



Crime Policy Application For Governmental Entities

Application is hereby made by _____

Principal Address _____ City _____ State _____ Zip _____

Any excluded entities _____

Policy Effective Period _____ to _____

1. Insuring Agreement

| | Limit of Insurance Per Occurrence | Deductible |
|---|--------------------------------------|------------|
| 1. Employee Dishonesty | \$ _____ | \$ _____ |
| 2. Forgery or Alteration | \$ _____ | \$ _____ |
| 3. Inside Premises | \$ _____ | \$ _____ |
| 4. Outside Premises | \$ _____ | \$ _____ |
| 5. Computer Hacking | \$ _____ | \$ _____ |
| 6. Money Orders and Counterfeit Paper Cash | \$ _____ | \$ _____ |
| 8. Funds Transfer Fraud | \$ _____ | \$ _____ |
| 9. Fraudulently Induced Transfer <i>(Separate application required)</i> | \$ _____ | \$ _____ |

2. Coverage Amendments *(Endorsements)*

| | Yes | No |
|---|--------------------------|--------------------------|
| a. Faithful Performance Coverage If Faithful Performance of Duty is requested, please cite statutory provision or indicate None _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is Kidnap, Ransom, and Extortion coverage desired? <i>(Separate Kidnap and Ransom application is required)</i> | <input type="checkbox"/> | <input type="checkbox"/> |

3. Description of Your Organization

| | Yes | No |
|--|--------------------------|--------------------------|
| a. Description of your organization: <input type="checkbox"/> Province <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Town <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Borough <input type="checkbox"/> Other | | |
| b. Is insurance being provided for a school system, college or university? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Description of operations for covered entities: _____ | | |
| d. Do you receive payments via the internet? If yes , please complete the Internet Security Section of this application located on page 6. | <input type="checkbox"/> | <input type="checkbox"/> |

4. Financial Status *(per latest FYE)*

| | Total | % Change from prior year |
|---------------------------------|-------|--------------------------|
| Annual Gross Assets | | |
| Net Profit/Change in Net Assets | | |
| Net Worth/Net Assets | | |

Please submit the following information in support of this application:

Latest Annual Fiscal Year End Audited Financials, CPA Letter to Management and Management Response.

5. Audit Procedures

Yes

No

- a. Is there an annual audit completed by a: ☐ **State Agency** ☐ **Public Accountant**
 If yes, how frequently? ☐ **Quarterly** ☐ **Semiannually** ☐ **Annually**

- b. Does the state auditor conduct an audit annually or on a surprise basis?

☐☐

- c. Are all departments and agencies audited?

☐☐

- d. Does the auditor have the authority to check any record at any time?

☐☐

- e. If weaknesses are discovered, to whom does the auditor report to for corrections?

- f. Date of completion of last audit: State _____ CPA _____

- g. Do you audit your wire funds transfer procedures

☐☐

- h. Do you audit the usage of grant funds?

☐☐

- i. Please list your agencies that accept cash payments (*Ex: DMV, licensing and permit agencies, etc.*)

Computerized**Audited Anually****Agency Name****Yes****No****Yes****No**☐☐☐☐☐☐☐☐☐☐☐☐**6. Internal Controls**

Yes

No

Bank Accounts

- a. Are bank accounts reconciled monthly?

☐☐

- b. Are bank accounts reconciled by someone not authorized to deposit, withdraw, or write checks?

☐☐**Checks and Securities**

- c. Is countersignature of all checks required?

☐☐

Above what amount? \$ _____

- d. Do all vouchers or other supporting records accompany all checks to be signed?

☐☐

- e. Are vouchers/supporting records stamped "PAID" when checks are signed?

☐☐

- f. Are controls set up to prevent unauthorized use of check signing machines and/or signature stamps?

☐☐

- 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*)?

☐☐

- h. Are securities subject to the joint control of two or more employees?

☐☐

- i. Is a positive pay system used?

☐☐

6. Internal Controls *Continued*

| | Yes | No |
|---|--------------------------|--------------------------|
| Payroll | | |
| j. Do you screen your employees for prior acts of dishonesty? | <input type="checkbox"/> | <input type="checkbox"/> |
| If no, which departments employ those without background checks? _____ | | |
| 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"/> |
| 4. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment? | <input type="checkbox"/> | <input type="checkbox"/> |
| k. Do you use drug free workplace programs? | <input type="checkbox"/> | <input type="checkbox"/> |
| l. Is the payroll made up by persons other than those who distribute it to employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| m. Are all persons who are authorized to hire and/or fire employees prohibited from distributing the payroll? | <input type="checkbox"/> | <input type="checkbox"/> |
| n. Is positive identification required of each person receiving pay? | <input type="checkbox"/> | <input type="checkbox"/> |
| o. Do you have any employees acting in the capacity of an in house claims adjuster? | <input type="checkbox"/> | <input type="checkbox"/> |
| Purchasing and Inventory | | |
| p. Are all persons engaged in purchasing prohibited from taking part in receiving the inventory? | <input type="checkbox"/> | <input type="checkbox"/> |
| q. Are all shipping and receiving activities reconciled to all applicable sale or purchase orders? | <input type="checkbox"/> | <input type="checkbox"/> |
| r. Does any employee have access to the purchasing system and also the accounts payable system? | <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. Do you verify tax ID numbers for all vendors? | <input type="checkbox"/> | <input type="checkbox"/> |
| u. Is a complete inventory made with physical check of stock and equipment? | <input type="checkbox"/> | <input type="checkbox"/> |

7. 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"/> |
| k. Do you have facilities to transfer funds yourself without involving third parties? | <input type="checkbox"/> | <input type="checkbox"/> |

7. Funds Transfer Procedures Continued

| | Yes | No |
|--|--------------------------|--------------------------|
| 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? _____ | | |

8. 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 (prohibiting gifts of any significant value)? | <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"/> |

9. Prior Insurance

| | Yes | No | | |
|---|--------------------------|--------------------------|---------------------------|----------------------------------|
| a. Has any similar insurance been declined or canceled during the past three years? | <input type="checkbox"/> | <input type="checkbox"/> | | |
| If yes, please explain _____ | | | | |
| <input type="checkbox"/> Check here if none | | | | |
| b. Prior insurance to be superseded | | | | |
| Form of Insurance | Effective Date | Expiration Date | Limit of Insurance | Name of Insurance Company |
| | | | | |
| | | | | |

10. Loss History

☐ Check here if none

Enter all claims or occurrences whether or not paid that may give rise to claims for the prior 5 years.

| Date of Occurrence | Type/Description of Occurrence or Claim | Date of Claim | Amount Paid | Claim Status | |
|--------------------|---|---------------|-------------|--------------------------|--------------------------|
| | | | | Open | Closed |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> |

Comments/Corrective Action Taken:

11. Classification of Employees and Locations

Grand total of **ALL** employees: _____**PLEASE ATTACH TOTAL EMPLOYEE CENSUS BY DEPARTMENT** (Definition of employee includes all full time, part time and temporary employees)**Note:** Persons required by law to be individually bonded and treasurers or tax collectors by whatever titles known are automatically excluded.

If insurance is desired on any of your appointed or elected agents please complete the following:

| Capacity in Which Each Agent Serves | Limit of Insurance |
|-------------------------------------|--------------------|
| | \$ _____ |
| | \$ _____ |
| | \$ _____ |
| | \$ _____ |
| | \$ _____ |

12. Money - Securities

Which locations require Money and Securities Coverage?

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) |
|--------------|-------|--|--|----------------|--------------------|---|
| Inside | | | | | | |
| Messenger #1 | | | | | | |
| Messenger #2 | | | | | | |

Please advise if you need to temporarily increase the above limits for what departments and for what timeframe.

13. Premises/Safe Protection

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

☐ Hold-up Alarm

☐ Premises Alarm

☐ Safe Alarm

☐ Local Gong

☐ Central Station Alarm

☐ Police Connected Alarm

If alarms vary from location to location, please explain:

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

c. Please describe any additional protection (e.g. fences, floodlights, etc.):

14. Internet Security

Yes

No

a. Do you buy or sell goods via the internet?

☐

☐

b. Do you have a firewall?

☐

☐

c. Do you have an intrusion detection system that identifies unauthorized access?

☐

☐

d. Do you have documented internet guidelines for employees?

☐

☐

e. Do you have documented emergency procedures?

☐

☐

f. Has your computer system ever been invaded by a hacker or virus?

☐

☐

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

15. Food Stamp Procedures

Yes

No

Please complete this section if your organization handles Food Stamps, Vouchers or Debit Cards

a. Where is the bulk supply of food stamp coupons or debit cards stored? _____

Who has access to this storage area? _____

b. How often are they inventoried? Who has the ability to secure the coupons?

c. Are those employees specifically responsible for issuance restricted from access to storage and issuance areas?

☐

☐

d. How do you distribute food stamps or debit cards to recipients?

e. How are coupons secured for transit? _____

Are they stored in a locked container?

☐

☐

Who is responsible for transit? _____

f. When are they activated and by whom? _____

15. Food Stamp Procedures Continued

g. If a card is reported lost or stolen, how are they replaced? What controls are in place to prevent duplicates from being issued?

h. Safe/Vaul

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

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 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.

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** _____