



# Large Risk Crime Application

**I. APPLICATION INSTRUCTIONS**

Whenever used in this Application, the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage, unless otherwise stated.

**II. GENERAL INFORMATION**

1. Name of Applicant: \_\_\_\_\_  
*(First Named Insured and all additional insureds. Attach separate sheet if necessary)*
2. Address of Applicant: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ Telephone: \_\_\_\_\_
3. Date Business Established: \_\_\_\_\_
4. Latest Fiscal Year End Revenues: \$ \_\_\_\_\_
5. Effective Date of Coverage: \_\_\_\_\_
6. Do you want Employee Benefit Plans to be added as Named Insureds?  Yes  No  
*If "Yes", please list Employee Benefit Plans:* \_\_\_\_\_
7. Applying For:  Primary Coverage  Excess Coverage
8. Description of Organization:
  - a. Commercial Entities:  Partnership  Corporation  Proprietorship  LLC  
 Predominant Activity:  Manufacturer  Processor  Wholesaler  Distributor  
 Retailer  Service  Other (explain) \_\_\_\_\_  
 Describe the products or services of your predominant activity: \_\_\_\_\_
  - b. Governmental Entities:  State  County  City  Town  Township  Village  
 Borough  Other Political Subdivision (explain) \_\_\_\_\_  
 Public Educational Service (explain) \_\_\_\_\_  Public Utility (explain) \_\_\_\_\_  
 Public Housing Authority  Other (explain) \_\_\_\_\_
9. Classification of Employees:
  - a. Total Number of Employees: \_\_\_\_\_ Number of Officers: \_\_\_\_\_
  - b. Number of Employees who handle, have custody of, or maintain records of money, securities or other property:  
\_\_\_\_\_
10. Domestic Location Information:

Number of Domestic Locations				
Manufacturing	Warehouses	Distribution Centers	Retail	Other

11. Foreign Location Information:

Country	Type of Operation	Number of Employees	Revenues (if applicable)
			\$
			\$
			\$
			\$
			\$

**III. REQUESTED CRIME COVERAGE**

Indicate below which coverages are being requested.

Insuring Agreement	Requested Limit	Requested Retention
Fidelity		
Employee Theft	\$	\$
ERISA Fidelity	\$	\$
Client Property	\$	\$
Forgery Or Alteration	\$	\$
Premises Coverage	\$	\$
Transit Coverage	\$	\$
Computer Crime		
Computer Fraud	\$	\$
Program and Electronic Data Restoration	\$	\$
Funds Transfer Fraud	\$	\$
Credit, Debit or Charge Card Fraud	\$	\$
Money Orders and Counterfeit Money	\$	\$
Personal Accounts Protection		
Forgery or Alteration	\$	\$
Identity Fraud Expense Reimbursement	\$	\$
Investigative Expense	\$	\$

**IV. CURRENT CRIME INSURANCE INFORMATION**

**IMPORTANT:** The **Insurer** will rely upon the declarations and statements contained in any prior application(s) submitted and the Applicant understands and agrees that those declarations and statements will be incorporated into any policy issued by the **Insurer**.

Check if none.

Insurer	(Primary or Excess)	Policy Period	Limit of Liability	Retention or Underlying	Expiring Premium
			\$	\$	\$

1. Do you presently have any crime coverage in effect on a Commercial Package Policy or Business Owners' Policy?  Yes  No  
 If "Yes", please provide:

Insurer	Policy Number	Policy Period	Limit of Liability	Retention
			\$	\$

2. Within the past 6 years has any similar insurance been declined, cancelled or non-renewed? (Not Applicable In Missouri)  Yes  No  
 If "Yes", please explain:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Loss Experience (during the last 6 years):  Check if none

Description of Loss	Date	Amount of Loss	Insurance Recovery	Corrective Action Taken
		\$	\$	
		\$	\$	

**V. AUDIT PROCEDURES AND OTHER INTERNAL CONTROLS**

1. Audit Procedures:
- a. Is an independent CPA firm involved in the applicant's financial reporting?  Yes  No  
 If "Yes", how often?  Quarterly  Semi-Annually  Annually  
 If "Yes", what level of accounting?  Audit  Review  Compilation

- b. Are all subsidiaries and locations included in the audit?  Yes  No  N/A
- c. Is the audit report rendered directly to the Owners or Board of Directors?  Yes  No  N/A
- d. Does the CPA firm prepare a Management Letter commenting on internal controls weaknesses with recommendations for improvement?  Yes  No  N/A
- e. Has the CPA firm made any recommendations that have not been adopted?  Yes  No  N/A
- f. Do you have a documented system of internal control policies/ procedures?  Yes  No
- g. Does the applicant maintain an internal audit department?  
*If no, is there an individual responsible for oversight and enforcement of internal control policies and procedures?*  Yes  No
- h. Are internal audits conducted on a regular and surprise basis and do they cover all locations?  Yes  No  N/A
2. Pre-employment Screening (Conducted prior to hiring in all business units):
- a. Do you perform criminal background checks?  Yes  No
- b. Do you perform reference checks that include prior employers during the past five years?  Yes  No
- c. Do you perform credit checks?  Yes  No
3. Disbursement and Check Handling Controls:
- a. Do employees who reconcile the monthly bank statements also:
- 1) Sign checks?  Yes  No
- 2) Handle deposits?  Yes  No
- 3) Have access to check signing machines or signature plates?  Yes  No
- b. Is countersignature required on checks?  
*If "Yes", over what amount? \$ \_\_\_\_\_*  
*If "No", who can sign checks? \_\_\_\_\_*  Yes  No
- c. Design internal controls so that no employee can control a process from beginning to end (e.g. request a check, approve a voucher or sign a check)?  Yes  No
- d. Are all invoices verified against purchase orders, receiving reports, and authorized master vendor list prior to issuing payment?  Yes  No
- e. Are the invoices stamped "paid" at the time checks are issued to prevent issuing duplicate checks?  Yes  No
- f. Store check stocks under dual control with controlled access?  Yes  No  N/A
- g. Immediately stamp incoming checks "For Deposit Only"?  Yes  No  N/A
- h. Does the accounts payable system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends?  Yes  No
- i. How often does the Applicant perform a physical inventory check of stock and equipment? \_\_\_\_\_  
Who performs these reconciliations?  
\_\_\_\_\_  
—
4. Funds Transfer Controls:
- a. What is the average daily number of fund transfers? \_\_\_\_\_

- b. What is the average daily dollar volume of electronic funds transfer? \$\_\_\_\_\_ Maximum \$\_\_\_\_\_
- c. Is there a written policy regarding wire transfers? Yes No N/A
- d. Have approval authorities been established in writing, and are they current? Yes No N/A
- e. Has separation been established between the individuals responsible for approving and processing wire transfers? Yes No N/A
- f. If a telephone call can activate a transfer of funds, does your financial institution call an employee other than the one who requested the transfer before acting on the transfer request? Yes No N/A  
*If "Yes", what is the call back threshold? \$\_\_\_\_\_*
- g. Does the receiving financial institution immediately verify the completion of the transfer of funds? Yes No N/A
- h. Are transfer verifications sent to an Employee or a department other the one who initiated the transfer? Yes No N/A
- i. Are wire transfers reconciled the same day the transfer verifications are received by a person who did not approve or transmit such wire transfer? Yes No N/A
5. Payroll Controls:
- a. Do you outsource your payroll function? Yes No
- b. Are management policies and computer system controls in place to prevent individual(s) who approve new hires from adding them into the payroll? Yes No
- c. Are additions to the payroll system automatically reported via the computer system to a Human Resources manager who reconciles payroll changes with the new hire documentation? Yes No
- d. Do you have a program in place to detect possible "Ghost" employees? Yes No
6. Purchasing Controls:
- a. Is the responsibility for authorizing vendors, making a requisition, approving invoices, and processing payments segregated among different individuals? Yes No
- b. Is your purchasing department separated from receiving responsibilities and supervised by a person who is not authorized to make payments? Yes No N/A
- c. Is an authorized vendor list used and updated at least annually? Yes No
- d. Are procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorized vendor list?  
*If "Yes", is "due diligence" conducted by someone other than the person requesting such addition?* Yes No
- e. Does the purchasing system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends? Yes No
7. Inventory Controls:
- a. Are the duties of purchasing, receiving, storekeeping and shipping separate so that no one person can control these functions from beginning to end? Yes No N/A
- b. Is the responsibility for verifying merchandise received subject to ultimate control of more than one individual? Yes No N/A
- c. Is a perpetual inventory maintained for:

- 1) Stock, including raw materials, and manufacturing components?
- 2) Manufactured or finished goods?
- 3) Scrap?

Yes  No  N/A  
 Yes  No  N/A  
 Yes  No  N/A

d. Is a complete inventory made with a physical check of stock and equipment?  
 If "Yes", by whom? \_\_\_\_\_ How Often? \_\_\_\_\_  
 \_\_\_\_\_

Yes  No  N/A

e. Is physical inventory protected by:

- 1) Alarm system?
- 2) Video camera?
- 3) Security guards?
- 4) Security fencing?

Yes  No  
 Yes  No  
 Yes  No  
 Yes  No

f. Do you warehouse for others?

Yes  No

8. Computer Controls:

a. Is there a software security system in place to detect fraudulent computer usage by employees or outsiders?

Yes  No

b. Are passwords and access codes changed at regular intervals and when users are terminated?

Yes  No

c. Are EDP systems, programs and procedures, including changes thereto, authorized, documented and tested?

Yes  No  N/A

d. Are access controls designed so that users cannot gain access to programs and files to which they have not been specifically granted access through a formal procedure?

Yes  No

e. Are business-to-business or business-to-consumer transactions performed over the internet? If "Yes",:

Yes  No

- 1) Are firewalls configured to restrict all IP communications except those necessary to conduct business and are firewall security patches current?
- 2) Is firewall port scanning and penetration testing conducted regularly?
- 3) Were web-based applications independently tested for security vulnerabilities prior to, or at the time of, deployment and have they been similarly tested whenever the applications have been modified?

Yes  No  
 Yes  No  N/A  
 Yes  No

9. Inside & Outside the Premises Coverage Exposure:

MAXIMUM EXPOSURE INSIDE THE PREMISES				
Location	Cash	Securities/ Checks	Safes?	Alarm System?
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

10. Do you use an Armored Motor Vehicle Company to transport Money or Securities? Yes No  
*If "No", please complete:*

MAXIMUM EXPOSURE OUTSIDE THE PREMISES					
Location	Cash	Securities/ Checks	Number of Messengers	Number of Guards	Alarm System?
	\$	\$			<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$			<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$			<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$	\$			<input type="checkbox"/> Yes <input type="checkbox"/> No

11. Additional Internal Control Questions for Governmental Entities Only:

- a. Is there a written investment policy? Yes No N/A
- b. Is there an investment department which is separate from the Treasurer's Dept.? Yes No N/A
- c. Is there a periodic review by an investment committee or board? Yes No N/A
- d. Who makes investment decisions? \_\_\_\_\_

**VI. NOTICE AND SIGNATURES**

**NOTICE TO ALABAMA APPLICANTS:** 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 restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARIZONA AND MISSOURI APPLICANTS:** Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

**NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA 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 fines and confinement in prison.

**NOTICE TO 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 provide 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.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** 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.

**NOTICE TO 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.

**NOTICE TO HAWAII APPLICANTS:** 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.

**NOTICE TO IDAHO AND OKLAHOMA APPLICANTS:** 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.

**NOTICE TO KANSAS APPLICANTS:** Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. 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 or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**NOTICE TO KENTUCKY 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.

**NOTICE TO 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 include imprisonment, fines and denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or 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.

**NOTICE TO MICHIGAN APPLICANTS:** Any person who knowingly and with intent to defraud an insurance company or another 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 act, which is a crime and subjects the person to criminal and civil penalties.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO AND RHODE ISLAND 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.

**NOTICE TO OHIO APPLICANTS:** 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.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

**NOTICE TO 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.

**NOTICE TO VERMONT APPLICANTS:** Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.



It is understood that the first premium upon the Policy applied for, and subsequent premiums thereon, are due at the beginning of each premium period, that the Underwriter is entitled to additional premiums because of any unusual increase in the number of Employees or Premises and that the Applicant agrees to pay all such premiums promptly. The Employees of the Applicant have all, to the best of the Applicant's knowledge and belief, while in the service of the Applicant always performed their respective duties honestly. There has never come to its notice or knowledge any information which in the judgment of the Applicant indicates that any of the said Employees are dishonest. Such knowledge as any officer signing for the Applicant may now have in respect to his own personal acts or conduct unknown to the Applicant, is not imputable to the Applicant.

**Note:** This supplemental application must be signed by the Risk Manager or an officer of the **Named Insured**. The Undersigned hereby affirms that the information rendered herein and attached hereto is current, true & complete.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*Name and Title*

Hanover Bond No: _____
Agency Code: _____
Produced By: Agent: _____
Agent Signature: _____ Agent License No.: _____
Agency Taxpayer ID or SS No.: _____
Agency: _____
Address (Street, City, State, Zip): _____
_____