



This completed document should be submitted to:
Old Republic Professional Liability, Inc.
191 North Wacker Drive, Suite 1000
Chicago, IL 60606-1905
T: 312.750.8800 www.oldrepublicpro.com

APPLICATION FOR COMMERCIAL CRIME INSURANCE

Instructions

- “Applicant” shall mean the Parent Company/Parent Organization/Company which will be the “Named Insured” in the policy. “Proposed Insureds” shall mean any entity for which this insurance is being sought to cover.
- The Applicant must complete all of the relevant sections of this Application in accordance with the specific coverages requested, along with any additional underwriting information or attachments as indicated.
- All responses should be typed or printed neatly in ink. If additional response space is needed, please provide such information in an attachment to this Application.
- The Applicant must attach the Applicant’s written fraud reporting procedures for employees, vendors, and suppliers.

GENERAL INFORMATION

1. Name of Applicant: _____
2. Street Address: _____
3. City/State/Zip Code: _____
4. Applicant’s URL Address: _____
5. Nature of Business: _____
6. Date and State of Incorporation/Formation: _____
7. Legal Structure of the Applicant (e.g., corporation, general partnership, LLC): _____
8. Officer of the Applicant designated to receive notices from the Insurer pertaining to this insurance:
Name and Title: _____ Email: _____
9. Please provide Applicant’s NAICS/SIC Code: _____
10. Total revenue for most recent fiscal year: _____

Please attach copies of the latest consolidated financial statements or annual reports and auditor Management Letter along with the Applicant’s response to any recommendations made therein.

INSURANCE INFORMATION

1. Please provide the following information on current and requested coverage:

Current Limits	Current Deductible	Policy Period	Current Insurer

COVERAGE REQUESTED

Coverages	Limits of Liability For Each Loss	Deductible For Each Loss
Employee Theft Coverage		
Client Coverage		
Qualified Plan Coverage		
Forgery or Alteration Negotiable Instrument Coverage		
Forgery or Alteration Corporate Credit Card Coverage		
Negotiable Instrument Legal Expenses		
Premises Coverage		
In Transit Coverage		
Social Engineering Fraud Coverage		
Funds Transfer Fraud Coverage		
Computer Fraud Coverage		
Money Orders and Counterfeit Currency Fraud Coverage		
Proof of Loss Expenses		
Computer Investigation and Record Retrieval Expenses		

2. During the past twelve (12) months has:

- (a) the Applicant completed any reorganization or arrangement with creditors under federal or state law? YES ☐ NO ☐
- (b) any auditor stated there are material weaknesses in the Applicant's system of internal controls? YES ☐ NO ☐
- (c) any auditor issued a "going concern" opinion for the Applicant? YES ☐ NO ☐
- (d) the Applicant completed any mergers, acquisitions, consolidations, or divestitures? YES ☐ NO ☐

If YES to any of the above, please attach full details.

3. Is the Applicant currently anticipating any of the above events over the next twelve (12) months? YES ☐ NO ☐

If YES to any of the above, please attach full details.

OPERATIONS

Please check all activities, instruments, and property applicable to the Applicant's business within the last twelve (12) months and all activities, instruments, and property the Applicant anticipates will apply within the next (12) months.

If "Yes" to any of the below, describe all controls to prevent theft and state the maximum value at each location.

- | | |
|---|---|
| ☐ Active participation in more than one industry | ☐ Banking, lending, credit, or escrow services |
| ☐ Care, custody, and control of client's property | ☐ Cash exposure |
| ☐ Computer chips | ☐ Debt collection |
| ☐ Employee credit cards | ☐ Gaming |
| ☐ High unit value, portable inventory | ☐ Investment advisory or management services |
| ☐ Issuing warehouse receipts | ☐ Joint Ventures |
| ☐ Leasing | ☐ Narcotics |
| ☐ Precious metals or gemstones | ☐ Private collections of art or collectibles |
| ☐ Proprietary credit card operation | ☐ Storing customer credit card information |
| ☐ Trading | ☐ Transporting or storing value material |
| ☐ Transporting or storing high-value material for others | ☐ Warehouse operations |

EMPLOYEES AND LOCATIONS

1. Please provide the following information:

LOCATION	NUMBER OF CLASS 1 EMPLOYEES	NUMBER OF ALL OTHER EMPLOYEES	NUMBER OF LOCATIONS	ANNUAL SALES OR REVENUE
United States				
Canada				
Other (identify country)				

2. Are the Applicant's international and domestic controls consistent? YES ☐ NO ☐
If NO, please attach full details.

FRAUD REPORTING

1. State all means by which fraud reporting is accessible (i.e. telephone, email, internet, intranet) and by whom (employees, suppliers, vendors). _____
2. Is the fraud reporting mechanism accessible globally? YES ☐ NO ☐
3. Who receives the initial fraud report, conducts the investigation, and reviews the results?
4. Who is responsible for any remediation efforts and when they are implemented?

MONEY AND SECURITIES EXPOSURES

Does the Applicant have money or securities exposure that exceeds the lowest requested deductible amount?

YES ☐ NO ☐

If YES, please provide details and describe controls relevant to cash exposure.

HIRING AND PAYROLL CONTROLS

Does the Applicant conduct any of the background screening listed below on its employment applicants?
(Check all that apply):

- ☐ Prior employment references
- ☐ Social security number (or other national identification) verification
- ☐ Criminal history
- ☐ Credit history of applicants for employment in the finance department

AUDIT PROCEDURES

1. Does the Applicant maintain an internal audit department? YES ☐ NO ☐
If YES, please provide the number of employees in such audit department
2. Are full internal audits performed annually at all of the Applicant's locations? YES ☐ NO ☐
3. Indicate how often full internal audits are performed at each location:
4. If the most recent Management Letter contained auditor recommendations or changes, have such recommendations or changes been adopted or effected? YES ☐ NO ☐

INVENTORY CONTROLS

1. Does the Applicant conduct physical inventory counts per location at least annually? YES ☐ NO ☐
2. If YES above, are the results reconciled with a perpetual inventory system and by someone not associated with the control of inventory? YES ☐ NO ☐

ACCOUNTS PAYABLE

1. Are requisitions and purchase orders issued only with approval by specified personnel above specified limits? YES ☐ NO ☐
2. Are purchase order requestors prohibited from approving their own requests? YES ☐ NO ☐
3. Are all disbursements system generated? YES ☐ NO ☐
4. Do expense reimbursements require original receipts and management approval for expenses prior to reimbursement? YES ☐ NO ☐
If NO, please attach full details/explanation.

BANK ACCOUNT CONTROLS

1. Does the Applicant perform a monthly reconciliation of all bank accounts? YES ☐ NO ☐
2. If YES above, is the reconciliation performed by someone who does not handle deposits, sign checks, or have access to electronic or mechanical signatures? YES ☐ NO ☐
3. Is countersignature required? YES ☐ NO ☐
If YES, above, up to what dollar amount is countersignature required?
If NO, please describe the Applicant's internal controls designed to prevent unauthorized issuance of checks.
4. Is a Positive Pay system utilized? YES ☐ NO ☐
If NO, please describe the Applicant's internal controls designed to prevent unauthorized issuance of checks:
5. Does the Applicant have a complete segregation of all accounting duties such that no one person can complete a financial transaction (such as check payments, wire, and electronic transfers) from beginning to end by themselves without involvement of another person? YES ☐ NO ☐

COMPUTER CONTROLS

1. Are the duties of programmers and operators separated? YES ☐ NO ☐
2. Is the output reconciled by persons who do not prepare or process input? YES ☐ NO ☐
3. Are computerized check-writing operations segregated from departments that authorize checks? YES ☐ NO ☐
4. Are passwords required to be changed at least every ninety (90) days? YES ☐ NO ☐
If NO, state how often password changes are required.

VENDOR CONTROLS

1. Does the Applicant use a competitive bidding process for high value supplies and services, including IT, legal, and professional services? YES ☐ NO ☐
2. Does the Applicant have procedures to verify the existence and ownership of all new vendors prior to doing business with them? YES ☐ NO ☐
3. Does the Applicant utilize an authorized master vendor list that is updated annually? YES ☐ NO ☐
4. Does the Applicant require all additions, removals, and changes to the master vendor lists or accounts payable system be performed by a person that is not authorized to make or process payments? YES ☐ NO ☐

FUNDS TRANSFER CONTROLS

1. Do payments or funds transfers of a certain amount require dual authorization? YES ☐ NO ☐
If YES, please indicate such amount.
2. Does the Applicant require that all outgoing payments or funds transfers be subject to dual authorization by at least one (1) executive after being initiated by a third party? YES ☐ NO ☐

CLIENT CONTROLS

1. Do employees have custody, access to, or control of any clients' funds, accounts, computer systems, or tangible goods? YES ☐ NO ☐
If YES, please answer the following questions:
2. Describe the services that the Applicant provides for clients, including, but not limited to, accounting, payroll, or purchasing services:
3. Does the Applicant have written contracts with clients concerning the services described in 2. above? YES ☐ NO ☐
4. Do employees receive supervision from both the Applicant and the client? YES ☐ NO ☐
5. Do employees have access to clients' computer or security systems, payroll, accounting department, or similar department? YES ☐ NO ☐

If YES, please attach details of the work performed and any security procedures implemented to limit theft.

SOCIAL ENGINEERING FRAUD CONTROLS

1. Does the Applicant have a Chief Information Security Officer or equivalent position? YES ☐ NO ☐
2. Is guidance and periodic anti-fraud training provided to employees concerning the detection of phishing and other social engineering scams? YES ☐ NO ☐
If YES, please state the date of the last training and describe the training provided.
3. Does the Applicant conduct penetration testing, simulated phishing attacks, or other interactive intrusion testing of employees throughout the year? YES ☐ NO ☐

4. Please check below each procedure used to verify new customers or clients prior to initiating any financial transaction with them:
- ☐ D&B Report or other credit worthiness check
- ☐ Bank account verification (name, address, contact information matching customer or client file)
- ☐ Confirmation of physical address
- ☐ Other (please describe):
5. Please check below each procedure used to authenticate money or securities transfer instructions prior to transfer:
- ☐ Call the customer or client at a predetermined number
- ☐ Send a text message to the customer or client at a predetermined number
- ☐ Receipt by the Applicant of a code known only to the customer or client
- ☐ Other (please describe):
6. Does the Applicant verify all vendor or supplier bank accounts by a direct call to the receiving bank prior to adding the vendor or supplier to the authorized master vendor list? YES ☐ NO ☐
7. When a vendor or supplier requests any change to its account details (including, but not limited to, bank routing numbers, account numbers, telephone numbers, or contact information) does the Applicant:
- ☐ Confirm the request by a direct call to the vendor or supplier using only a contact number provided by the vendor or supplier before the request was received?
- ☐ Send notice of receipt of the request to someone other than the person who sent the request, before any changes are made?
- ☐ Require review of the request by a supervisor or next-level approver before making the change?
8. Does the Applicant incorporate any of the procedures described in question 7. above into its contracts with vendors or suppliers? *If YES, please provide a sample copy.*
9. Does the Applicant run exception reports showing all changes to vendor or supplier details? YES ☐ NO ☐
If YES, state how often the reports are run, by whom they are reviewed, and the date of the last report.
10. Who in the Applicant's organization has the authority to initiate funds or securities transfers?
11. Can funds or securities transfer authority be delegated to anyone verbally or in writing? YES ☐ NO ☐
12. If online banking software is used to perform funds transfer functions, is access to the portal limited to specific users or specific computer terminals? YES ☐ NO ☐
13. Does the Applicant require that any payment or funds transfer request made by an Employee be approved by the supervisor of the individual who received the payment or funds transfer request, before it is acted upon? YES ☐ NO ☐
14. Does the Applicant utilize Multifactor Authentication on all external access to its computer systems, including Office 365 and other cloud-based email? YES ☐ NO ☐
15. Are international and domestic funds and securities transfer procedures performed consistently across all business units and locations? YES ☐ NO ☐

LOSS/CLAIMS HISTORY

List all employee theft, burglary, robbery, forgery, computer fraud or other crime losses discovered by the Applicant in the last five (5) years. ☐ Check if none.

Description of Loss and Remediating Controls	Date of Occurrence	Amount of Loss	Deductible at Time of Loss	Location, if other than Main Office

MATERIAL CHANGE, FRAUD WARNINGS, DECLARATIONS AND NOTICES, AND SIGNATURES

MATERIAL CHANGE: In the event of a material change in the answers to the questions in this Application before the policy inception date the Applicant must immediately notify the insurer in writing; in such an event any outstanding quotation may be subject to modification or withdrawal.

Maryland only: If there are material changes to the risk during the 45-day underwriting period beginning on the effective date of coverage, the Insurer will have the right to either cancel coverage or recalculate the premium, pursuant to Section 12-106 of the Maryland Insurance regulations.

FRAUD NOTICE - WHERE APPLICABLE UNDER THE LAW OF YOUR STATE:

All States except: AL; AR; CO; DC; FL; HI; KS; KY; LA; ME; MD; NJ; OH; OK; OR; PA; WA: 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 CIVIL FINES AND CRIMINAL PENALTIES.

Alabama – Any person who knowingly presents a false or fraudulent claim for payment or a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subjected to restitution fines or confinement in prison, or any combination thereof.

Arkansas – 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 – 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 – 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 - 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.

Hawaii – For your protection, Hawaii Law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

Kansas – 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, commits a fraudulent insurance act.

Kentucky – 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 – 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.

Maryland – 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.

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

New York – 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 – Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against any insurer, submits an application, or files a claim containing a false or deceptive statement is guilty of insurance fraud, which is a crime.

Oklahoma – 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 – Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (1) by submitting an application, containing a false statement as to any material fact, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

Pennsylvania – 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.

Maine; Tennessee; Washington – 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.

DECLARATIONS:

With respect to all coverages to be made part of the policy, the undersigned as authorized agent for the Applicant and all Proposed Insureds hereby declares, after diligent inquiry, that the information contained herein and in any supplemental applications or forms required hereby are true, accurate, and complete, and that no material facts have been suppressed or misstated. The undersigned agrees that this Application and such attachments and all other documents should be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Insurer shall have relied upon all such materials in issuing any such policy. It is agreed further that any and all information requested in this information is for underwriting purposes only and does not constitute notice to the Insurer under any policy of a claim, potential claim, or any other matter.

This Application must be signed by the chief executive officer, president, executive director, chief financial officer, or any person with responsibility for the management of insurance matters (or any equivalent position to any of the foregoing) of the Applicant acting as the authorized representatives of the Proposed Insureds.

APPLICANT:

Date:		Signed:	
		Print Name And Title:	

To Be Completed By Producers Only:

RETAIL PRODUCER		WHOLESALE PRODUCER	
Producer Name:		Producer Name:	

City, State: Telephone No.: License No.:		City, State: Telephone No.: License No.:	
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Producer signature: _____