



# Application For Financial Institution Bond, Standard Form No. 24 Banks And Trust Companies

Application is hereby made by \_\_\_\_\_

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

Principal Address \_\_\_\_\_ City \_\_\_\_\_ Province \_\_\_\_\_ Postal Code \_\_\_\_\_

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 Licensed:

- Federally  Provincially

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

- |   | No. of |
|---|--------|
| a. Salaried officers & employees, retained attorneys and persons provided by employment contractors   | _____  |
| b. Banking locations (other than the Home Office of the first Named Insured) in Canada, the U.S., Puerto Rico and Virgin Islands                    | _____  |
| c. Limited banking facilities in Canada, the U.S., Puerto Rico and Virgin Islands   | _____  |
| d. Non-banking locations in Canada, the U.S., Puerto Rico and Virgin Islands  | _____  |
| e. Banking locations, limited banking facilities and non-banking locations outside of Canada, the U.S., Puerto Rico and Virgin Islands, list below: |        |

Location	Location

3. Complete the following:

	Total Assets	Total Deposits	Total Loans & Discounts
a. As of latest Dec. 31	\$ _____	\$ _____	\$ _____
b. As of latest June 30	\$ _____	\$ _____	\$ _____

## 2. Optional Coverages

1. Complete the following for optional coverages desired:

- |  | Yes                      | No                       | Single Loss Limit |
|--|--------------------------|--------------------------|-------------------|
| 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"/> | \$ _____          |

**2. Optional Coverages *continued***

**Yes      No      Single Loss Limit**

c. Is Extortion - Threats to Persons Coverage desired?  Yes     No    \$ \_\_\_\_\_  
**If yes, list below locations to be excluded:**

**Location**

**Location**


d. Is Extortion - Threats to Property Coverage desired?  Yes     No    \$ \_\_\_\_\_  
**If yes, list below locations to be excluded:**

**Location**

**Location**


e. Is Fraudulent Real Property Mortgages Coverage desired?  Yes     No    \$ \_\_\_\_\_

f. Is Unattended Automated Teller Machine Coverage desired?  Yes     No    \$ \_\_\_\_\_

**If yes, complete the following:**

a. Number of locations to be covered \_\_\_\_\_

b. List below locations to be excluded:

**Location**

**Location**


g. Is Computer Systems Fraud Coverage desired?  Yes     No    \$ \_\_\_\_\_

**If yes, complete the following:**

a. Insured's Computer System(s)

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

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

2. Is access to your System(s) by customers, or other outside parties, other than by Automated Teller Machines, permitted (e.g. by computer, terminal or touchtone telephone key pad, etc.)?  Yes     No

3. Number of Automated Teller Machines \_\_\_\_\_

b. Other Computer Systems

1. Check if coverage is desired for:

NACHA     CHIPS     SWIFT     Fed Wire     Bank Wire

**2. Optional Coverages *continued***

**Yes**

**No**

**Single Loss Limit**

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

*(For Automated Teller Machine Systems, complete Item 3 below.)*

**Computer System(s)**

--	--	--

3. List below shared or other participatory Automated Teller Machine Systems for which coverage is desired:

**ATM System(s)**

--	--	--

4. Is coverage desired for Tested telex or other similar means of tested communication?  Yes  No

h. Is Voice Initiated Transfer Fraud Coverage desired? *(Note: Computer Systems Fraud Coverage must be purchased in conjunction with this Coverage.)*  Yes  No \$ \_\_\_\_\_

**If yes**, what is the dollar amount of the call-back threshold to the originator of an instruction? \$ \_\_\_\_\_

i. Is Telefacsimile Transfer Fraud Coverage desired? *(Note: Computer Systems Fraud Coverage must be purchased in conjunction with this Coverage.)*  Yes  No \$ \_\_\_\_\_

**If yes**, what is the dollar amount of the call-back threshold to the originator of an instruction? \$ \_\_\_\_\_

j. Is coverage desired on businesses engaged in the data processing of your cheques or other accounting records?  Yes  No

**If yes**, list below the name and location of each data processor:

**Name & Location**

**Name & Location**

--	--

k. Is Servicing Contractors Coverage desired?  Yes  No \$ \_\_\_\_\_

**If yes**, complete the following: *(Note: Servicing Contractors service your real estate mortgages or home modernization loans or manage your real property.)*

l. Is coverage desired on your appointed or elected agents, whether they be persons, partnerships or corporations *(other than servicing contractors or data processors)* performing any act or service in connection with the ordinary conduct of your business?  Yes  No \$ \_\_\_\_\_

**If yes**, list below the name and location of each Issuer:

**2. Optional Coverages *continued***

**Yes      No      Single Loss Limit**

Name & Location		Amount	Name & Location		Amount
		\$			\$
		\$			\$
		\$			\$
		\$			\$

2. Are you a direct participant in a depository for the central handling of securities?  Yes  No  
**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), Extortion and Unattended Automated Teller Machines	\$
b. Insuring Agreement (D) - Forgery or Alteration	\$
c. Insuring Agreement (E) - Securities	\$
d. Extortion - Threats to Persons	\$
e. Extortion - Threats to Property	\$
f. Unattended Automated Teller Machines	\$

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 deposits insured by the Canada Deposit Insurance Corporation?  Yes  No

**3. Audit Procedures**

**Yes No**

*External*

1. Is there an  **annual**  **semi-annual**, audit by an independent firm of Chartered Accountants?
- a. **If yes**, is it a complete audit made in accordance with generally accepted auditing standards and so certified?
- If no**, explain the scope of the CA's examination:  
\_\_\_\_\_  
\_\_\_\_\_
- b. Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation? \_\_\_\_\_
- c. Name and location of CA. \_\_\_\_\_
- d. Date of completion of the last audit by CA. \_\_\_\_\_
- e. Has there been any change in outside auditing firm in the last 3 years?
- If yes**, explain: \_\_\_\_\_  
\_\_\_\_\_
- f. Are money and securities physically counted and verified?
- g. Are the ledger balances to the credit of customers verified?

*Internal*

2. a. (I) Is there an Internal Audit Department?
- Number of Employees: \_\_\_\_\_
- Position reported to: \_\_\_\_\_
- (ii) **If yes**, are monthly reports rendered directly to all partners if a partnership or to the Board of Directors, if a corporation?
- b. Are money and securities physically counted and verified?
- c. Are the ledger balances to the credit of customers verified?

**4. Internal Controls**

**Yes No**

1. a. Are all outgoing cheques countersigned?
- If no**, explain: \_\_\_\_\_
- b. How are cheques guarded to avoid loss or misplacement? \_\_\_\_\_
- c. Is the sequence of cheque numbers carefully ebsented-to-ensure-properaccountability?
- d. If cheque-signing machines are used, describe control over signature plates \_\_\_\_\_  
\_\_\_\_\_
- e. If facsimile signatures are used, are such signatures subject to dual control and password protected?
- If no**, describe controls over such facsimile signatures: \_\_\_\_\_
- f. For (d) and (e) above, what control is there over the number of items processed using cheque signing machine or facsimile signatures \_\_\_\_\_
- g. Are all incoming cheques and drafts immediately endorsed "for deposit only"?
- h. Are bank reconciliations completed by person(s) not authorized to deposit or withdraw therefrom?
- If no**, who (*name and position*) reviews and approves bank reconciliations? \_\_\_\_\_
- i. Is there a Security Manual in each premises detailing procedures in the event of robbery, burglary, kidnapping, extortion, etc.?
- j. Are there operating manuals or other written instructions covering all aspects of your business which clearly define the duties of each employee?
- k. Is there a formal, planned program requiring segregation of duties so that no single transaction can be fully controlled from origination to posting by one person?

**4. Internal Controls *continued***

**Yes No**

*Teller Positions*

- a. Does each teller have a robbery alarm activator which is hidden from public view?  Yes  No
- b. Are all tellers provided with bait or decoy money? (*Bait money consists of currency notes, the denominations and serial numbers of which have been recorded and verified.*)  Yes  No
- c. Are all tellers required to lock all cash in their cash drawers whenever the station is unattended?  Yes  No
- d. Are the contents of all tellers' cash drawers verified on an unscheduled basis?  Yes  No
- e. When cash deliveries are received at branches, are the funds immediately counted and verified under joint control in the vault or in a locked room hidden from public view?  Yes  No

*Loans and Mortgages*

- a. Is there a loan policy manual (*detailing what are desirable and undesirable loans, collateral requirements, loan and overdraft authority, etc.*)?  Yes  No
- b. Are all promissory notes approved and initialed by the loaning officer?  Yes  No
- c. Is a sequential number control maintained by assigning a number to all new or renewed notes?  Yes  No
- d. Are all loan signatures obtained on the premises in the presence of an officer?  Yes  No
- e. If co-signers do not sign in the presence of an officer, do you require their signatures to be either notarized or directly verified with them (*not a signature card comparison*)?  Yes  No
- f. Are loan proceeds disbursed by someone independent of the individual who authorized the loan?  Yes  No
- g. Are loan proceeds disbursed by credit to customer accounts or by cheque, never in cash?  Yes  No
- h. Does an officer approve and verify as genuine all collateral secured for repayment of loans before the loan is made?  Yes  No
- i. Is the use of clients' solicitors allowed for registering mortgages?  Yes  No
- j. Are appraisals of real property made by an outside firm?  Yes  No  
**If no**, please explain: \_\_\_\_\_
- k. How long are loan/mortgage payments allowed to remain in arrears prior to being investigated?  
\_\_\_\_\_
- l. Do you permit loans to Directors, Officers, or major shareholders, or their families, or other companies with whom such persons are associated or have an interest?  Yes  No  
**If yes**, are all loans handled by officers totally unconnected with the borrowers?  Yes  No
- m. Have you hired or retained persons with prior convictions?  Yes  No  
**If yes**, do you have Employees working in the State of New York?  Yes  No  
**If yes to (b)**, do you weigh the factors the factors set out in New York State Corrections Law Article 23-A in making the determination to hire or retain such persons?  Yes  No
- n. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment?  Yes  No

**4. Internal Controls *continued***

<i>Exposure</i>					
<b>Premises</b>	<b>Head Office</b>	<b>Main Branches</b>	<b>Other Branches</b>		
a. State maximum value of Securities <i>(including negotiable collateral, unissued stock certificates, etc.)</i>	_____	_____	_____		
b. State maximum value of cash, bullion, precious stones and similar items, and unissued travellers cheques	_____	_____	_____		
<b>Tellers</b>					
c. State maximum amount of "Working Drawer" cash with any single teller	_____	_____	_____		
<b>Automated Teller Machines</b>					
d. State maximum cash exposure permitted	_____	_____	_____		
e. If device accepts deposits, please estimate maximum exposure prior to pickup	_____	_____	_____		
<b>Transit</b>					
f. State maximum amount of cash and securities in transit by armoured motor vehicle at any one time, to and from	_____	_____	_____		
g. State maximum amount of cash and securities in transit by messengers at any one time, to and from	_____	_____	_____		
<i>Vaults, Safes and Alarms</i>					
<b>Vaults</b>	<b>Head Office</b>		<b>Branches</b>		
	<b>Yes</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	
a. Are there vaults on the premises?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Are they equipped with: Dual combination lock? Time lock? Lockable day gate?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Are walls, floors and ceilings of reinforced concrete and lined steel?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. What is the U.L. <i>(Underwriters Laboratories)</i> rating? _____					
<b>Safes</b>					
a. Are there safes on the premises?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
b. Are they equipped with a dual combination lock with a relocking device bawl effectively lock the door if the safe is attacked?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
c. Are safes anchored to the floor or alternatively do they weigh not less than 680 kg (1500 lbs) empty?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
d. What is the U.L. <i>(Underwriters Laboratories)</i> rating? _____					

**4. Internal Controls *Continued***

Alarms	Head Office		Branches	
	Yes	No	Yes	No
a. Are there alarm systems against:				
Burglary?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Robbery?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Are they connected to:				
Central Station?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Police Station?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Elsewhere? <i>(describe)</i> _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. What is the U.L. <i>(Underwriters Laboratories)</i> rating? _____				
<b>Other Protection</b>				
a. Specify other protection devices such as camera systems, security services, or other security measures not mentioned herein _____				
<i>Personnel</i>			<b>Yes</b>	<b>No</b>
1. a. Do you require annual vacations of at least two consecutive weeks for all personnel?			<input type="checkbox"/>	<input type="checkbox"/>
<b>If no</b> , explain _____ _____				
b. Do you verify the business history of each prospective employee for the last five years preceding his/her employment with your firm?			<input type="checkbox"/>	<input type="checkbox"/>
<b>If no</b> , explain what procedure is followed: _____ _____				
c. Are employee's accounts allowed?			<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , are ledger cards of such accounts segregated and frequently reviewed by an officer?			<input type="checkbox"/>	<input type="checkbox"/>
d. Are the major shareholders working full-time in the firm?			<input type="checkbox"/>	<input type="checkbox"/>
2. a. Has there been any change in controlling ownership or management within the past three years?			<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , explain _____				
b. Current ownership structure, including name and percentage held. If necessary, please attach a separate page _____ _____				
3. Has any insurance similar to the type being requested in this application been declined or cancelled during the past six years?			<input type="checkbox"/>	<input type="checkbox"/>
<b>If yes</b> , explain _____				



**5. Loss History**

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

Check if none

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.

This document was issued or made by the Company in the course of its insurance business in Canada.

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

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