

14. Coverage is being written: Primary Excess Concurrent
Coindemnity Coinsurance

If coverage is being written on an excess, concurrent or coindemnity basis, show the names of the other carriers and limits: _____

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

15. Do you require payment of any loss we may pay to a third party? Yes No
If "Yes", should payment be made solely to the loss payee or jointly to you and the loss payee? _____
List the name(s) and address(es) of the loss payee(s): _____

16. Do you want any joint venture or partnership added as a named insured?
Yes No
If "Yes", list the name(s) of the joint venture or partnership and percentage of your ownership interest:

17. Do you require any third party to receive advance notice of cancellation in the event insurance is cancelled?
Yes No
If "Yes", list the name(s) of such entity(ies) and the number of days advance notice is required:

18. Has coverage provided by a prior insurance carrier been reinstated or waived on any of your current employees?
Yes No
If "Yes", list the name(s) of the employee(s):

II. COVERAGE REQUESTED

Complete the following for Insuring Agreements, Limits and Deductibles desired:

Insuring Agreements	Yes	No	Limit Of Insurance	Deductible Amount
1. Employee Theft	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
Trading	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	_____
2. Forgery Or Alteration	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
3. Inside The Premises – Theft Of Money And Securities	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
4. Inside The Premises – Robbery Or Safe Burglary Of Other Property	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
5. Outside The Premises	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
6. Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
7. Funds Transfer Fraud	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
8. Money Orders And Counterfeit Money	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____
By Endorsement				
Clients' Property	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____	\$ _____

For coverage amendments applicable to the above insuring agreements, attach Crime Coverage Amendments Supplemental Application CR A 002.

For additional insuring agreements available by endorsement, attach Crime Additional Insuring Agreements Application CR A 003.

III. RATING INFORMATION

A. Show the total number of employees, consisting of:	No. Of
1. Officers (include non-compensated officers, if any in 7. below):	_____
2. All full and part time employees who handle, have custody or maintain records of money, securities or other property:	_____
3. All directors, trustees, officers, employees, administrators and managers (other than independent contractors) not included in 1. or 2. above, who handle funds of benefit plans subject to the Employee Retirement Income Security Act (ERISA):	_____
4. All leased employees and former employees hired as consultants:	_____
5. All others not included in 1. through 4. above:	_____
In addition to those included in 1. through 5. above, complete the following to include as employees:	
6. Individual directors or trustees of your Board while serving on elected or appointed committees:	_____
List name(s) of director(s) or trustee(s): _____	
7. Non-compensated officers:	_____
List names or titles: _____	
8. Natural persons, whether or not compensated, while performing services as chairpersons or members of committees:	_____
List name(s) of committee(s): _____	
9. Volunteer workers who do not solicit funds:	_____
10. Volunteer workers who solicit funds:	_____

B. Persons or classes of persons to be excluded as employees (if any):	_____
List names or classes: _____	

C. Show the total number of premises, consisting of:	
1. Premises (other than the head office) located in the United States of America (including its territories and possessions), Puerto Rico and Canada:	_____
Please attach a list showing the number of additional premises by county and state.	
2. Other premises not included in 1. above:	_____

For agents, partners, members of limited liability companies and computer software contractors covered as employees, attach Crime Coverage Amendments Supplemental Application CR A 002.

IV. UNDERWRITING

A. External and Internal Audit Procedures:

1. Is there an annual audit by an independent CPA? Yes No
If "Yes", is it a complete audit made in accordance with generally accepted auditing standards and so certified? Yes No
If "No", explain the scope of the audit: _____
2. Are all locations and subsidiaries included in the audit? Yes No
3. Is there a CPA Management Letter and response by management on internal control weaknesses or recommendations for improvement? If "Yes", please attach. Yes No
If "Yes", have all recommendations been adopted? Yes No
4. Is the audit report and/or Management Letter sent directly to the owner, partners, members (if LLC) or Board of Directors? Yes No
5. Have you changed auditors in the past three years? Yes No
6. Name and Address of CPA: _____

7. Date of completion of the last audit by CPA: _____
8. Is there an Internal Audit Department that is responsible for the review of all business operations including the EDP Department? Yes No
9. Do you have a policy and procedures manual on internal control? Yes No
10. How many employees are in the internal audit department? _____
11. If weaknesses are discovered by the internal auditor, are they reported directly to the owner, partners, members (if LLC) or Board of Directors? Yes No

B. Internal Controls:

1. Are background checks performed on all new hires? Yes No
2. Are bank accounts reconciled monthly? Yes No
3. Are bank accounts reconciled by someone not authorized to deposit or withdraw? Yes No
4. Is countersignature of checks required? Yes No
If "Yes", above what amount? \$ _____
5. Do vouchers or other supporting records accompany all checks to be signed? Yes No
6. Are internal controls designed so that no employee can control any process from beginning to end? Yes No
7. Are all incoming checks stamped "For Deposit Only" upon receipt? Yes No
8. Are disbursement functions separated from those who have cash receipt or cash refund duties? Yes No
9. Do expense reimbursements require original receipts for expenses? Yes No
10. Do expense reimbursements require management approval at the next level? Yes No
11. Are at least 20% of accounts receivable periodically verified by contact with the customer? Yes No
12. If you handle securities, are they subject to joint control? Yes No
If "Yes", what is the value of securities held? \$ _____
13. How often is an inventory made including a physical check of stock and equipment? _____
14. Are all controls and informational systems consistent among all locations? Yes No

C. Change In Management:

Has there been any change in ownership or management within the past three years? Yes No

If "Yes", explain: _____

D. Vendor Controls:

1. Is an authorized vendor list utilized and updated annually for all purchases, with competitive bidding required? Yes No

2. Are background checks performed on vendors in order to determine ownership and financial capability? Yes No

3. Is the responsibility for authorizing vendors, approving invoices and processing payments segregated among different employees? Yes No

4. Are requisitions and purchase orders issued only after the approval of specified employees within specified limits? Yes No

E. Computer Controls:

1. Do you have an IT Department or Computer Department? Yes No

2. Are the duties of programmers and operators segregated? Yes No

3. Are tests performed to detect unauthorized programming changes? Yes No

4. Do employees have access only to information or programs that allow them to do their jobs? Yes No

5. Are passwords required for access to sensitive information? Yes No

6. When employees change positions and no longer require access to certain information, is access status changed? Yes No

F. Wire Transfer Controls:

1. Is there a written policy regarding wire transfers? Yes No

2. What is the average monthly number of fund transfers? _____

3. What is the largest single amount that can be transferred? \$ _____

4. Does your bank require authentication of the identity of the caller before acting upon any instructions? Yes No

5. Does your bank require confirmation of funds transfer transactions in writing within 24 hours? Yes No

6. Are verifications sent directly to a department not authorized to initiate transfers? Yes No

7. Is reconciliation performed on the same day the confirmation is received? Yes No

8. Are there independent checks of funds transfer records by employees not authorized to handle such transfers? Yes No

9. Are there specific arrangements with banks as to those employees of yours authorized to:

Transfer funds? Yes No

Request changes in procedures? Yes No

Obtain records? Yes No

V. PRIOR INSURANCE

Has any insurance similar to the kinds requested in this application been declined or cancelled during the past three years?

Yes No

If "Yes", explain: _____

VI. LOSS HISTORY

List all losses sustained, whether or not claimed, and if claimed, whether or not reimbursed during the past three years from the completion date of this application for any similar insurance requested in this application.

Check if none

Date of Loss:

Description of Loss:

Amount of Loss: \$

Amount of Loss Pending: \$

Amount Received from Insurance: \$

Amount Recovered from other than Insurance: \$

Corrective action taken to prevent similar loss(es) in the future:

Attach additional sheets if necessary.

FRAUD STATEMENT: 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 fines and confinement in prison.

Arkansas Fraud Statement

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 fines and confinement in prison.

Colorado Fraud Statement

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 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.

District Of Columbia Fraud Statement

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.

Florida Fraud Statement

Any person who, knowingly and with intent to injure, defraud, or deceive an 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.

Hawaii Fraud Statement

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

Kentucky Fraud Statement

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.

Louisiana Fraud Statement

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 fines and confinement in prison.

Maine Fraud Statement

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.

New Jersey Fraud Statement

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico Fraud Statement

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.

New York Fraud Statement

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.

Ohio Fraud Statement

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.

Oklahoma Fraud Statement

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.

Oregon Fraud Statement

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

Pennsylvania Fraud Statement

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.

Tennessee Fraud Statement

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Virginia Fraud Statement

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Washington Fraud Statement

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Insured (Applicant): _____
By: _____
Name (Print): _____
Title: _____
Signature: _____
Date: _____

SPECIMEN