



Law Firm Questionnaire

Application is hereby made by _____
(Please list all Insureds, including Employee Benefit Plans)

Principal Address _____

City _____ Province _____ Postal code _____

Policy Effective Period _____ to _____

Insuring Agreements

Limit of Insurance

Deductible

Insuring Agreement – Employee Dishonesty <input type="checkbox"/> Blanket	\$ _____	\$ _____
Insuring Agreement – Forgery or Alteration	\$ _____	\$ _____
Insuring Agreement – Inside the Premises	\$ _____	\$ _____
Insuring Agreement – Outside the Premises	\$ _____	\$ _____
Insuring Agreement – Computer Fraud	\$ _____	\$ _____
Insuring Agreement – Money Orders and Counterfeit Paper Currency	\$ _____	\$ _____
Insuring Agreement – Loss of Clients’ Property Resulting from Employee Dishonesty	\$ _____	\$ _____
Insuring Agreement – Funds Transfer Fraud	\$ _____	\$ _____

1. Description of your organization

Yes

No

a. Are you a: Proprietorship Partnership Corporation Other: _____

b. Date your business was established: _____

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

d. Please describe the instruments held by the law firm: _____

e. Has there been any change in partnership within the past three years? Yes No

If yes, please explain. _____

2. Audit Procedures

Yes

No

a. Are your annual financial statements audited by a public accountant? Yes No

b. Is the public accountant’s opinion unqualified? Yes No

c. Does it include all interests and locations on an annual or intermittent basis? Yes No

d. Have all recommendations made by the accountant been adopted? Yes No

e. Are all reports sent directly to the partners? Yes No

f. Is there a full-time Professional Staff Auditor? Yes No

g. Is there an Internal Audit department? Yes No

3. Internal Controls

Yes

No

Bank Accounts

- | | Yes | No |
|---|--------------------------|--------------------------|
| a. Are bank accounts reconciled monthly? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are bank accounts reconciled by someone not authorized to deposit or withdraw?
If no, please explain. _____
_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are the operating accounts of the firm and the closing accounts kept separate?
If no, how does your firm differentiate between your clients' funds and the firm's funds?
_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Whom in the firm has access to the escrow accounts? _____ | | |
| e. What controls are over the accounts payable? _____ | | |
| f. What controls are over the accounts receivables? _____ | | |
| g. Who has access to these records? _____ | | |
| h. Are background cheques (e.g. credit report) provided on all vendors? | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Do you maintain a list of approved vendors? | <input type="checkbox"/> | <input type="checkbox"/> |

Cheques

- | | | |
|---|--------------------------|--------------------------|
| a. Is countersignature of all cheques required?
Above what amount? \$ _____
If no countersignature is in place, what controls are in lieu of it? _____
_____ | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Do all vouchers or other supporting record accompany all cheques to be signed? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are vouchers/supporting records stamped "PAID" when cheques are signed? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Are your systems designed so that no single employee can control a transaction from the beginning to the end (e.g. approve a voucher, request and sign a cheque)? | <input type="checkbox"/> | <input type="checkbox"/> |

Payroll

- | | | |
|---|--------------------------|--------------------------|
| a. Do you screen your employees for prior acts of dishonesty? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are credit reports checked when screening new employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the payroll made up by persons other than those who distribute it to employees? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Are all persons who are authorized to hire and/or fire employees prohibited from distributing the payroll? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Is positive identification required of each person receiving pay? | <input type="checkbox"/> | <input type="checkbox"/> |

Supervision by Owner

- | | | |
|---|--------------------------|--------------------------|
| a. Is there personal supervision of business activities on a daily basis by the partner(s)? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Does that person: | | |
| 1. Deposit all cash receipts? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Sign or countersign all cheques? | <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"/> |

3. Internal Controls *Continued*

Yes No

Additional Information

- a. 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, 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? Yes No
- b. Do you maintain documentation of your New York State Corrections Law Article 23-A assessment? Yes No

4. Gross Firm Billings

Please enter the approximate percentage of gross firm billings for each of the following that describes your real estate practice for the last 12 months. The total must equal 100%.

- a. Residential Closings – representation of borrowers _____ %
- b. Commercial Closings – representation of borrowers _____ %
- c. Residential Closings – representation of lenders _____ %
- d. Commercial Closings – representation of lenders _____ %

5. During the last 12 months, how many transactions were handled that can be classified as:

- a. Residential Real Estate _____
- b. Commercial Real Estate _____

6. What is the average size/value of the transactions indicated above in question 5 for each category:

- a. Residential Real Estate \$ _____
- b. Commercial Real Estate \$ _____

7. With regard to your real estate clients, does the firm or any member of the firm:

Yes No

- a. Have a business relationship other than the rendering of legal services? Yes No
- b. Have the authority to disburse funds for any of the real estate clients? Yes No
- c. Accept a percentage of the dollar value of a transaction in lieu of legal fees? Yes No

8. 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

9. 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 _____

10. Classification of Employees and Locations

a. Classification of Employees:

1. Number of Partners (including full-time and part-time) _____

2. List the number of employees in the following classifications:

Accountants/Asst. Accountants	Custodians	Office Clerks
Adjusters	Delivery Persons	Paralegals/Legal Secretaries
Administrative/Asst. Administrators	Drivers and Drivers' Helpers	Receiving and Shipping Clerks
Lawyer	Mail room Personnel	Security Personnel
Auditors/Asst. Auditors	Messengers	
Bookkeepers	All other employees who handle money	

3. Number of all other employees _____

4. Number of additional locations other than the head office _____

11. Money - Securities

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

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

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.

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

Applicant's Signature _____

Date _____

Producer's Signature _____

Date _____