



COMMERCIAL CRIME POLICY APPLICATION FOR MERCANTILE ENTITIES

Application is hereby made by _____

(Please list all Insureds, including Employee Benefit Plans)

Principal Address _____
 (Number) (Street) (City) (State) (Zip Code)

Policy Effective Period _____ to _____

<u>Coverage Forms</u>	<u>Limit of Insurance</u>	<u>Deductible</u>
Coverage Form A - Employee Dishonesty - Blanket ___ Schedule ___	\$ _____	\$ _____
Coverage Form B - Forgery or Alteration	\$ _____	\$ _____
Coverage Form C - Theft, Disappearance & Destruction		
Section 1 - Inside the Premises	\$ _____	\$ _____
Section 2 - Outside the Premises	\$ _____	\$ _____
Coverage Form D - Robbery & Safe Burglary		
Section 1 - Inside: Robbery of Custodians & Safe Burglary....	\$ _____	\$ _____
Section 2 - Outside the Premises	\$ _____	\$ _____
Coverage Form F - Computer Fraud	\$ _____	\$ _____
Coverage Form G - Extortion (Insurance Loss Participation _____%).....	\$ _____	\$ _____
Coverage Amendments (Endorsements) _____		

1. Description of your organization:

- (a) Are you a: Proprietorship __, Partnership __, Corporation __, Other _____.
- (b) Date your business was established: _____
- (c) Classify your predominant activity: Manufacturer __, Processor __, Wholesaler __, Distributor __, Retailer __, Servicer __, Other _____
- (d) Please describe the products or services of your predominant business or activity _____
- (e) Does your organization or any affiliated organization buy or sell goods or services via the Internet. Yes ___ No ___
If "Yes" please complete section 13 on page 4.
- (f) Has there been any change in ownership or management within the past three years? Yes ___ No ___
 If "Yes", please explain _____

2. Audit Procedures:

- | | Yes | No |
|---|------------|-----------|
| (a) Are your annual financial statements audited by a public accountant?..... | ___ | ___ |
| (b) Is the public accountant's opinion unqualified?..... | ___ | ___ |
| (c) Does it include all interests and locations on an annual or intermittent basis? _____ | ___ | ___ |
| (d) Have all recommendations made by the accountant been adopted?..... | ___ | ___ |
| (e) Are all reports sent directly to the Owner, Partners or Directors?..... | ___ | ___ |

Internal Audit Procedures:

- | | Yes | No |
|--|------------|-----------|
| (a) Is there a full time professional staff auditor?..... | ___ | ___ |
| (b) Does the staff auditor conduct an audit annually or on a surprise basis? _____ | ___ | ___ |
| (c) Is there a formal audit program?..... | ___ | ___ |
| (d) Does the auditor have the authority to check anyone and any record at any time?..... | ___ | ___ |
| (e) Does the auditor originate entries?..... | ___ | ___ |
| (f) If weaknesses are discovered, does the auditor report in writing to the First Named Insured? | ___ | ___ |
| (g) Do you audit your Wire Transfer procedures?..... | ___ | ___ |

3. Internal Controls:

Bank Accounts: **Yes** **No**
 (a) Are bank accounts reconciled monthly?.....
 (b) Are bank accounts reconciled by someone not authorized to deposit or withdraw?.....
 If "No", please explain _____

Checks: **Yes** **No**
 (c) Is countersignature of all checks required? Above what amount? \$ _____
 (d) Do all vouchers or other supporting record accompany all checks to be signed?.....
 (e) Are vouchers/supporting records stamped "PAID" when checks are signed?.....
 (f) Do you maintain a list of approved vendors?.....
 (g) Are your systems designed so that no single employee can control a transaction from beginning to end (e.g. approve a voucher, request and sign a check)?.....

Securities: **Yes** **No**
 (h) Do you store negotiable securities on premises?.....
 (I) Are securities subject to the joint control of two or more employees?.....

Accounts Receivable: **Yes** **No**
 (j) Are at least 20% of all of the accounts receivable periodically verified by direct contact with the customers?.....

Payroll: **Yes** **No**
 (k) Do you screen your employees for prior acts of dishonesty?.....
 (l) Are credit reports checked when screening new employees?.....
 (m) Is the payroll made up by persons other than those who distribute it to employees?.....
 (n) Are all persons who are authorized to hire and/or fire employees prohibited from distributing the payroll?.....
 (o) Is positive identification required of each person receiving pay?.....

Shipping and Receiving: **Yes** **No**
 (p) Are all persons engaged in purchase or sales activities prohibited from taking part in shipping and receiving activities?.....
 (q) Are all shipping and receiving activities reconciled to all applicable sale or purchase orders?.....
 (r) Is all purchasing centralized out of your main office?.....
 (s) Do you have a system to detect payment to fictitious suppliers?.....
 (t) Are cash or credits on return purchases supervised by at least two persons?.....

Supervision by Owner: **Yes** **No**
 (u) Is there personal supervision of business activities on a daily basis by an Owner Partner or Director?
 (v) Does that person:
 Deposit all cash receipts?.....
 Sign or countersign all checks?.....
 Check petty cash periodically?.....
 Verify periodically accounts receivable?.....
 Reconcile all bank accounts?.....
 Verify shipping and receiving activities?.....
 Review journal entries?.....

4. Prior Insurance: **Yes** **No**
 (a) Has any similar insurance been declined or canceled during the past three years?
 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

5. 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: _____

6. Classification of Employees and Locations (Coverage Forms A & B):

(a) Classification of Employees:

(1) Number of Officers: _____

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

Number of:	Number of:	Number of:
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 _____	Dietitians 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. Superintendts. _____
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 money _____	money _____

(3) Number of all other employees: _____

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

7. Money - Securities (Coverage Form C)

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

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

8. Property (Coverage Form D)

Please provide a description of property, merchandise, stock, etc. to be covered. Please also state the maximum value.

9. General Information

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

10. Safe/Vault (Coverage Forms C & D)

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

11. Messenger Protection (Coverage Forms C & D)

Messenger #	# Guards per Messenger	Private Conveyance Used?		Safety Satchel Used?	
		Yes _____	No _____	Yes _____	No _____
		Yes _____	No _____	Yes _____	No _____

12. Premises/Safe Protection (Forms C & D)

- (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.) What is/are the certificate number(s) on your alarms(s) and what is/are the expiration date(s)?: _____

- (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? | Yes _____ No _____ |
| (b) Do you require Digital Certificates when making an online transaction? | Yes _____ No _____ |
| (c) Do you have an Intrusion Detection System that identifies unauthorized access? | Yes _____ No _____ |
| (d) How many bits of data encryption to you use? _____ | |
| (e) Do you have documented Internet guidelines for employees? | Yes _____ No _____ |
| (f) Do you have documented emergency procedures? | Yes _____ No _____ |
| (g) Has your computer system ever been invaded by a Hacker or Virus? | Yes _____ No _____ |
| (h) If "Yes" to question (g), 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 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: