



- 3.) Has any similar insurance been voided, declined, nonrenewed or canceled during the past three years?  
 Yes  No *If Yes, please explain via a separate attachment.*

Please provide the following details regarding the Applicant's current crime insurance program <i>If not applicable, please check here:</i> <input type="checkbox"/>				
Insurer	Policy Period	Limit of Liability	Deductible	Premium
		\$	\$	\$

**C. APPLICANT INFORMATION**

- 1.) Latest fiscal year end revenues: \$ \_\_\_\_\_

List Countries in which you have operations	Type of Operation	# of Employees	# of Locations	Revenues
U.S. and Canada				\$
				\$
				\$
				\$
				\$
				\$
				\$
<b>TOTAL:</b>				\$

- 2.) Of the grand total of employees indicated above, how many are either in management or handle, have custody, or maintain records of money, securities or other property?: \_\_\_\_\_

**D. EMPLOYMENT PRACTICES (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Do you conduct background checks to include the following:
- a) Prior employment verification?  Yes  No
  - b) Record of criminal history?  Yes  No
  - c) Drug testing?  Yes  No
- 2.) Are mid employment background checks or screenings done on employees promoted to managerial or sensitive positions?  Yes  No
- 3.) Do you have a Code of Ethics/Conduct policy that all employees are required to read?  Yes  No

**E. AUDIT AND ANTI-FRAUD CONTROLS (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Are your financial statements audited annually by a Certified Public Accountant?  Yes  No  
*(If Yes, and a private company, please include your most recent copy of CPA Audited financials.)*
- 2.) Are all subsidiaries and locations included in the audit?  Yes  No
- 3.) Is there a CPA Internal Control Deficiency Letter issued by the CPA?  Yes  No  
*(If Yes, please include the most recent letter and management's response.)*
- 4.) What is the size of your Internal Audit Department? \_\_\_\_\_  N/A  
*(If N/A, by attachment to this application please explain your internal audit structure and its responsibilities?)*
- 5.) Were any material weaknesses or significant deficiencies in internal controls identified by your internal audit staff or CPA firm during the current or prior year?  Yes  No

(If Yes, by attachment to this application please explain the issue(s) identified and corrective action being taken.)

- 6.) Does the internal audit department follow the Institute of Internal Audit standards?  Yes  No
- 7.) Is an External Quality Assessment (EQA) performed to evaluate internal audit conformance and the reliability of the internal audit activity's work?  Yes  No
- 8.) Does the internal audit team audit all domestic and foreign locations (if applicable) at least every two years? (Please include a copy of the current internal audit plan)  Yes  No
- 9.) Is accounting centralized or decentralized?  Centralized  Decentralized  
If decentralized, how often are branch transactions reviewed and audited by the central office? \_\_\_\_\_
- 10.) Do you have an employee "whistle blower" or fraud hotline program for reporting fraud?  Yes  No
- 11.) Do you provide any other types of anti-fraud programs or anti-fraud training for employees as a means to prevent fraud throughout your organization?  Yes  No

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**F. RECONCILIATION AND DISBURSEMENT CONTROLS (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Is a monthly reconciliation of bank accounts done by an employee who does not have authority to also:  
a) Sign checks?  Yes  No  
b) Handle bank deposits?  Yes  No  
c) Have access to check signing machines or signature plates?  Yes  No
- 2.) For locations that manually issue checks, do you require countersignature?  N/A  Yes  No  
If Yes, at what dollar threshold? \_\_\_\_\_
- 3.) In order to deter check fraud, do you utilize a Positive Pay system that matches checks issued against those presented for payment?  Yes  No
- 4.) Prior to issuing any payment, are invoices matched to an approved vendor from an authorized vendor list, a corresponding purchase order, and a "goods or services" received report?  Yes  No
- 5.) Are disbursement controls segregated so that no one employee can control a process from beginning to end (e.g. request check, approve voucher, sign check)?  Yes  No
- 6.) Is a report of payments made by check or wire transfer generated and reviewed monthly by management or internal audit for unusual payments?  Yes  No
- 7.) Are all expense reports documented with applicable receipts, and reviewed by someone knowledgeable about the employees work, travel itineraries and typical expenses?  Yes  No
- 8.) Are your foreign reconciliation and disbursement procedures identical to your domestic procedures?  N/A  Yes  No

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**G. PAYROLL CONTROLS (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Does internal audit have a program in place to detect possible ghost employees?  Yes  No
- 2.) Are there notification systems in place that prompt HR about additions or changes to payroll?  Yes  No
- 3.) Is there a system in place to reconcile those payroll changes with new hire or salary change documentation?  Yes  No
- 4.) Are your foreign payroll procedures identical to your domestic procedures?  N/A  Yes  No

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**H. PURCHASING, VENDOR AND INVENTORY CONTROLS (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Have you established written levels of purchasing authority that are continually monitored for compliance?  Yes  No
- 2.) Is an authorized vendor list utilized to assist in detecting payments to fictitious suppliers?  Yes  No
- 3.) Do you perform background checks on all vendors to verify their existence, ownership, address, tax ID?  Yes  No  
If Yes, are these background checks performed by someone who does not have the authority to add vendors to the authorized vendor list?  Yes  No
- 4.) Is the responsibility for authorizing vendors, approving invoices and processing payments segregated amongst different individuals?  Yes  No
- 5.) Is the monthly bank account reconciliation conducted by someone who does not have access to the authorized vendor list?  Yes  No
- 6.) Are your systems and controls designed to prevent the entry of unauthorized changes or additions to the vendor list, or the entry of duplicate invoices?  Yes  No
- 7.) Do you require two signatures:
  - a) on all purchase orders prior to ordering all goods and services?  Yes  No
  - b) on all payment requisitions prior to paying for all goods and services?  Yes  No
  - c) on all requests to change payee bank account information?  Yes  No
- 8.) How often are procurement and vendor controls internally audited for proper segregation and fraudulent activity (or compliance and effectiveness)? \_\_\_\_\_
- 9.) Is a perpetual inventory system maintained for all manufactured or finished goods?  Yes  No  
If Yes,
  - a) Does this include a perpetual inventory of any related scrap?  N/A  Yes  No
  - b) Are perpetual inventory systems and physical inventories reconciled to one another?  Yes  No
  - c) Is the reconciliation performed by someone not involved with oversight of the physical inventory?  Yes  No
  - d) Are inventory variances in excess of established parameters immediately reported to auditing?  Yes  No
- 10.) Do you have security guards/alarms and video cameras to protect inventory in your plants and warehouses?  Yes  No
- 11.) If you use precious metals, stones, gems, or other high value items in your operations:
  - a) Is access to this high value material restricted, controlled and monitored?  N/A  Yes  No
  - b) Do you conduct daily inventories of this high value material?  N/A  Yes  No
 (By attachment to this application, please provide details on your use of, and internal controls around, any precious metals used in your operations.)
- 12.) Are your foreign purchasing, inventory and vendor procedures identical to your domestic procedures?  N/A  Yes  No

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**I. COMPUTER AND WIRE TRANSFER CONTROLS (unless otherwise indicated, please explain any "no" answers with an attachment to the application)**

- 1.) Are your systems programmed to detect and call to your attention unusual account activity?  Yes  No
- 2.) Is the authority to initiate and approve a wire transfer separated amongst different employees?  Yes  No
- 3.) Are wire transfers reconciled daily by a person not involved in approving or initiating the wire transfers?  Yes  No
- 4.) Have computer access controls been implemented that:
  - a) Automatically revoke user ID's upon termination of employment?  Yes  No
  - b) Encrypt password files for all applications and restrict access?  Yes  No
- 5.) If you perform business transactions over the internet:

- a) Are firewall patches current and configured to restrict all IP communications except those necessary to conduct business?  N/A  Yes  No
- b) Is firewall port scanning and penetration testing conducted regularly?  N/A  Yes  No
- 6.) If any non-employees have access to your computer systems, please explain by attachment to this application who has access, to what degree, and what for?  N/A
- 7.) Are your foreign wire transfer procedures identical to your domestic procedures?  N/A  Yes  No

**(complete Section J. only if requesting the Employee Theft – Client Premises insuring agreement)**

**J. CLIENT PROPERTY (unless otherwise indicated, please explain any “no” answers with an attachment to the application)**

- 1.) Do you maintain custody or control over assets, funds or materials of your clients?  Yes  No  
If Yes, please provide details via a separate attachment.
- 2.) Do you perform any services for clients on the premises of the client? If no, stop here for this section. If Yes, please respond to the following questions:  Yes  No
- a) Describe the type of work being performed: \_\_\_\_\_
- b) How many of your employees will be working on the premises of your client(s)? \_\_\_\_\_
- c) Do you perform background checks (pre-employment verification, criminal history screening, drug testing) on all employees that will be working on the premises of clients?  Yes  No
- d) Will you have access to clients’ money, securities, banking systems, purchasing systems, payroll systems, accounting systems and/or wire transfer systems?  Yes  No
- e) Will employees have access to restricted areas of the client’s premises, and will this be limited by keycards, locks, etc.?  Yes  No
- f) Will you be performing services during your clients’ normal business hours?  Yes  No
- g) Will your employees be supervised and/or monitored by your client(s)?  Yes  No
- h) Will your employees be required to wear ID badges or carry special “non-employee” identification?  Yes  No

**K. MONEY & SECURITIES EXPOSURE**

- 1.) What is the maximum amount of money/securities at any one of your locations?  
Money: \_\_\_\_\_ Securities: \_\_\_\_\_ Negotiable Instruments: \_\_\_\_\_

**(complete Section L. only if you are a governmental entity)**

**L. FOR GOVERNMENTAL ENTITY SECTION – (unless otherwise indicated, please explain any “no” answers with an attachment to the application)**

- 1.) Is there a written investment policy?  Yes  No
- 2.) Are investment accounts periodically reviewed by an investment committee, board or auditor?  Yes  No
- 3.) Do trade confirmations go directly to someone other than the person executing the trade?  Yes  No

**M. LOSS EXPERIENCE**

LOSS EXPERIENCE		
List all fidelity and crime losses discovered or sustained in the last three years. Check here if none: <input type="checkbox"/>		
DATE OF LOSS	TYPE OF LOSS (Employee Dishonesty, Forgery, etc.)	AMOUNT OF LOSS

Please attach details of all losses including description, corrective action taken and amount covered by insurance.

**N. PLEASE ATTACH THE FOLLOWING ADDITIONAL INFORMATION**

- Unless otherwise indicated an explanation of 'No' answers within the application;
- Ownership and operational details on all joint ventures, subsidiaries, or mergers and acquisitions for which you are requesting coverage;
- A copy of the Internal Audit Plan for the current year;
- A copy of your most recent audited financial statement (if a private company);
- A copy of your most recent CPA Internal Control Deficiency Letter and management's response;
- Details on oversight of precious metals, scrap or any high value goods, if applicable.

## Insurance Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance, or a statement of claim 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 in certain jurisdictions.

### FRAUD WARNING STATEMENTS

**ATTENTION ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, RHODE ISLAND AND WEST VIRGINIA APPLICANTS:** ANY PERSON WHO KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**ATTENTION COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.

**ATTENTION FLORIDA APPLICANTS:** 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.

**KANSAS APPLICANTS:** INSURANCE FRAUD IS A CRIMINAL OFFENSE IN KANSAS. A " FRAUDULENT INSURANCE ACT " MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO.

**ATTENTION KENTUCKY, OHIO AND PENNSYLVANIA APPLICANTS:** 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.

**ATTENTION LOUISIANA, MAINE, TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS: 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 OR A DENIAL OF INSURANCE BENEFITS.**

**ATTENTION NEW HAMPSHIRE AND NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION TO THE BEST OF HER/HIS KNOWLEDGE FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.**

**ATTENTION OKLAHOMA APPLICANTS: 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.**

**ATTENTION OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.**

**NEW MEXICO APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.**

**ATTENTION NEW YORK APPLICANTS: 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.**

The Insured represent that the information and statements furnished in this application are complete, true and accurate to the best of your knowledge. Any intentional misrepresentation, omission, concealment or misstatement of a material fact, in this application or otherwise, shall be grounds to deny coverage.

\*APPLIES TO GEORGIA, VIRGINIA APPLICANTS ONLY: The Insured represents that the information furnished in this application is complete, true and correct. It is further agreed that if the above described declarations and statements are not true, accurate and complete, and are deemed material to the issuance of this Policy, any claim arising from any matter not truthfully, accurately or completely disclosed, or disclosed at all, shall be excluded from coverage

SIGNATURE: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

**THIS PAGE CONTAINS STATE SPECIFIC LANGUAGE OR REQUIREMENT FOR APPLICANTS RESIDING IN THE FOLLOWING STATES: Florida, Iowa, Maine and New Hampshire**

**Applicable to Maine applicants only**

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS. THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE CURRENT POLICY PERIOD, WHICHEVER IS LATER. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF. THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER OR THE PRESIDENT OF THE COMPANY.

**Applicable to New Hampshire applicants only**

**The Insured represent that the information and statements furnished in this application are complete, true and accurate to the best of your knowledge. Any intentional misrepresentation, omission, concealment or misstatement of a material fact, in this application or otherwise, shall be grounds to deny coverage.**

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE TO THE BEST OF HER/HIS KNOWLEDGE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS AND/OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE. THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE CURRENT POLICY PERIOD, WHICHEVER IS LATER. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE ATTACHED TO AND BECOME A PART OF THE POLICY. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF. THIS APPLICATION MUST BE SIGNED BY THE CHAIRMAN OF THE BOARD, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER OR THE PRESIDENT OF THE COMPANY.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_ DATE: \_\_\_\_\_

**Required applicants in Florida, Iowa & New Hampshire**

Name of Agent \_\_\_\_\_  
(Required: Florida, Iowa & New Hampshire only)

Agent License #: \_\_\_\_\_  
(Required: Florida only)

Print Name: \_\_\_\_\_

Name of Agency: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Agent Signature: \_\_\_\_\_  
(Required: Florida & New Hampshire only)

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

(Enter the address and phone number of the local The Hartford office.)