

## **BANKER'S INSURANCE**

### **Introduction**

1. The banking corporations shall deal with the subject of banking insurance, excluding the insurance of a banking corporation's fixed assets, as specified in this regulation.

### **The obligation to insure**

2. Every banking corporation must insure itself by means of a Banker's Blanket Bond policy.

### **Discussion by board of directors**

3. The board of directors of each banking corporation must hold extensive discussions, at predetermined intervals, on the subject of banking insurance. The discussions shall refer to the extent of coverage of the various segments of the banking corporation's activity, e.g.:
  - (a) Fraud by employees of the corporation or of its subsidiaries;
  - (b) Damage as a result of theft or robbery in one of the corporation's structures or of money in transit;
  - (c) Damage caused as a result of the forgery of documents by customers (as distinct from forgery by employees);
  - (d) Professional responsibility (including responsibility of directors who have signed a prospectus in which the corporation serves as issuer or underwriter);
  - (e) Computer crimes (damage caused as a result of intervention by an *external* element, whether via the computer or by other electronic means).

### **Professional opinion**

4. The terms of the insurance policy and the amount of insurance shall be determined after an appropriate professional opinion has been received from an insurance advisor.

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**ONLY THE HEBREW VERSION IS BINDING**