

## ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY

| ATTACHED TO AND FORMING A PART OF POLICY NUMBER | ENDORSEMENT EFFECTIVE DATE (12:01 A.M.) | NAMED INSURED |
|-------------------------------------------------|-----------------------------------------|---------------|
|                                                 |                                         |               |

### Social Engineering and Fraudulent Instruction Endorsement – Illinois

This endorsement modifies coverage provided under the Accountants & Consultants Professional Liability Insurance Policy.

For purposes of this endorsement only, this policy is modified as follows:

1. Section 8. DEFINITIONS, clause 8.21 **Professional Services**, is amended to add the following:

**Professional Services** shall also mean **Funds Transfer Services**.

2. Section 8. DEFINITIONS, clause 8.4 **Claim**, is amended to add the following:

**Claim** shall also mean **Fraudulent Instruction Funds Transfer Claim**.

3. Section 8. DEFINITIONS is amended to add the following:

8.29 **Call Back Obligation** shall mean the act and obligation of the **Named Insured** and/or an **Authorized Employee** of the **Named Insured**, prior to a **Fraudulent Instruction Funds Transfer**, to verify the original instructions and any subsequent change of instructions for the transfer, payment or delivery of **Money** or **Securities**:

8.29.1 by making an answered outbound telephone call to a previously known and verified telephone number of another employee, **Vendor**, or client to a transaction involving the **Named Insured** in order to confirm the original and/or subsequent changed wire instructions or mailing address; and

8.29.2 by documenting the telephone conversation, the confirmation of the wire instructions or payment mailing address, and the fact that the telephone number in **your** records for each transaction was previously known and verified as belonging to another employee, **Vendor**, or client to the transaction at issue.

- 8.30 **Fraudulent Instruction Funds Transfer** means the transfer, payment, or delivery of **Money** or **Securities** from an account of the **Named Insured** or an account controlled by the **Named Insured** that is made on behalf of the **Named Insured** by an **Authorized Employee** in the scope of his or her duties, in good faith and in reliance upon fraudulent instructions received from a third-party purporting to be either another employee of the **Named Insured**, a **Vendor**, or a client to a transaction involving the **Named Insured**, but only if the **Named Insured** or its **Authorized Employee** performed **Call Back Obligations**.
- 8.31 **Funds Transfer Services** shall mean the services performed by an **Authorized Employee** of the **Named Insured** in the scope of his or her duties and on behalf of the **Named Insured** in the transfer, payment, or delivery of **Money** or **Securities** from an account of the **Named Insured** or an account controlled by the **Named Insured**. **Funds Transfer Services** shall include **Fraudulent Instruction Funds Transfer**.
- 8.32 **Authorized Employee** means a person who is authorized by the **Named Insured** to transfer, pay, or deliver **Money** or **Securities** on behalf of the **Named Insured** or to instruct others to transfer **Money** or **Securities** on behalf of the **Named Insured**.
- 8.33 **Money** means:
- 8.33.1 currency, coins, or bank notes in current use and having a face value; and
  - 8.33.2 traveler's checks, registered checks, or money orders held for sale to the public.
- 8.34 **Vendor** means any entity or natural person that provides goods or services to the **Named Insured** pursuant to a written agreement.

4. Section 7. EXCLUSIONS, is amended to add the following:

This Policy does not apply to any **Claim** made against **you** based upon, arising out of, or resulting from:

- 7.13 **Funds Transfer Services**. Provided, however, subject to the other terms and conditions of this policy, this exclusion shall not apply to a **Claim** alleging a **Fraudulent Instruction Funds Transfer** ("**Fraudulent Instruction Transfer Claim**").
- 7.14 a **Fraudulent Instruction Funds Transfer** in which the **Named Insured** or its **Authorized Employee(s)** failed to perform **Call Back Obligations**;
- 7.15 accounting or mathematical errors or omissions;
- 7.16 the actual or alleged use of credit, debit, charge, access, convenience, customer identification, or other cards;
- 7.17 any transfer, payment, or delivery of **Money**, **Securities**, goods, information, or other item involving any person or entity that had authorized access to the **Named Insured's** authentication mechanism;

- 7.18 the processing of, or the failure to process, credit, check, debit, personal identification number debit, electronic benefit transfers, or mobile payments for merchant accounts;
- 7.19 the failure of any party to perform, in whole or in part, under any contract or agreement;
- 7.20 the failure, malfunction, inadequacy, or illegitimacy of any product or service;
- 7.21 indirect or consequential loss of any kind including income not realized as the result of the **Fraudulent Instruction Funds Transfer**; or
- 7.22 fees, costs, or expenses incurred in defending or prosecuting any legal proceeding or claim.

The maximum amount of aggregate **Damages** and **Defense Expenses** payable under this policy for any **Fraudulent Instruction Funds Transfer Claim** is \$100,000.

All other terms and conditions of this Policy remain unchanged.