



# Application For Financial Institution Bond, Standard Form No. 14 For Broker/Dealers

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 \_\_\_\_\_  
 in the Aggregate Limit of Liability of \$ \_\_\_\_\_ Date Insured was Established \_\_\_\_\_  
 Name of Prior Carrier \_\_\_\_\_

## 1. Description of Organization

1. Insured is a (check the appropriate box):

- |   |  |
|---|--|
| <input type="checkbox"/> <b>Stock Broker</b>                                | <input type="checkbox"/> <b>Mutual Fund</b>  |
| <input type="checkbox"/> <b>Investment Banker</b>                           | <input type="checkbox"/> <b>Dealer in Securities</b> (Not Mortgage or Commercial Paper)                                  |
| <input type="checkbox"/> <b>Endowment Fund</b>                              | <input type="checkbox"/> <b>Foundation</b>   |
| <input type="checkbox"/> <b>Commodity Broker</b> (if Stock Exchange member) | <input type="checkbox"/> <b>Investment Trust</b> (Not Small Business Investment Company or Real Estate Investment Trust) |
| <input type="checkbox"/> <b>Other</b> _____                                 |  |

2. Insured is a (check the appropriate box):

- Sole Proprietorship**       **Partnership**       **Corporation**

3. List exchanges which you are a member of:

Name	Name

4. Are you a member of the Financial Industry Regulatory Authority? Yes  No

5. For all Insureds, show the total number of:

- |  |                 |
|--|-----------------|
| a. Salaried officers & employees, retained attorneys and persons provided by employment contractors                      | No. of<br>_____ |
| b. FINRA Registered Representatives (other than those counted in (a) above)  | _____           |
| c. Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands | _____           |
| d. Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, list below:                                       |                 |

Location	Location

**1. Description of Organization *Continued***

6. Complete the following:	<b>Total Assets</b>
a. As of latest Dec. 31	\$ _____
b. As of latest June 30	\$ _____

**2. Optional Coverages**

	Yes	No	Single Loss Limit
1. Complete the following for optional coverages desired:			
a. Is Insuring Agreement (D) - Forgery or Alteration Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
b. Is Insuring Agreement (E) - Securities Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
c. Is Extortion - Threats to Persons Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

**If yes**, list below locations to be excluded:

Location	Location

d. Is Extortion - Threats to Property Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
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**If yes**, list below locations to be excluded:

Location	Location

e. Is Computer Systems Fraud Coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
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**If yes**, complete the following:

1. Insured's Computer System(s)

For the Computer System(s) you operate, whether owned or leased, complete the following:

a. Number of independent software contractors authorized to design, implement or service programs for your System(s) \_\_\_\_\_

b. Is access to your System(s) by customers, or other outside parties permitted?	<input type="checkbox"/>	<input type="checkbox"/>
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2. Other Computer Systems

List below other Computer System(s) for which coverage is desired:

**Computer System(s)**


**2. Optional Coverages *Continued***

**Yes      No      Single Loss Limit**

f. Is coverage desired on businesses engaged in the data processing of your checks or other accounting records?  
**If yes,** list below the name and location of each data processor:

    

**Name & Location**

**Name**


g. If you are a partnership, is coverage desired on your partners?  
**If yes,** list below the name of each partner:

           \$ \_\_\_\_\_

**Name**

**Name**


2. Are you a direct participant in a depository for the central handling of securities?  
**If yes,** list below the name and location of each depository:

    

**Name & Location**

**Name & Location**


3. For deductibles, complete the following: *(NOTE: Deductibles on Insuring Agreements(D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Extortion Coverage may be written in any amount.)*

**Coverage**

**Single Loss Deductible**

- |  |          |
|--|----------|
| a. All coverages except Insuring Agreements (D), (E) and Extortion | \$ _____ |
| b. Insuring Agreement (D) - Forgery or Alteration                  | \$ _____ |
| c. Insuring Agreement (E) - Securities                             | \$ _____ |
| d. Extortion - Threats to Persons                                  | \$ _____ |
| e. Extortion - Threats to Property                                 | \$ _____ |

4. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations: \_\_\_\_\_

5. If coverage is being written on a coinsurance basis, show your percentage participation \_\_\_\_\_%.  
*(NOTE: Insured may assume a participation of between 5% and 25%.)*

6. Are accounts insured by the Securities Investors Protection Corporation?

**3. Audit Procedures****Yes****No**

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| 1. Is there an <input type="checkbox"/> <b>annual</b> <input type="checkbox"/> <b>semi-annual</b> , audit by an independent CPA?         | <input type="checkbox"/> | <input type="checkbox"/> |
| a. <b>If yes</b> , is it a complete audit made in accordance with generally accepted auditing standards and so certified?                | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If the answer to (a) is <b>no</b> , explain the scope of the CPA's examination<br>_____   |                          |                          |
| 2. Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation?                 | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Name and location of CPA _____  |                          |                          |
| 4. Date of completion of the last audit by CPA _____   |                          |                          |
| 5. Is there a continuous internal audit by an Internal Audit Department?   | <input type="checkbox"/> | <input type="checkbox"/> |
| a. <b>If yes</b> , are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Are money and securities actually counted and verified?   | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Are the ledger balances to the credit of customers verified?  | <input type="checkbox"/> | <input type="checkbox"/> |

**4. Internal Controls****Yes****No**

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| 1. Do you require annual vacations of at least two consecutive weeks for all personnel?<br><b>If no</b> , explain _____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Are bank accounts reconciled by someone not authorized to deposit or withdraw?<br><b>If no</b> , explain _____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Is countersignature of checks required?<br><b>If no</b> , explain _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are monthly statements ( <i>whether or not there was activity in the account</i> ) mailed directly to all customers?<br><b>If no</b> , explain _____               | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Has there been any change in ownership or management within the past three years?<br><b>If yes</b> , explain _____   | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Has any insurance been declined or canceled during the past three years?<br><b>If yes</b> , explain _____  | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. a. Have you hired or retained persons with prior convictions?  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. <b>If yes</b> , do you have Employees working in the State of New York?  | <input type="checkbox"/> | <input type="checkbox"/> |
| c. <b>If yes to (b)</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"/> |
| d. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment?  | <input type="checkbox"/> | <input type="checkbox"/> |

**5. Loss History**

Check if none

List all losses sustained during the past three years, whether reimbursed or not from \_\_\_\_\_ to \_\_\_\_\_  
(month/day/year) (month/day/year)

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location

**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.

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

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

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