



# FRAUDULENT ACTS COVERAGE - SUPPLEMENTARY APPLICATION

## Errors & Omissions/Professional Liability Insurance

THIS SUPPLEMENTARY APPLICATION SHALL FORM PART OF ANY ERRORS & OMISSIONS OR PROFESSIONAL LIABILITY POLICY WHICH MAY BE ISSUED BY ROYAL & SUN ALLIANCE INSURANCE COMPANY OF CANADA TO THE PROPOSED APPLICANT.

### 1. THE APPLICANT

Name of Applicant: \_\_\_\_\_

### 2. INTERNAL CONTROLS

1. Are systems currently in place to detect fraudulent activity?  Yes  No

If "yes" describe \_\_\_\_\_

2. Has there been any change in ownership / management in the past 3 years?  Yes  No

If "yes" please provide details \_\_\_\_\_

3. Is an audit conducted by an independent CA, CMA or CGA?  Yes  No

If "yes" how often and are all locations subject to an audit? \_\_\_\_\_

4. Is a countersignature required on all cheques?  Yes  No

5. Are bank accounts reconciled by someone who is not an authorized party to the account  Yes  No

How often are bank accounts reconciled? \_\_\_\_\_

### 2. EMPLOYMENT

6. Are background checks completed when hiring new employees?  Yes  No

7. Is a code of conduct provided to all employees / contractors?  Yes  No

8. Are access codes and passwords changed regularly and terminated immediately upon an employee termination?  Yes  No

### 3. FUNDS TRANSFER

9. Are Funds transferred via Wire or Electronic Transfer?  Yes  No

If "yes" advise

(i) Approximate number of transfers annually \_\_\_\_\_

(ii) Average amount transferred at one time \_\_\_\_\_

(iii) Who has authority to transfer funds \_\_\_\_\_

(iv) Are there current procedures documented for electronic funds transfer \_\_\_\_\_

### 4. SIGNATURE

Date: \_\_\_\_\_ \* Signed: \_\_\_\_\_

Corporation: \_\_\_\_\_ Name & Title (please print): \_\_\_\_\_

**\*Please Note: The application must be signed by a Principal, Partner or Executive Officer**