



Application for Financial Institution Bond Standard Form No.25

Application is hereby made by _____

(Please Attached a List of All Insureds, Including Employee Benefit Plans)

Principal Address _____

City _____ State _____ Zip _____

Policy Effective Period _____ to _____ Date Insured was Established _____

Name of Prior Carrier _____ In the Aggregate limit of Liability of _____

1. Description of Organization

1. Please provide a breakdown of your top five largest lines of business, based upon a percentage of total revenues for the most recent fiscal year end.

Line of Business	Percentage of Revenues (%)	Dollar Value of Revenues

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| 2. Do you or any of your subsidiaries operate in any capacity differently than what is listed above?
If yes, please describe. | <input type="checkbox"/> | <input type="checkbox"/> |

3. What is your most recent rating by A.M Best Company? _____ as of _____

4. What is your most recent rating by Demotech? _____ as of _____

5. What is your most recent S&P or S&Pisi rating? _____ as of _____

- | | | |
|--|--------------------------|--------------------------|
| | Yes | No |
| 6. Has there been any change in ownership or management within the past three years? | <input type="checkbox"/> | <input type="checkbox"/> |

- | | | |
|---|--------------------------|--------------------------|
| | | |
| 7. Has there been any disciplinary actions over the past three years by any regulatory authority including, but not limited to, consent agreements, special situation agreements, cease and desist orders, or similar restrictions? | <input type="checkbox"/> | <input type="checkbox"/> |

1. Description of Organization Continued**Current or Requested Coverage****Insuring Agreement****Limit****Deductible**

Basic Bond Coverage

Insuring Agreement (D) Forgery or Alteration

Insuring Agreement (E) Securities

Computer Systems Fraud

Fraudulent Real Property Mortgages

Fraudulent Transfer Instructions

Other (Please Specify) _____

2. Exposure Info**1. Employees and Locations**

Domestic Employees _____

Domestic Locations _____

Foreign Employees _____

Foreign Locations _____

Grand Total Employees _____**Grand Total Locations** _____**3. Audit Procedures****Yes****No****Please explain any no answers below on a separate page, unless otherwise indicated.**

1. Is there an annual audit by an independent CPA?

☐☐**If the answer is no, please explain the scope of the CPA's examination.**

2. Is the audit rendered directly to all partners if a partnership or to the Board of Directors if a corporation?

☐☐

3. Name and Location of CPA _____

4. Date of completion of last audit by CPA _____

5. Is there a continuous internal audit by an internal audit department?

☐☐

6. Is there a full-time professional staff auditor?

☐☐

7. Are foreign locations audited at least annually by an external CPA?

☐☐

8. Do branch office audits include a check of the date the premium was paid against the daily reports to make sure branch employees are not holding back premiums to cover a shortage or misappropriation?

☐☐

9. Are your wire transfer procedures audited?

☐☐**4. Internal Controls****Yes****No****Please explain any no answers below on a separate page, unless otherwise indicated.**

1. Do you have a documented system of internal control policies/procedures?

☐☐

2. Do you require annual vacations of at least two consecutive weeks for all personnel?

☐☐

3. Are bank accounts reconciled monthly?

☐☐

4. Are bank accounts reconciled by someone not authorized to deposit or withdraw?

☐☐

4. Internal Controls Continued

	Yes	No
5. Are internal controls designed so that no employee can control a process from beginning to end? (e.g. request a check, approve a voucher and sign the check)	<input type="checkbox"/>	<input type="checkbox"/>
6. Are monthly or quarterly statements (whether or not there was activity in the account) sent directly to all customers?	<input type="checkbox"/>	<input type="checkbox"/>
7. Is an authorized vendor list utilized and updated annually for all purchases, and is competitive bidding required?	<input type="checkbox"/>	<input type="checkbox"/>
8. Are background checks performed on vendors in order to determine ownership and financial capability?	<input type="checkbox"/>	<input type="checkbox"/>
9. Are the procedures for authorizing vendors, approving invoices and processing payments segregated among different employees?	<input type="checkbox"/>	<input type="checkbox"/>
10. Are vendors, attorneys, general adjusters, and salvage firms that are used for claim handling, formally investigated as to financial stability and reputation with services obtained only from those on the approved list?	<input type="checkbox"/>	<input type="checkbox"/>
11. Please confirm if internal control and audit procedures are consistent throughout all domestic and foreign locations	<input type="checkbox"/>	<input type="checkbox"/>
12. Are background checks provided on all new hires?	<input type="checkbox"/>	<input type="checkbox"/>
13. Are cancelled checks compared to cash disbursement records?	<input type="checkbox"/>	<input type="checkbox"/>
14. Are the records from which premium billings are prepared reconciled periodically with in-force insurance listings?	<input type="checkbox"/>	<input type="checkbox"/>
15. Does a person not having access to cash control the records used for preparation and mailing of:		
a. Premium Notices?	<input type="checkbox"/>	<input type="checkbox"/>
b. Lapse Notices?	<input type="checkbox"/>	<input type="checkbox"/>

5. Computer and Fund Transfer Controls

	Yes	No
Please explain any no answers below on a separate page, unless otherwise indicated.		
1. Do you have procedures to verify the identity and authenticity of new customers or vendors prior to entering into transactions with them? If yes, please outline your screening procedures.	<input type="checkbox"/>	<input type="checkbox"/>
2. Do you accept funds transfer instructions from customers, vendors, and employees over the telephone, fax, email, or some other electronic communications method? If yes, please outline your procedures to authenticate the instructions.	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you verify all requests made by customers, vendors, or employees to establish or change the funds transfer procedures by calling back the telephone number listed in your records or employee directory? If no, please explain alternative methods used to authenticate customer, vendor, or employee requests.	<input type="checkbox"/>	<input type="checkbox"/>

5. Computer and Fund Transfer Controls *Continued***Yes No**

4. Please describe the verification details and fraud training awareness procedures you have in place to authenticate the identity of the requestor and verify the establishment of/or revisions to payment instructions:

5. Does the Applicant perform funds transfer to companies outside of the United States? ☐ ☐

If yes, please attach list of countries on a separate page.

6. Claims**Yes No**

1. Do you utilize the services of Servicing Contractors or a Third-Party Administrators to provide claim adjustment services? ☐ ☐

If yes, please attach a list to specify by whom.

2. Do you perform Servicing Contractor or a Third-Party Administrator audits on a regular basis? ☐ ☐

3. Are follow-up audits performed where previous audits have discovered errors or irregularities? ☐ ☐

4. Is the signature or approval stamp of a Claims Adjuster required prior to the processing of a claim for payment? ☐ ☐

5. Do the duties of claim supervisors include:

- a. The review of all claim files over a certain dollar amount? ☐ ☐
- b. The approval for payment of all claims over a certain dollar amount? ☐ ☐
- c. The approval of the provision of outstanding claims at the end of the fiscal year? ☐ ☐
- d. Overall control of the claims adjusting of all lines insured? ☐ ☐
- e. The handling of salvage and recoveries? ☐ ☐

6. When claims checks or check requisitions are approved and signed, is the claim file presented to the signatories? ☐ ☐

7. Loss History

List all losses sustained during the past three years, whether reimbursed or not:

☐ Check here if none

Please explain any losses below on a separate page, along with corrective measures implemented.

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from Other than Insurance	Amount of Loss Pending

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.

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 _____