



Crime Insurance Application For Commercial Entities

Application is hereby made by _____

(Please attach a list of all Insureds, including Employee Benefit Plans)

Principal Address _____ City _____ State _____ Zip _____

Policy Effective Period _____ To _____

1. Insuring Agreement

Limit of Insurance
Per Occurrence

Deductible
Per Occurrence

1. Employee Dishonesty	\$ _____	\$ _____
2. Forgery or Alteration	\$ _____	\$ _____
3. Inside the Premises	\$ _____	\$ _____
4. Outside the Premises	\$ _____	\$ _____
5. Computer Hacking	\$ _____	\$ _____
6. Money Orders and Counterfeit Paper Cash	\$ _____	\$ _____
7. Loss of Clients' Property	\$ _____	\$ _____
8. Funds Transfer Fraud	\$ _____	\$ _____
9. Fraudulently Induced Transfer (Separate application required)	\$ _____	\$ _____
10. ERISA Fraud or Dishonesty	\$ _____	\$ _____

Coverage Amendments (Endorsements) _____

Is Kidnap, Ransom, and Extortion Coverage Desired? (Separate application required)

Yes
☐

No
☐

2. Description of your organization

a. Legal Entity

☐ Proprietorship ☐ Partnership ☐ Corporation ☐ Other _____

Date of Establishment _____

b. Classify your predominant activity

☐ Manufacturer ☐ Processor ☐ Wholesaler ☐ Distributor
☐ Retailer ☐ Servicer ☐ Other _____

c. Please describe the products or services of your predominant business or activity

d. Has there been any change in ownership or management within the past three years?

☐

☐

If yes, please explain

3. Financial Status (per latest FYE)

Total

% Change from prior year

a. Annual Gross Assets

b. Annual Gross Sales

c. Net Income

d. Net Worth

Please submit the following information in support of this application: Latest Annual Fiscal Year End Audited Financials, CPA Letter to Management and Management Response

4. Audit Procedures

	Yes	No
a. Are your annual financial statements audited by a public accountant?	<input type="checkbox"/>	<input type="checkbox"/>
b. Is the public accountant's opinion unqualified?	<input type="checkbox"/>	<input type="checkbox"/>
c. Does it include all interests and locations on an annual basis?	<input type="checkbox"/>	<input type="checkbox"/>
d. Have all recommendations made by the accountant been adopted?	<input type="checkbox"/>	<input type="checkbox"/>
e. Are all reports sent directly to the Owner, Partners or Directors?	<input type="checkbox"/>	<input type="checkbox"/>
f. Is there a full time professional staff auditor?	<input type="checkbox"/>	<input type="checkbox"/>
g. Does the staff auditor conduct an audit <input type="checkbox"/> Annually <input type="checkbox"/> Surprise Basis		
h. Is there a formal audit program?	<input type="checkbox"/>	<input type="checkbox"/>
i. Does the auditor have the authority to check anyone and any record at any time?	<input type="checkbox"/>	<input type="checkbox"/>
j. Does the auditor originate entries?	<input type="checkbox"/>	<input type="checkbox"/>
k. If weaknesses are discovered, does the auditor report in writing to the First Named Insured?	<input type="checkbox"/>	<input type="checkbox"/>
l. Do you audit your Wire Transfer procedures?	<input type="checkbox"/>	<input type="checkbox"/>
m. Are foreign locations audited at least annually?	<input type="checkbox"/>	<input type="checkbox"/>
n. Are foreign locations audited by <input type="checkbox"/> U.S. Auditor <input type="checkbox"/> Foreign Auditor		

5. Internal Controls

	Yes	No
Bank Accounts		
a. Are bank accounts reconciled monthly?	<input type="checkbox"/>	<input type="checkbox"/>
b. Are bank accounts reconciled by someone not authorized to deposit, withdraw, or write checks?	<input type="checkbox"/>	<input type="checkbox"/>
Checks & Securities		
c. Is countersignature of all checks required? Above what amount? _____	<input type="checkbox"/>	<input type="checkbox"/>
d. Do all vouchers or other supporting records accompany all checks to be signed?	<input type="checkbox"/>	<input type="checkbox"/>
e. Are vouchers/supporting records stamped "PAID" when checks are signed?	<input type="checkbox"/>	<input type="checkbox"/>
f. Do you maintain a list of approved vendors?	<input type="checkbox"/>	<input type="checkbox"/>
g. Are your systems designed so that no single employee can control a transaction from beginning to end (e.g. approve a voucher, request and sign a check)?	<input type="checkbox"/>	<input type="checkbox"/>
h. Are securities subject to the joint control of two or more employees?	<input type="checkbox"/>	<input type="checkbox"/>
i. Do the above controls differ in foreign locations?	<input type="checkbox"/>	<input type="checkbox"/>
Accounts Receivable		
j. Are at least 20% of all of the accounts receivable periodically verified by direct contact with the customers?	<input type="checkbox"/>	<input type="checkbox"/>
Payroll		
k. Do you screen your employees for prior acts of dishonesty?	<input type="checkbox"/>	<input type="checkbox"/>
1. Have you hired or retained persons with prior convictions?	<input type="checkbox"/>	<input type="checkbox"/>
2. If yes, do you have Employees working in the State of New York?	<input type="checkbox"/>	<input type="checkbox"/>
3. If yes to (2), do you weigh the factors set out in New York State Corrections Law Article 23-A in making the determination to hire or retain such persons?	<input type="checkbox"/>	<input type="checkbox"/>

5. Internal Controls *Continued*

	Yes	No
4. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment?	<input type="checkbox"/>	<input type="checkbox"/>
l. Are credit reports checked when screening new employees?	<input type="checkbox"/>	<input type="checkbox"/>
m. Is the payroll made up by persons other than those who distribute it to employees?	<input type="checkbox"/>	<input type="checkbox"/>
n. Are all persons who are authorized to hire and/or fire employees prohibited from distributing the payroll?	<input type="checkbox"/>	<input type="checkbox"/>
<i>Shipping and Receiving</i>		
o. Are all persons engaged in purchase or sales activities prohibited from taking part in shipping and receiving activities?	<input type="checkbox"/>	<input type="checkbox"/>
p. Are all shipping and receiving activities reconciled to all applicable sale or purchase orders?	<input type="checkbox"/>	<input type="checkbox"/>
q. Does any employee have access to the purchasing system and also the accounts payable system?	<input type="checkbox"/>	<input type="checkbox"/>
r. Is all purchasing centralized out of your main office?	<input type="checkbox"/>	<input type="checkbox"/>
s. Do you have a system to detect payment to fictitious suppliers?	<input type="checkbox"/>	<input type="checkbox"/>
t. Are cash or credits on return purchases supervised by at least two persons?	<input type="checkbox"/>	<input type="checkbox"/>
<i>Supervision by Owner</i>		
u. Is there personal supervision of business activities on a daily basis by an Owner, Partner or Director?	<input type="checkbox"/>	<input type="checkbox"/>
v. Does that person		
1. Deposit all cash receipts?	<input type="checkbox"/>	<input type="checkbox"/>
2. Sign or countersign all checks?	<input type="checkbox"/>	<input type="checkbox"/>
3. Check petty cash periodically?	<input type="checkbox"/>	<input type="checkbox"/>
4. Verify periodically accounts receivable?	<input type="checkbox"/>	<input type="checkbox"/>
5. Reconcile all bank accounts?	<input type="checkbox"/>	<input type="checkbox"/>
6. Verify shipping and receiving activities?	<input type="checkbox"/>	<input type="checkbox"/>
7. Review journal entries?	<input type="checkbox"/>	<input type="checkbox"/>

6. Funds Transfer Procedures

	Yes	No
a. What departments conduct wire funds transfers? _____		
b. Do you maintain a fully documented procedure manual covering all wire transfer procedures?	<input type="checkbox"/>	<input type="checkbox"/>
c. Are all payment instructions executed under a sequential numbering system?	<input type="checkbox"/>	<input type="checkbox"/>
d. Is there an internal audit department which includes E.D.P. auditing?	<input type="checkbox"/>	<input type="checkbox"/>
e. If there is no internal audit department, please advise how this function is fulfilled:		
f. If you utilize consultants, do you change passwords when they finish their work?	<input type="checkbox"/>	<input type="checkbox"/>
g. What is the total annual volume of funds transferred? _____		
h. What is the largest amount one person can transfer? _____		
i. What is the average size of transfers? _____		
j. Are all funds transfer functions handled by banks and/or financial institutions?	<input type="checkbox"/>	<input type="checkbox"/>

6. Funds Transfer Procedures *Continued*

	Yes	No
k. Do you have facilities to transfer funds yourself without involving third parties?	<input type="checkbox"/>	<input type="checkbox"/>
l. Are all telephone transfer instructions given to banks confirmed in writing within 24 hours?	<input type="checkbox"/>	<input type="checkbox"/>
m. Is there segregation of duties so that no one employee can initiate and complete transactions without approval by others?	<input type="checkbox"/>	<input type="checkbox"/>
n. Do you change passwords when employees leave?	<input type="checkbox"/>	<input type="checkbox"/>
o. Describe controls in place to prevent unauthorized use of computers by employees or others? (i.e. are computer rooms locked, maintenance ports protected, etc)		
p. What is the total number of employees who have the authority to make transfers? _____		
q. Do you utilize port security that detects unusual activity?	<input type="checkbox"/>	<input type="checkbox"/>
r. How do you detect whether an employee has exceeded their authority? _____		

7. Vendor Information

	Yes	No
a. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them?	<input type="checkbox"/>	<input type="checkbox"/>
b. Is an authorized vendor list utilized and updated for all annual purchases, with competitive bidding required over stated amounts?	<input type="checkbox"/>	<input type="checkbox"/>
c. Are requisitions and purchase orders issued only after the approval of specified personnel within specified limits?	<input type="checkbox"/>	<input type="checkbox"/>
d. Is each cash disbursement based on a recognized liability, accurately prepared, and appropriately authorized, including comparisons to authorized vendor lists and receiving reports?	<input type="checkbox"/>	<input type="checkbox"/>
e. Are perpetual inventories maintained of materials and supplies and periodically verified by physical count?	<input type="checkbox"/>	<input type="checkbox"/>
f. Are vendors provided with a statement of your conflict of interest and gift policy (<i>prohibiting gifts of any significant value</i>)?	<input type="checkbox"/>	<input type="checkbox"/>
g. Are vendors asked to disclose any gifts or favors offered or requested or other questionable behavior by employees?	<input type="checkbox"/>	<input type="checkbox"/>
h. Do the same controls apply to locations outside of the United States?	<input type="checkbox"/>	<input type="checkbox"/>

8. Kidnap Ransom, and Extortion

a. Limits of Liability requested (<i>Limits offered between \$500,000 - \$65,000,000</i>) \$ _____		
b. Provide details of any staff travel outside of Canada or the U.S. Include the city and country, number of staff traveling and duration/frequency of travel of the next 12 months. (<i>Attach additional pages as necessary.</i>)		
City and Country	Number of Staff Traveling	Duration of Travel/Frequency

9. Prior Insurance

Yes

No

a. Has any similar insurance been declined or canceled during the past three years?

☐☐

If yes, please explain _____

b. Prior insurance to be superseded

☐ Check here if none

Form of Insurance

Effective Date

Expiration Date

Limit of Insurance

Name of Insurance Company

10. Loss History

Enter all claims or occurrences that may give rise to claims for the prior 5 years

☐ Check here if none
Claim Status

Date of Occurrence

Type/Description of Occurrence or Claim

Date of Claim

Amount Paid

Open

Closed

☐☐☐☐☐☐☐☐

Comments/Corrective Action Taken

11. Classification of Employees and Locations**Total**

Employees

U.S.

Canada

Foreign

Grand Total

Locations

U.S.

Canada

Foreign

Grand Total

PLEASE ATTACH TOTAL EMPLOYEE CENSUS BY DEPARTMENT (Definition of employee includes all full time, part time and temporary employees)**12. Money - Securities**

a. Please enter the exposure for each category. Amounts entered should be the maximum Exposure.

(If applicable, please separately list "Peak" and "Non-peak" figures)

Type	Money	Securities (Other Than Payroll Checks)	Checks (Excluding Retail Checks)	Payroll Checks	Money Overnight	Securities (In Bank/Safe Deposit)
Inside						
Messenger #1						
Messenger #2						

b. Frequency of Deposits _____

NA

Yes

No

c. Night Depository Used

☐☐☐

d. Business Hours _____

e. Average Number of Employees on Duty _____

13. Property

Please provide a description of property, merchandise, stock, etc. to be covered. Please also state the maximum value.

14. Precious Metals

Yes No

a. Do you handle, store or use for manufacturing, valuable or precious and/or non-precious metals? ☐ Yes ☐ No

b. Any type of mining? ☐ Yes ☐ No

If yes, please complete our Valuable Metals Questionnaire (available upon request).

15. Safe/Vault

Manufacturer	Label UL/SMNA	Class	Door Type		Combination Locks			Thickness	
			Round	Square	Outer	Inner	Chest	Door	Wall

16. Messenger Protection

Messenger #	# Guards Per Messenger	Private Conveyance Used		Safety Satchel Used	
		Yes	No	Yes	No
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. Premises/Safe Protection

a. What type of alarm(s) do you have at each of your premises?

- ☐ 1. Hold-up Alarm
 ☐ 2. Premises Alarm
 ☐ 3. Safe Alarm
☐ 4. Local Gong
 ☐ 5. Central Station Alarm
 ☐ 6. Police Connected Alarm

If alarms vary from location to location, please explain _____

b. What is/are the certificate number(s) on your alarms(s) and what is/are the expiration date(s)? _____

c. Is safe/vault protection ☐ partial ☐ complete

d. Who installs and services your alarms? _____

e. Please specify the number of guards and/or watchpersons on duty each shift _____

f. Please describe any additional protection (e.g. fences, floodlights, etc.) _____

18. Internet Security

Yes No

a. Do you buy or sell goods via the internet? ☐ Yes ☐ No

b. Do you have a firewall? ☐ Yes ☐ No

c. Do you have an intrusion detection system that identifies unauthorized access? ☐ Yes ☐ No

d. Do you have documented internet guidelines for employees? ☐ Yes ☐ No

e. Do you have documented emergency procedures? ☐ Yes ☐ No

f. Has your computer system ever been invaded by a hacker or virus? ☐ Yes ☐ No

If yes, when and what controls have been implemented to prevent further incidences?

19. Business Activities*(check all that apply)*

Are you or any of your subsidiaries involved in any of the following?	<input type="checkbox"/>
a. Trading?	<input type="checkbox"/>
b. Extending Credit?	<input type="checkbox"/>
c. Warehousing?	<input type="checkbox"/>
i. For Others?	<input type="checkbox"/>
ii. For Owned Equipment or Inventory?	<input type="checkbox"/>

Fraud Statements

Applicable in AL, AR, LA, NM, RI, and WV: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and/or confinement in prison. In Alabama, a person may also be subject to restitution.

Applicable in CO, ME, TN, VA, WA: 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 a denial of insurance benefits. In Colorado, penalties may also include civil damages. In Colorado, 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 policy- holder 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.

Applicable in CA: For your protection, California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Applicable in DC: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Applicable in FL: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Applicable in KY: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Applicable in MD: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who 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.

Applicable in NJ: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in NY: 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 any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Applicable in OH: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Applicable in OK: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Fraud Statements *Continued*

Applicable in OR: This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto. All statements made by or on behalf of the insured, in the absence of fraud, shall be deemed representations and not warranties. No such statements that arise from an error in the application shall be used in defense of a claim under the policy unless: (a) The statements are contained in a written application; and (b) A copy of the application is indorsed upon or attached to the policy when issued. In order to use any representation by or on behalf of the insured in defense of a claim under the policy, the insurer must show that the representations are material and that the insurer relied on them.

Applicable in PA: 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 any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Applicable in other states: Your policy may be void in any case of fraud, intentional concealment or misrepresentation of material fact by you in securing this insurance.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND REPRESENTS THAT REASONABLE INQUIRY HAS BEEN MADE TO OBTAIN THE ANSWERS TO QUESTIONS ON THIS APPLICATION. HE/SHE REPRESENTS THAT THE ANSWERS ARE TRUE, CORRECT AND COMPLETE TO THE BEST OF HIS/HER KNOWLEDGE.

Applicant Signature _____ **Title** _____ **Date** _____

Producer Signature _____ **Title** _____ **Date** _____