

Title 45 - DEPARTMENT OF BANKING AND FINANCE

Chapter 7 - ELECTRONIC DATA PROCESSING RIDER OR ENDORSEMENT

001 BOND PROVISIONS.

001.01 Any bank which has authorized any person or entity to perform electronic data processing services (hereinafter, "processor") of any accounting records, must include as a part of the blanket bond of such bank, a data processing rider, or endorsement which incorporates therein that:

001.01A The processor shall, while performing such services, be deemed to be an employee as defined in said bond;

001.01B Each processor and the employees, partners, members, managers, and officers of the processor shall, collectively, be deemed to be one employee for the purposes of said bond; and

001.01C The bond does not afford coverage in favor of the processor and upon payment to the bank on account of any loss through acts committed by any of the employees, partners, members, managers, or officers of the processor, an assignment of such rights and causes of action as the bank may have against the processor, to the extent of the payment received, shall be given by the bank to the underwriter of the bond.

001.02 The bank must execute all papers necessary to secure such rights to the underwriter.

