



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**