Record** subject to the applicable SINGLE LOSS LIMIT OF LIABILITY.
- However, if such **Record** represents information pertaining to a customer of the INSURED and the INSURED is held to be legally liable for the loss of such **Record**, the valuation will include compensatory damages.
- Other Property* The value of any loss of property other than as stated above shall be the actual cash value or the cost of repairing or replacing such property with property of like quality and value, whichever is less.
- Securities* The value of any loss of securities shall be the average market value of such securities on the business day immediately preceding discovery of such loss provided, however, the value of any securities replaced by the INSURED, with the consent of the COMPANY and prior to the settlement of any claim for them, shall be the actual market value at the time of replacement. In the case of a loss of interim certificates, warrants, rights or other securities, the production of which is necessary to the exercise of subscription, conversion, redemption or deposit privileges, the value of them shall be the market value of such privileges immediately preceding their expiration if such loss is not discovered until after their expiration. If no market price is quoted for such securities or for such privileges, the value shall be fixed by agreement of the parties.
- If the applicable coverage of this Policy is subject to a DEDUCTIBLE AMOUNT, or is not sufficient in amount to indemnify the INSURED in full for the loss of securities for which claim is made hereunder, the liability of the COMPANY under this Policy is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount of such applicable coverage.
- Subrogation — Assignment — Recovery* I. In the event of a payment under this Policy, the COMPANY shall be subrogated to all of the INSURED'S rights of recovery against any person or entity to the extent of such payment. On request, the INSURED shall deliver to the COMPANY an assignment of the INSURED'S rights, title and interest and causes of action against any person or entity to the extent of such payment.



Conditions and Limitations

Subrogation — Assignment — Recovery (continued)

Recoveries, whether effected by the COMPANY or by the INSURED, shall be applied net of the expense of such recovery in the following order:

1. first, to the satisfaction of the INSURED'S covered loss which would otherwise have been paid but for the fact that it is in excess of either the applicable SINGLE LOSS LIMIT OF LIABILITY or AGGREGATE LIMIT OF LIABILITY,
2. second, to the COMPANY in satisfaction of amounts paid in settlement of the INSURED'S claim.
3. third, to the INSURED in satisfaction of the applicable DEDUCTIBLE AMOUNT, and
4. fourth, to the INSURED in satisfaction of any loss suffered by the INSURED which was not covered under this Policy.

Recovery from reinsurance or indemnity of the COMPANY shall not be deemed a recovery under this Condition and Limitation.

Cooperation of Insured

J. At the COMPANY'S request, and at reasonable times and places designated by the COMPANY, the INSURED shall:

1. submit to examination by the COMPANY and subscribe to the same under oath,
2. produce for the COMPANY'S examination all pertinent records, and
3. cooperate with the COMPANY in all matters pertaining to the loss.

The INSURED shall execute all papers and render assistance as secure to the COMPANY the rights and causes of action provided for under this Policy. The INSURED shall do nothing after loss to prejudice such rights or causes of action.

Termination

K. This Policy terminates in its entirety at the earliest occurrence of any of the following:

1. immediately on the receipt by the COMPANY of a written notice from the INSURED of its decision to terminate this Policy,
2. immediately on the appointment of a trustee, receiver or liquidator to act on behalf of the INSURED, or the taking over of the INSURED by State or Federal officials,
3. immediately on the dissolution of the INSURED,
4. immediately on the taking over of the INSURED by another entity,
5. immediately on exhausting the AGGREGATE LIMIT OF LIABILITY, or
6. immediately on expiration of the POLICY PERIOD.

Conditions and Limitations

Termination (continued)

This Policy terminates as to any **Employee**:

7. immediately on the INSURED'S, or any of its directors, trustees or officers not acting in collusion with such **Employee**, learning of any dishonest act committed by such **Employee** at any time, whether in the employment of the INSURED or otherwise, whether or not such act is of the type covered under this Policy, and whether against the INSURED or any other person or entity, or
8. fifteen (15) days after the receipt by the INSURED of a written notice from the COMPANY of its decision to terminate this Policy as to any **Employee**.

Other Insurance

- L. Coverage under this Policy shall apply only as excess over any other valid and collectible insurance, indemnity or suretyship obtained by or on behalf of the INSURED.

Conformity

- M. If any limitation within this Policy is prohibited by any law controlling this Policy's construction, such limitation shall be deemed to be amended so as to equal the minimum period of limitation provided by such law.

Change or Modification

- N. This Policy or any instrument amending or affecting this Policy may not be changed or modified orally. No change in or modification of this Policy shall be effective except when made by written endorsement to this Policy signed by an authorized representative of the COMPANY.

Loss Payment

- O. Except as otherwise provided in this Policy, the COMPANY will pay losses in the same currency as that shown in the DECLARATIONS for the LIMITS OF LIABILITY.

Titles of Paragraphs

- P. The titles of the various paragraphs of this Policy and any endorsements, if attached to this Policy, are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions to which they relate.



FEDERAL INSURANCE COMPANY

Endorsement No.: 1 DFI

Policy Number: 81911496

NAME OF INSURED: FIRST BANKS INC

MISSOURI AMENDATORY ENDORSEMENT

It is agreed that this Policy is amended by deleting in its entirety the third paragraph from Conditions and Limitations E., Notice To Company-Proof-Legal Proceedings Against Company, and substituting the following:

"Legal proceedings for the recovery of any loss under this Policy shall not be brought prior to the expiration date of sixty (60) days after the proof of loss is filed with the COMPANY or after the expiration of ten (10) years from the discovery of such loss."

This Endorsement applies to loss discovered after 12:01 a.m. on October 1, 2007.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date: October 16, 2007

By Robert Hamburger
Authorized Representative



FEDERAL INSURANCE COMPANY

Endorsement No.: 2 DFI

Policy Number: 81911496

NAME OF INSURED: FIRST BANKS INC

NON-CUMULATIVE ENDORSEMENT

It is agreed that in the event of a loss covered under this Policy and also covered under EXECUTIVE RISK SPECIALTY INSURANCE COMPANY'S BOND No. 6802-88-56 issued to FIRST BANKS, INC., the SINGLE LOSS LIMIT OF LIABILITY under this Policy shall be reduced by any payment under BOND No. 6802-88-56 and only the remainder, if any, shall be applicable to such loss hereunder.

Name and Address of Insured:

FIRST BANKS INC

MAIL CODE 014
HAZELWOOD, MO 63042

Signature of Insured's Representative

Position/Title

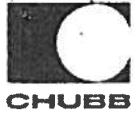
Date

This Endorsement applies to loss discovered after 12:01 a.m. on October 1, 2007.

ALL OTHER TERMS AND CONDITIONS OF THIS POLICY REMAIN UNCHANGED.

Date: October 16, 2007

By Robert Hamburger
Authorized Representative



Effective date of
this endorsement: October 1, 2007

FEDERAL INSURANCE COMPANY

Endorsement No.: 3 DFI

To be attached to and form a part of Bond
Number: 81911496

Issued to: FIRST BANKS INC

COMPLIANCE WITH APPLICABLE TRADE SANCTION LAWS RIDER

It is agreed that this insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit the coverage provided by this insurance.

ALL OTHER TERMS AND CONDITIONS OF THIS BOND REMAIN UNCHANGED.

Date: October 16, 2007

By Robert Hamburger
Authorized Representative



~~Notice of Loss Control Services~~

As a Chubb policyholder, you have loss prevention information and/or services available to you, as described in this Notice.

Internet Liability Loss Prevention Services

- **Internet Liability Loss Prevention Manuals**

Chubb offers the *Safety'NetSM Risk Management Guide* and the *Chubb CyberRisk Handbook*, in an effort to educate clients on the exposures associated with online commerce and web sites. To order the *Safety'NetSM Risk Management Guide*, simply call **1.866.282.9001**, order 14-01-0488, and provide your mailing address. To order the *Chubb CyberRisk Handbook*, simply call **1.866.282.9001**, order 17-01-0093, and provide your mailing address.

The services provided are advisory in nature. While this program is offered as a resource in developing or maintaining a loss prevention program, you should consult competent legal counsel to design and implement your own program. No liability is assumed by reason of the services, access or information provided. All services are subject to change without notice.



IMPORTANT NOTICE TO POLICYHOLDERS

All of the members of the Chubb Group of Insurance companies doing business in the United States (hereinafter "Chubb") distribute their products through licensed insurance brokers and agents ("producers"). Detailed information regarding the types of compensation paid by Chubb to producers on US insurance transactions is available under the [Producer Compensation](#) link located at the bottom of the page at www.chubb.com, or by calling 1-866-588-9478. Additional information may be available from your producer.

Thank you for choosing Chubb.



MISSOURI POLICYHOLDER INFORMATION NOTICE

To Our Missouri Policyholders:

The State of Missouri now requires all insurance companies to include the address and phone number of their principal place of business on all insurance policies or contracts delivered or issued for delivery in the state.

To obtain information:

You may call (company's) toll-free telephone number for information at:

1-800-36-CHUBB

You may write us at:

Chubb Group of Insurance Companies
Ten Petticoat Lane
3rd Floor
P.O. Box 13167
Kansas City, Missouri
64199-3167

Chubb Group of Insurance Companies
7733 Forsyth Blvd.
Suite 1300
St. Louis, Missouri
63105



**POLICYHOLDER
DISCLOSURE NOTICE OF
TERRORISM INSURANCE COVERAGE**
(for policies with no terrorism exclusion or sublimit)

You are hereby notified that, under the Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, this policy makes available to you insurance for losses arising out of certain acts of international terrorism. Terrorism is defined as any act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that the insurance provided by your policy for losses caused by acts of terrorism is partially reimbursed by the United States under the formula set forth in the Act. Under this formula, the United States pays 90% of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the coverage. The portion of your policy's annual premium that is attributable to insurance for such acts of terrorism is: \$ -0-.

If you have any questions about this notice, please contact your agent or broker.



**IMPORTANT NOTICE TO POLICYHOLDER
OF TERRORISM INSURANCE COVERAGE
(new policies and renewals with no terrorism
exclusion or sublimit and no premium charge)**

You are hereby notified that, under the Terrorism Risk Insurance Act of 2002 (the "Act") effective November 26, 2002, we are making available to you insurance for losses arising out of certain acts of international terrorism. The policy you are purchasing already includes insurance for such acts. Terrorism is defined as any act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States Mission; and to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that the insurance provided by your policy for losses caused by acts of terrorism is partially reimbursed by the United States under the formula set forth in the Act. Under this formula, the United States pays 90% in 2006 and 85% in 2007 of covered terrorism losses that exceed the statutorily established deductible to be paid by the insurance company providing the coverage. The portion of the offered policy's annual premium that is attributable to insurance for acts of terrorism is: \$ -0-.

If you have any questions about this notice, please contact your agent or broker.



ENDORSEMENT/RIDER

Effective date of
this endorsement/rider: October 1, 2007

FEDERAL INSURANCE COMPANY

Endorsement/Rider No. 4

To be attached to and
form a part of Policy No. 81911496

Issued to: FIRST BANKS INC

AMENDED DEFINITIONS ENDORSEMENT

In consideration of the premium charged, it is agreed that Section A, Definitions, of Conditions and Limitations, is amended as follows:

1. By deleting the definition 4. **Computer** in its entirety and replacing it with the following:
 4. **Computer** means a device or group of devices that by manipulation of electronic, magnetic, optical or electromechanical impulses pursuant to a computer program can perform operations on **Data**.
2. By deleting the definition 6. **Data** in its entirety and replacing it with the following:
 6. **Data** means a representation of information, knowledge, facts, concepts or instructions that have been, or are being, processed in a **Computer**.
3. By deleting the definition 15. **Network** in its entirety and replacing it with the following:
 15. **Network** means any and all services provided by or through the facilities of any electronic or computer communication system that allows the input, output, examination, or transfer of **Data** or programs from one computer to the INSURED'S **Computer**, including interbank communication systems such as Fedwire Funds Service (Fedwire), Clearing House Interbank Payment System (CHIPS) and Society of Worldwide International Financial Telecommunication (SWIFT), automated teller networks and point of sale networks in which the INSURED participates.
4. By deleting the definition 18. **Record** in its entirety and replacing it with the following:
 18. **Record** means information about a customer of the INSURED:
 - a. pertaining to such customer's relationship with the INSURED;
 - b. not publicly available;
 - c. stored in an electronic medium; and
 - d. retrievable in perceivable form.

5. By deleting the definition 22. **System** in its entirety and replacing it with the following:

22. **System** means a **Computer** and:

- a. all input, output, processing, storage and communication devices controlled, supervised or accessed by the operating systems that are proprietary to, or licensed to, the owner of the **Computer**, and
- b. **Media**.

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.



Authorized Representative



ENDORSEMENT/RIDER

Effective date of
this endorsement/rider: October 1, 2007

FEDERAL INSURANCE COMPANY

Endorsement/Rider No. 5

To be attached to and
form a part of Policy No. 81911496

Issued to: FIRST BANKS INC

PRIVACY NOTIFICATION EXPENSES INSURING CLAUSE ENDORSEMENT

In consideration of the premium charged, it is agreed that:

1. Insuring Clause A. E-Theft is deleted in its entirety and replaced with the following:
E-Theft
 - A. 1. Loss resulting directly from the INSURED having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value:
 - a. due to the fraudulent input of **Data** either directly into the INSURED'S **System** or through a **Network** into the INSURED'S **System**.
 - b. due to the fraudulent preparation or the fraudulent modification of **Instructions**.
 - c. due to a **Cyber-attack**, or
 - d. on the faith of any fraudulent **Communication** directed to the INSURED and purporting to have been sent by a customer of the INSURED, automated clearing house, custodian, or financial institution, but which communication was not sent by such person.
 2. Physical loss, damage or destruction of **Media** resulting directly from robbery, burglary, larceny, misplacement or mysterious unexplainable disappearance.
2. A new Insuring Clause is added as follows:
 - G. Privacy Notification Expenses
Loss resulting directly from the misappropriation of a **Record** during the POLICY PERIOD:
 - a. by the transmission of a **Cyber-attack** into the INSURED'S **System**;
 - b. by a natural person who has gained unauthorized access or has **Exceeded Authorized Access** to the INSURED'S **System**; or
 - c. by a natural person who has gained unauthorized access to, or has **Exceeded Authorized Access** to, a **System** owned by an organization that is authorized by the INSURED through a written agreement to provide the INSURED with **Data** processing or **Data** storage services

when the intent of such misappropriation is to obtain financial gain for either a natural person or an organization.

3. Section B. Exclusions is amended as follows:

a. by deleting Exclusion 3. and replacing it with the following:

3. loss caused by an **Employee** of the INSURED. However, this Exclusion shall not apply to INSURING CLAUSE B, D, E, or G,

b. by deleting Exclusion 6. and replacing it with the following:

6. loss resulting from an indirect or consequential loss of any nature. However, this Exclusion shall not apply to INSURING CLAUSE B, or G,

c. by deleting Exclusion 9. and replacing it with the following:

9. loss or misuse of any confidential information, material or data. However, this Exclusion shall not apply to INSURING CLAUSE E, or G,

4. Subsection "Records" of Section H. Valuation is deleted in its entirety and replaced with the following:

Records

In the case of the misappropriation of a **Record**, the Company shall be liable under this Policy for the reasonable and necessary cost of:

1. notifying those persons who may be directly affected by the misappropriation of the **Record**; and
 - a. changing their account numbers, other identification numbers and security codes; and
 - b. providing them, for a stipulated period of time and with the prior approval of the COMPANY, with credit monitoring or other similar services that may help protect them against the fraudulent use of the **Record**; and
2. retaining, for a stipulated period of time with the prior approval of the COMPANY, an independent public relations consultant and the cost of associated advertising and public relations media and activities; and
3. obtaining blank media and transcribing or copying the data furnished to the INSURED in order to reproduce such **Record**,

subject to the applicable SINGLE LOSS LIMIT OF LIABILITY for Record Misappropriation shown in the SCHEDULE below.

SCHEDULE

The SINGLE LOSS LIMITS OF LIABILITY and DEDUCTIBLE AMOUNTS shown below apply in place of any other applicable SINGLE LOSS LIMIT OF LIABILITY or DEDUCTIBLE shown in ITEM 3. of the DECLARATIONS.

The amounts set forth below shall be part of and not in addition to the AGGREGATE LIMIT OF LIABILITY shown in ITEM 2. of the DECLARATIONS. If "**NOT APPLICABLE**" is inserted opposite any specified INSURING CLAUSE, the VALUATION for such INSURING CLAUSE stated in Section H. of the Policy applies.



<u>INSURING CLAUSE</u>	<u>SINGLE LOSS LIMIT OF LIABILITY</u>	<u>DEDUCTIBLE AMOUNT</u>
G. Privacy Notification Expenses	\$1,500,000	\$25,000

The title and any headings in this endorsement/rider are solely for convenience and form no part of the terms and conditions of coverage.

All other terms, conditions and limitations of this Policy shall remain unchanged.

Robert Hamburger

Authorized Representative