



# Commercial Crime Policy Application For Mercantile 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

Deductible

1. Employee Dishonesty	\$ _____	\$ _____
2. Forgery or Alteration	\$ _____	\$ _____
3. Inside the Premises	\$ _____	\$ _____
4. Outside the Premises	\$ _____	\$ _____
5. Computer Fraud	\$ _____	\$ _____
6. Money Orders and Counterfeit Paper Currency	\$ _____	\$ _____
7. Loss of Clients' Property	\$ _____	\$ _____
8. Funds Transfer Fraud	\$ _____	\$ _____

Coverage Amendments (Endorsements) \_\_\_\_\_

Yes No

Is Kidnap, Ransom, and Extortion Coverage Desired?

## 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?  Yes  No  
 If yes, please explain \_\_\_\_\_

## 3. 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"/>

**3. Audit Procedures Continued**

	Yes	No
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		

**4. Internal Controls**

	Yes	No
<b>Bank Accounts</b>		
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"/>
<b>Checks &amp; Securities</b>		
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"/>
<b>Accounts Receivable</b>		
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"/>
<b>Payroll</b>		
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. <b>If yes</b> , do you have Employees working in the State of New York?	<input type="checkbox"/>	<input type="checkbox"/>
3. <b>If yes to (2)</b> , 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"/>
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"/>

**4. Internal Controls *Continued***

**Yes No**

***Shipping and Receiving***

- o. Are all persons engaged in purchase or sales activities prohibited from taking part in shipping and receiving activities?  Yes  No
- p. Are all shipping and receiving activities reconciled to all applicable sale or purchase orders?  Yes  No
- q. Does any employee have access to the purchasing system and also the accounts payable system?  Yes  No
- r. Is all purchasing centralized out of your main office?  Yes  No
- s. Do you have a system to detect payment to fictitious suppliers?  Yes  No
- t. Are cash or credits on return purchases supervised by at least two persons?  Yes  No

***Supervision by Owner***

- u. Is there personal supervision of business activities on a daily basis by an Owner, Partner or Director?  Yes  No
- v. Does that person
  - 1. Deposit all cash receipts?  Yes  No
  - 2. Sign or countersign all checks?  Yes  No
  - 3. Check petty cash periodically?  Yes  No
  - 4. Verify periodically accounts receivable?  Yes  No
  - 5. Reconcile all bank accounts?  Yes  No
  - 6. Verify shipping and receiving activities?  Yes  No
  - 7. Review journal entries?  Yes  No

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

**6. Prior Insurance**

Yes No

a. Has any similar insurance been declined or canceled during the past three years?  Yes  No  
 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

**7. Loss History**

Enter all claims or occurrences that may give rise to claims for the prior 5 years  Check here if none

Date of Occurrence	Type/Description of Occurrence or Claim	Date of Claim	Amount Paid	Claim Status (Open or Closed)

Comments/Corrective Action Taken

\_\_\_\_\_

\_\_\_\_\_

**8. Classification of Employees and Locations**

**Classification of Employees** (Including Full Time and Part Time)

Employees	U.S.	Canada	Foreign	Grand Total
Locations	U.S.	Canada	Foreign	Grand Total

**Number of**

Accountants/Asst. Accountants _____	Credit Clerks and Managers _____	Purchasing Agents/Asst. Agents _____
Adjusters _____	Delivery Persons _____	Receiving Clerks _____
Administrators/Asst. Administrators _____	Demonstrators _____	Refinery Gauges of Oil Companies _____
Appraisers/Asst. Appraisers _____	Detectives _____	Salespeople _____
Attorneys _____	Employees who Order Food _____	Security Personnel _____
Auditors/Asst. Auditors _____	Employees who Handle Money _____	Service Station Attendants _____
Bookkeepers _____	Janitors _____	Shipping Clerks _____
Bursars/Asst. Bursars _____	Locker Room Attendants _____	Superintendents/Asst. Superintendents _____
Bus Drivers _____	Maitre D's/Asst. Maitre D's _____	Supervisors/Asst. Supervisors _____
Door to Door Salespeople _____	Managers/Asst. Managers _____	Systems Analysts _____

**8. Classification of Employees and Locations *Continued***

Cashiers/Asst. Cashiers _____	Medical Directors _____	Taxi Drivers/Chauffeurs _____
Chairpersons _____	Messengers, Outside _____	Teachers _____
Collectors _____	Meter Readers Who Collect _____	Truck Drivers _____
Computer Programmers _____	Nurses _____	Warehouse Personnel _____
Comptrollers/Asst. Comptrollers _____	Payroll Distributors _____	

**9. Money - Securities**

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

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

**10. Property**

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

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**11. Precious Metals**

	Yes	No
a. Do you handle, store or use for manufacturing, valuable or precious and/or non-precious metals?	<input type="checkbox"/>	<input type="checkbox"/>
b. Any type of mining? <b>If yes</b> , please complete our Valuable Metals Questionnaire (available upon request).	<input type="checkbox"/>	<input type="checkbox"/>

**12. General Information**

Business Hours	Average # of Employees On Duty	Frequency of Deposits	Night Depository Used	Annual Gross Sales or Receipts For Last Fiscal Year	Other Information

**13. Safe/Vault**

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

**14. 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"/>

**15. Premises/Safe Protection**

- a. What type of alarm(s) do you have at each of your premises?
- |   |   |  |
|---|---|--|
| <input type="checkbox"/> 1. Hold-up Alarm | <input type="checkbox"/> 2. Premises Alarm        | <input type="checkbox"/> 3. Safe Alarm             |
| <input type="checkbox"/> 4. Local Gong    | <input type="checkbox"/> 5. Central Station Alarm | <input type="checkbox"/> 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.) \_\_\_\_\_

**16. 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? \_\_\_\_\_

**17. Business Activities**

(check all that apply)

Are you or any of your subsidiaries involved in any of the following?

a. Trading?

b. Extending Credit?

c. Warehousing?

i. For Others?

ii. For Owned Equipment or Inventory?

**NOTICE TO APPLICANTS:**

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

**Applicant Signature** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_

**Producer Signature** \_\_\_\_\_ **Title** \_\_\_\_\_ **Date** \_\_\_\_\_