

**APPLICATION FOR FIDELITY AND CRIME INSURANCE**

Policy No: \_\_\_\_\_ Broker: \_\_\_\_\_

Applicant: \_\_\_\_\_  
 (Exact name of applicant)

(Street and number)

(City)

(Province)

(Hereinafter called the Applicant)

For the period \_\_\_\_\_, 20 \_\_\_\_\_ to \_\_\_\_\_, 20 \_\_\_\_\_ 12:01 a.m. Standard Time at the address of the Applicant.

The Insurance requested by this Application is only with respect to the following coverages that specifically indicated by the insertion of an amount of insurance:

**Amount of Insurance Desired**

			<b>Deductible</b>	<b>Comprehensive 3D Policy</b>
Insuring Agreement I	(Employee dishonesty)	Form A <input type="checkbox"/>	\$ _____	\$ _____
		Commercial Blanket		
		Form B <input type="checkbox"/>	\$ _____	\$ _____
		Blanket Position		
Insuring Agreement II	(Loss inside the premises)		\$ _____	\$ _____
Insuring Agreement III	(Loss outside the premises)		\$ _____	\$ _____
Insuring Agreement IV	(Money Orders and counterfeit Paper Currency)		\$ _____	\$ _____
Insuring Agreement V	(Depositors forgery coverage)		\$ _____	\$ _____
	<input type="checkbox"/> Check if employee forgery is to be excluded			

**1. DESCRIPTION OF APPLICANT'S BUSINESS**

(a) Describe Product or Service: \_\_\_\_\_

(b) Applicant's predominant business activity is:  <input type="checkbox"/> Manufacturer or Processor  <input type="checkbox"/> Wholesaler or Distributor  <input type="checkbox"/> Retailer  <input type="checkbox"/> Other (Explain)	Number of locations other than Head Office		(c) Applicant is:  <input type="checkbox"/> Individual  <input type="checkbox"/> Corporation  <input type="checkbox"/> Partnership  (d) Date Business was Established _____
	Retail Sales	No Retail Sales	

(e) Does your organization or any affiliated organization buy or sell goods or services via the Internet? (if "Yes", please complete "Internet Security" questionnaire on page 5)  Yes  No

(f) Has there been any change in ownership or management within the past 3 years? (if "Yes", please explain)  Yes  No

## 2. AUDIT PROCEDURES

---

- (a) Are the applicant's financial statements audited annually by an independent external accountant qualified to do so, and in accordance with generally accepted accounting procedures?  Yes  No
- (b) If audited, is the accountant's opinion unqualified?  Yes  No
- (c) Does the audit include all interests and locations?  Yes  No
- (d) Have all the accountant's recommendations been adopted?  Yes  No
- (e) Are all reports sent directly to the Owner, Partners or Directors?  Yes  No

## 3. INTERNAL AUDIT PROCEDURES

---

- (a) Is there a full time professional staff auditor?  Yes  No
- (b) Does the staff auditor conduct an audit annually, or on a surprise basis?  Annual  Surprise
- (c) Is there a formal audit program?  Yes  No
- (d) Does the auditor have the authority to check anyone and any record at any time?  Yes  No
- (e) Does the auditor originate entries?  Yes  No
- (f) How frequently is an inventory of merchandise conducted? \_\_\_\_\_
- (g) If weaknesses are discovered, does the auditor report in writing to management?  Yes  No

## 4. INTERNAL CONTROLS

---

- (a) Bank Accounts:
- i) Are bank accounts reconciled monthly?  Yes  No
- ii) Are bank accounts reconciled by someone not authorized to deposit or withdraw? (if "No", please explain)  Yes  No
- (b) Cheques:
- i) Is countersignature of all cheques required? Above what amount? \$ \_\_\_\_\_  Yes  No
- ii) Will endorsement of cheques on Employers behalf be limited to endorsement for deposit to the credit of the employer only?  Yes  No
- iii) Do invoices or other supporting records accompany all cheques to be signed?  Yes  No
- iv) Are all invoices/supporting records stamped "PAID" when cheques are signed?  Yes  No
- v) Are your systems designed so that no one employee can control a transaction from beginning to end (e.g. approve an invoice, request and sign a cheque)?  Yes  No
- (c) Securities:
- i) Do you store negotiable securities on your premises?  Yes  No
- ii) Where are these documents kept? \_\_\_\_\_
- iii) Are securities subject to the joint control of two or more employees?  Yes  No
- (d) Accounts Receivable:
- i) Are at least 20% of all accounts receivable randomly verified by direct contact with customers?  Yes  No
- (e) Payroll:
- i) Are employees screened for prior dishonest acts?  Yes  No
- ii) Are credit reports checked when screening new employees?  Yes  No

- iii) Is the payroll made up by persons other than those who distribute it to employees?  Yes  No
- iv) Are all persons who are authorized to hire or fire employees prohibited from distributing the payroll?  Yes  No
- (f) Shipping and Receiving:
  - i) Are all persons engaged in purchase or sales activities prohibited from taking part in shipping and receiving?  Yes  No
  - ii) Are all shipping and receiving activities reconciled to all applicable sales or purchase orders?  Yes  No
  - iii) Is all purchasing centralized out of your main office?  Yes  No
  - iv) Do you have a system to detect payment to fictitious suppliers?  Yes  No
  - v) Are cash or credit on return purchases supervised by at least two persons?  Yes  No
- (g) Supervision by Owner:
  - i) Is there personal supervision of the business activities on a daily basis by an Owner, Partner, or Director?  Yes  No
  - ii) Does that person:
    - Deposit all cash receipts?  Yes  No
    - Sign or countersign all cheques?  Yes  No
    - Periodically check petty cash?  Yes  No
    - Periodically verify accounts receivable?  Yes  No
    - Verify shipping & receiving?  Yes  No
    - Review journal entries?  Yes  No

**5. PRIOR INSURANCE**

(a) Has any similar insurance been declined or cancelled during the past three years?  Yes  No  
 (If "Yes", please explain)

---



---



---

(b) Prior insurance to be superseded: \_\_\_\_\_ Check here if none: \_\_\_\_\_

Form of Insurance:	Effective Date:	Expiration Date:	Limit of Insurance:	Name of Insurance Company:

**6. LOSS HISTORY**

Enter all claims or occurrences that may give rise to claims for the prior 5 years

Check here if none: \_\_\_\_\_

Date of Occurrence:	Type/Description of Occurrence or Claim	Date of Claim	Amount Paid	Claim Status (Open or Closed)

Comments/Corrective Action Taken: \_\_\_\_\_

**7. CLASSIFICATION OF EMPLOYEES AND LOCATIONS (Coverage Forms 1a & 1b)**

(a) Classification of Employees:

(1) Number of Officers: \_\_\_\_\_

(2) List the number of employees in the following classifications:

Accountants/Asst. Accountants		Custodians		Purchasing Agents/Asst. Agents	
Adjusters		Delivery Persons		Receiving Clerks	
Administrators/Asst. Administrators		Demonstrators		Refinery Gauges of Oil Companies	
Appraisers/Asst. Appraisers		Detectives		Salespeople	
Attorneys		Dieticians who order food		Security Personnel	
Auditors/Asst. Auditors		Drivers and Drivers' Helpers		Service Station Attendants	
Bookkeepers		Floor Walkers		Shipping Clerks	
Bursars/Asst. Bursars		Food Inspectors		Storekeepers	
Bus Drivers		Head Pharmacists		Storeroom Personnel	
Buyers/Asst. Buyers		Instructors having custody of \$		Superintendents/Asst. Superintendants	
Door to Door Salespeople		Janitors		Supervisors/Asst. Supervisors	
Cashiers/Asst. Cashiers		Ledger Keepers		Taxi Drivers	
Chairpersons		Locker Room Attendants		Teachers having custody of money	
Chauffeurs		Maitre d's/Asst. Maitre d's		Timekeepers/Asst. Timekeepers	
Checkers, food and beverage		Managers/Asst. Managers		Truck Drivers	
Chefs who order food		Medical Directors		Warehouse Personnel	
Collectors		Messengers, outside		Wine Cellar Personnel	
Computer Programmers		Meter Readers who collect		Wine Stewards/esses	
Comptrollers/Asst. Comptrollers		Payroll Distributors		All other employees who handle \$	
Credit Clerks and Managers		Professors having custody of \$			

(3) Number of all other employees: \_\_\_\_\_

(4) Number of additional locations other than the head office: \_\_\_\_\_

**8. MONEY – SECURITIES (Insuring Agreements II & III)**

Please enter the Exposure for each category. Amounts entered should be the maximum exposure.

Type	Money	Securities (Other Than Payroll Cheques)	Cheques (Excluding Retail Cheques)	Payroll Cheques	Money Overnight	Securities (In Bank/Safe Deposit)
Inside						
Messenger #1						
Messenger #2						

**9. GENERAL INFORMATION**

Business Hours	Avg. # of Employees on Duty	Frequency of Deposits	Night Depository Used	Annual Gross sales or receipts for last fiscal yr.	Other Information

**10. SAFE/VAULT**

Manufacturer	Label UL/SMNA	Class	Door Type		Combination Locks			Thickness	
			Round	Square	Outer	Inner	Chest	Door	Wall

**11. MESSENGER PROTECTION**

Messenger #	# Guards per Messenger	Private Conveyance Used?	Safety Satchel Used?

**12. PREMISES/SAFE PROTECTION**

(a) What type of alarm(s) do you have at each of your premises?

- |                  |                          |                           |
|------------------|--------------------------|---------------------------|
| 1. Hold-up Alarm | 2. Premises Alarm        | 3. Safe Alarm             |
| 4. Local Gong    | 5. Central Station Alarm | 6. Police Connected Alarm |

If alarms vary from location to location, please explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

(b) Please attach a copy of your alarm certificate to this application.

(c) Is safe/vault protection partial or complete? \_\_\_\_\_

(d) Who installs and services your alarms? \_\_\_\_\_

(e) Please specify the number of guards and/or watchpersons on duty each shift: \_\_\_\_\_

(f) Please describe any additional protection (e.g. Fences, floodlights, etc.): \_\_\_\_\_  
 \_\_\_\_\_

**13. INTERNET SECURITY (Please consult CIO and/or MIS Director)**

- |   |  |
|---|--|
| (a) Do you have a Firewall?   | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (b) Are e-mail purchases containing credit card and other financially related services encrypted? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (c) Do you have an Intrusion Detection System that identifies unauthorized access?                | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (d) Do you have documented Internet guidelines for employees?                                     | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (e) Do you have documented emergency procedures?  | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| (f) Has your computer system ever been invaded by a Hacker or Virus?                              | <input type="checkbox"/> Yes <input type="checkbox"/> No |

(g) If "Yes" to question (f), when and what controls have been implemented to prevent further incidences? \_\_\_\_\_  
\_\_\_\_\_

**Any person who knowingly and with intent to defraud any insurance company or other person who files an application for insurance 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.**

Applicant's Signature:	Date:	Producer's Signature:	Date: