

I. GENERAL INFORMATION

- a. Name of Applicant _____
- b. Address _____
City: _____ State: _____ Zip Code: _____
- c. State of incorporation: _____ Date of incorporation: _____ SIC Code: _____
- d. Website address: _____

II. COMPANY INFORMATION

PLEASE PROVIDE THE FOLLOWING INFORMATION:

- Please provide a copy of the most recently Audited Financial Statements.
- *If "Yes" to any part of questions 1. or 2. please describe details in an attachment.*
- 1. Has the Applicant or any of its Subsidiaries become involved in any new franchise agreements, joint ventures, general or limited partnerships in the past 12 months?
 Yes No
- 2. Has the Applicant in the past 12 months contemplated, completed or agreed to, or does it contemplate during the next 12 months, any of the following, whether or not such transactions were or will be completed:
 - a) Reorganization or arrangement with creditors under federal or state law?
 Yes No
 - b) Branch, location, facility, office, or subsidiary closings, consolidations or layoffs?
 Yes No
 - c) Mergers, acquisitions or divestitures?
 Yes No
 - d) Registration for a public or private offering of securities?
 Yes No
- 3. Please list all new Subsidiaries **acquired** or **created** in the past 12 months:

<u>Name</u>	<u>Nature of Business</u>	<u>Percentage Owned</u>	<u>State/Country</u>
_____	_____	_____	_____
_____	_____	_____	_____

III. CRIME COVERAGE

1. Has the Applicant experienced any of the following losses in the past six years or if in business less than six years, since the date of formation (whether insured or not):
- Employee Theft? Yes No
 - Forgery or Alteration? Yes No
 - Theft of Money and Securities (Inside/Outside)? Yes No
 - Any Other Crime or Fidelity related losses? Yes No
- (If "Yes" to any of the above please attach complete details).

2. Applicant's total number of locations? _____
- | | | |
|-------------|---------------|---------------------------|
| State _____ | Country _____ | Number of Locations _____ |
| State _____ | Country _____ | Number of Locations _____ |
| State _____ | Country _____ | Number of Locations _____ |

3. Applicant's total number of employees? _____

4. U.S.: _____ Canadian: _____ Foreign: _____

5. Is there a CPA letter to management relating to internal control weaknesses? Yes No

(If "Yes" please provide a copy of the letter)

6. If no CPA letter to management was issued, did the CPA make recommendations for improvement in internal control procedures informally? Yes No (If "Yes", please provide complete details)

7. Is there an internal audit department? Yes No

- a. Are all locations audited by the internal audit staff? Yes No (If "No", please explain)

How often? _____

8. How often and by whom are audits of cash and accounts performed? _____

9. How often and what method(s) are used for inventory counts? _____

10. Is there an internal audit department? Yes No

- a. Are all locations audited by the internal audit staff? Yes No
(If "No", please explain)

b. How often? _____

INTERNAL CONTROLS:

1. Of the total employees listed above, how many employees handle, have access to or maintain records of money, securities or other property including, but not limited to,

directors, officers, trustees and any person handling or having access to employee welfare or benefit plan assets? _____

2. Does the Applicant have cash exposures that exceed the lowest deductible amount of the current Crime/Fidelity policy? Yes No (If "Yes", please provide the total amount of cash exposure)
3. Does the Applicant have precious metals, precious or semi-precious stones, pearls, furs, or articles containing such materials exposure that exceed the lowest deductible amount of the current Crime/Fidelity policy? Yes No (If "Yes", please complete the Precious Metals Questionnaire)
4. Are corporate credit, debit, charge or purchasing cards used?
 - a. Number of Cards: _____
 - b. Maximum limit allowed under card: _____
 - c. Controls in place for preventing and identifying unauthorized transactions: _____

CLIENT SERVICES:

1. Does the Applicant have access to client's funds/property (including money, securities, inventory, high value property, banking systems, wire transfer systems, computer systems & sensitive data, etc.)? Yes No
2. What type of property and dollar amount of value: _____
3. Number of employees who will be performing work for your client(s): _____
4. Total number of clients: _____

SEGREGATION OF DUTIES:

1. Are all checks countersigned? Yes No
 - a. Over what amount is a dual signature required? \$_____
 - b. If there is no countersignature, who signs the Applicant's checks? _____
2. Are checks signed only by the owner(s) of the company? Yes No
3. Is an approved voucher or Positive Pay system used? Yes No
4. Are systems designed so that no employee can control a process from beginning to end (i.e. request a check, approve a voucher and sign a check)? Yes No
5. Are bank accounts reconciled on a monthly basis? Yes No
 - a. If not, how often? _____
 - b. Are those who reconcile bank statements prohibited from:
 - c. Handling deposits in the accounts they reconcile? Yes No
 - d. Signing checks? Yes No

6. Does a second person review the reconciliation with supporting documentation on a monthly basis and initial their approval of the information? Yes No
7. How often and by whom are audits of cash and accounts performed? _____
8. How often and what method(s) are used for inventory counts? _____
9. Is there an internal audit department? Yes No
 - a. Are all locations audited by the internal audit staff? Yes No (If "No", please explain)
 - b. How often? _____

EMPLOYEES:

1. Are background checks performed on all new hires? Check all that apply:
 Criminal Prior Employment Credit History References Drug Testing
2. Are mid-employment screenings performed when employees are promoted to sensitive positions?
 Yes No
3. Are employees' building access cards denied immediately upon termination and are all procurement, credit cards, etc. cancelled? Yes No
4. Are newly hired employees provided with a copy the organization's fraud policy identifying and explaining conflicts of interest and other prohibited behavior?
 Yes No
5. Are employees required to complete conflict of interest disclosure forms annually?
 Yes No
6. Is there a system in place that allows for the reporting of suspicious activity and/or unauthorized transactions confidentially? Yes No
If "Yes" describe the procedure for investigating these reports: _____

VENDORS:

1. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them and is there dual control over this process so one employee cannot set up a fictitious vendor in the system without being detected? Yes No
2. Is an authorized vendor list utilized and updated annually for all purchases, with competitive bidding required over stated amounts? Yes No
3. Are vendors provided with the Applicant's a statement of conflict of interest and gift

policy (prohibiting gifts of any significant value)? Yes No

COMPUTER AND WIRE TRANSFER:

1. What is the daily average number and dollar volume of wire transfers? _____
2. What is the maximum dollar volume that may be transferred per day? _____
3. Is approval by more than one person required to initiate a wire transfer? Yes No
4. Does the Applicant's financial institution call an employee other than one who requested the transfer before acting on the request? Yes No
5. Does the Applicant receive hard copy confirmations on all wire transfers and are they sent directly to a department not authorized to initiate transfers? Yes No
6. Are computer system access codes and passwords changed at least every 60 days?
 Yes No
7. Do any non-employees have access to the computer systems? Yes No (If Yes, please explain) – some workers through outsourcing companies have access to computer systems.

WELFARE AND RETIREMENT PLANS

1. Does the Applicant sponsor any employee welfare or retirement plan(s) for its employees?
 Yes No
2. List all sponsored employee welfare or retirement plan(s) that are required to be bonded by ERISA. (Please provide an attachment) _____
3. List all entities to be included as joint insureds: (Please provide an attachment)
 - a. Are all entities listed owned, controlled or operated by the first named insured?
 Yes No
 - b. Does the information in this application and any attachments include information for all joint insureds to be covered? Yes No
 - c. If not, provide details for each listed entity by separate attachment

LOSS EXPERIENCE

Date of Loss	Description of Loss (Include controls that were circumvented, controls that were missing and steps taken to remediate causes of the loss)	Total Amount Of Loss	Please indicate whether or not the loss was covered under another insurance policy and include the carrier's name

FRAUD WARNING

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH MAY BE A CRIME AND MAY SUBJECT THE PERSON TO CRIMINAL PENALTIES.

ALABAMA, ARKANSAS, LOUISIANA, NEW JERSEY, NEW MEXICO, RHODE ISLAND, VIRGINIA AND WEST VIRGINIA: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME. IN ALABAMA, ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA THAT PERSON MAY BE SUBJECT TO FINES, IMPRISONMENT OR BOTH. IN NEW MEXICO, THAT PERSON MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES. IN VIRGINIA, PENALTIES MAY INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

COLORADO: IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES.

DISTRICT OF COLUMBIA, KENTUCKY AND PENNSYLVANIA: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT

PROOF CRIME APPLICATION



MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME. IN DISTRICT OF COLUMBIA, PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, THE INSURER MAY DENY INSURANCE BENEFITS IF THE APPLICANT PROVIDES FALSE INFORMATION MATERIALLY RELATED TO A CLAIM. IN PENNSYLVANIA, THE PERSON MAY ALSO BE SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

FLORIDA AND OKLAHOMA: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE THE INSURER, FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY. IN FLORIDA IT IS A FELONY TO THE THIRD DEGREE.

KANSAS: AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO IS CONSIDERED A CRIME.

MAINE: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR DENIAL OF INSURANCE BENEFITS.

MARYLAND: ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

OHIO: ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST THE INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

OREGON: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

TENNESSEE AND WASHINGTON: IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES AND/OR DENIAL OF INSURANCE BENEFITS.

PROOF
CRIME APPLICATION



THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER OR THE PRESIDENT OF THE COMPANY ACTING AS THE AUTHORIZED REPRESENTATIVE OF THE PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE.

SIGNATURE

TITLE

DATE

AGENCY NAME _____ LICENSE# _____

AGENCY MAILING ADDRESS _____

CITY _____ STATE _____ ZIP _____

AGENT'S SIGNATURE

DECLARATIONS AND SIGNATURES

THE SIGNATORY, AS AUTHORIZED AGENT OF ALL INDIVIDUALS AND ENTITIES PROPOSED FOR THIS INSURANCE, REPRESENTS THAT, TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, AFTER REASONABLE INQUIRY, THE STATEMENTS IN THIS APPLICATION AND ANY ATTACHMENTS OR INFORMATION SUBMITTED WITH THIS APPLICATION (TOGETHER REFERRED TO AS THE "APPLICATION") ARE TRUE AND COMPLETE.

THE INFORMATION PROVIDED IN THIS APPLICATION IS FOR UNDERWRITING PURPOSES ONLY AND DOES NOT CONSTITUTE NOTICE TO THE UNDERWRITER UNDER ANY POLICY OF A CLAIM OR POTENTIAL CLAIM.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT WILL IMMEDIATELY NOTIFY THE UNDERWRITER, AND THE UNDERWRITER MAY MODIFY OR WITHDRAW ANY QUOTATION OR AGREEMENT TO BIND INSURANCE.