RESET SAVE PRINT

HANOVER

The Hanover Insurance Group™

Private Company Advantage

New Business Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. PLEASE READ THE POLICY CAREFULLY.

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.
- Include all requested underwriting information indicated in Section XIII. below.
- Complete the relevant sections of this application and any Supplemental Applications in accordance with the coverages being requested.

II. GENERAL INFORMATION

1. Name of Applicant: _____

2. Address of Applicant: _____

   City: _____ State: _____ Zip Code: _____ Telephone _____

3. Name and Address (if different than above) of Primary Contact (Executive Officer authorized to receive notices and information regarding the proposed policy):

   Name: _____ Title: _____

   Address _____ City: _____ State: _____ Zip Code: _____

4. Individual responsible for human resources or employment law matters *(Loss Prevention services contact)*:

   Name: _____ Title: _____

   E-Mail Address: _____ Telephone: _____

5. State of incorporation: _____ Date established: _____

6. Applicant's Website(s _____

7. Description of Applicant's Operations? _____

8. What is the Applicant's Standard Industrial Classification (SIC) code: _____

9. What is the Applicant's North American Industrial Classification System (NAICS) code: _____

10. Is the Applicant owned by a foreign (Non-U.S.) organization? ☐Yes ☐No

11. Does the applicant have any of the following:
    a. Subsidiaries domiciled outside the U.S.? ☐Yes ☐No
    b. Branch or representative offices outside the U.S.? ☐Yes ☐No
    c. Joint ventures or partnerships with third parties outside the U.S.? ☐Yes ☐No
    d. Sales outside the U.S.? ☐Yes ☐No

    If "Yes", please attach details including the country(ies), nature of operations, and names of venture partners including percentage ownership.

    IMPORTANT: It is understood and agreed that coverage is not provided for subsidiaries in Question 11 unless the information requested above is provided.

12. Within the past 3 years, has there been any change (resignations, terminations, departures, retirements, etc.) of any Directors, Officers or other senior management? ☐Yes ☐No
If "Yes", please attach the following details: Name of individual(s); date of change; and reason for change.

13. In the next 12 months (or during the past 18 months) is the Applicant contemplating (or has the Applicant completed or been in the process of completing):
    a. Any merger, acquisition, or divestment? ☐Yes ☐No
    b. Any bankruptcy, reorganization or arrangement with creditors under federal or state law? ☐Yes ☐No
    c. Any branch, location, facility, office, or subsidiary closings, consolidations or layoffs? ☐Yes ☐No
    d. Any public or private offering of securities (including Crowd Funding/Crowd Financing? ☐Yes ☐No
    e. Any change in ownership? ☐Yes ☐No
    If "Yes" to any part of Question 13, please attach an explanation.

14. What percentage of revenues is derived from government contracts? _____%

15. Does the Applicant perform any professional services for a fee? ☐Yes ☐No
If "Yes", please attach a full description of the details.

16. Does the Applicant have any subsidiaries for which coverage is requested? ☐Yes ☐No
If "Yes", please attach a list of these entities and indicate nature of business for each.

17. Please complete the following financial information for the most recent fiscal year (indicate month/year):

_____ Month _____ Year, or check box if attaching most recent year-end financial statements instead: ☐

Financial Data	Current Year	Previous Year
Total Revenue:	$	$
Total Assets:	$	$
Current Liabilities:	$	$
Long Term Debt:	$	$
Total Liabilities:	$	$
Retained Earnings:	$	$
Shareholders' Equity:	$	$
Net Income:	$	$
Cash Flow From Operating Activities:	$	$

18. With respect to the financial auditor:
    a. What is the scope of financial statement preparation?
    ☐ Internal ☐ CPA Compilation ☐ CPA Review ☐CPA Audit ☐ None
    b. Is the Applicant in compliance with all debt and/or loan covenants? ☐Yes ☐No ☐N/A
    If "No" please attach a full explanation.
    c. Has the Applicant changed auditors in the last three years? ☐Yes ☐No ☐N/A
    If "Yes" please attach a full explanation.
    d. Have the outside auditors stated there are any material weaknesses in the Applicant's system of internal controls? ☐Yes ☐No ☐N/A
    If "Yes" please attach a full explanation.
    e. Has the Applicant implemented all material recommendations of the auditor? ☐Yes ☐No ☐N/A
    If "No" please attach a full explanation.

f. Has the auditor issued a "going concern" opinion for the Applicant's financial statements during the past 3 years? ☐Yes ☐No ☐N/A
If "Yes" please attach a full explanation

19. Please provide the following information regarding the Applicant's employees.

Number of Employees	Current Year	Previous Year
Full Time (include Independent Contractors):		
Part Time (include leased and seasonal):		
Located in California:		
Located outside the U.S.:		
Independent Contractors:		

20. U.S. Location Information:

Total Number of U.S. Locations: _____				
Manufacturing	**Warehouses**	**Distribution Centers**	**Retail**	**Other**

21. Non-U.S. Location Information:

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

Please use additional sheets if necessary.

III. REQUESTED COVERAGE

Indicate below which coverages are being requested. **Complete only those sections of this Application which pertain to requested coverage.**

Coverage Part		Requested Limit(s)
☐	Directors & Officers and Entity Liability	**$**
☐	Employment Practices Liability	**$**
☐	Fiduciary Liability	**$**

☐	Crime Coverage	**$**
☐	Cyber Privacy & Security Coverage	**$**
☐	Kidnap & Ransom Coverage	**$**

IV. CURRENT INSURANCE INFORMATION

Please provide the following information regarding the Applicant's most recent insurance. If no coverage is currently in place, please indicate with "N/A".

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**.

Coverage Part	Insurer	Coverage Date*	Limit(s) of Liability	Retention	Premium	Expiration Date
Directors & Officers Liability			$	$	$	
Employment Practices Liability			$	$	$	
Fiduciary Liability			$	$	$	
Crime Coverage		N.A.	$	$	$	
Cyber Privacy & Security Coverage			$	$	$	
Kidnap & Ransom			$	$	$	

**** Coverage Date refers to the "Prior & Pending Date, "Prior Acts Date", "Retroactive Date" or similar term shown on the declarations page of the current policy.***

1. Has the Applicant exercised any Extended Reporting Period (or Discovery Period) for any Coverage Parts to which this application relates? ☐Yes ☐No

2. Within the past 3 years has the Applicant given notice to a carrier of any claim, circumstance, or potential claim to any insurer under any of the coverage parts to which this application relates? ☐Yes ☐No
   If "Yes", please attach a full explanation of the claim, circumstance, or potential claim?

3. Within the past 3 years has the Applicant cancelled or non-renewed any coverage parts to which this application relates? **(Not Applicable In Missouri)** ☐Yes ☐No
   If "Yes", please explain.

V. DIRECTORS AND OFFICERS LIABILITY INFORMATION

1. During the past 5 years, has the Applicant or any organization or person proposed for coverage been the subject of, or been involved in, any of the following:
   a. Representative actions, class actions, derivative suits, anti-trust, copyright or patent litigation? ☐Yes ☐No
   b. Civil, criminal or administrative proceeding alleging violation of any Federal or State securities laws? ☐Yes ☐No
   c. Civil, criminal or administrative proceeding alleging violation of any Federal or State Anti-Trust or Fair Trade Law? ☐Yes ☐No
   d. Any other criminal actions? ☐Yes ☐No
   e. Any action for suspension or revocation of a license, authority or for any professional disciplinary sanction? ☐Yes ☐No

   If "Yes" to any of the above in Question 1, attach a full description of the details.

2. Other than those identified in your response to Question 1 above, has any claim been brought at any time during the last 5 years against (i) any Applicant or (ii) any proposed insured individual in his or her capacity as a director or officer of any entity? ☐Yes ☐No
   If "Yes" please attach a full description of the details.

3. Please provide the following information regarding the Applicant's ownership.
   If additional space is needed please attach.
   Total Number of Shareholders: _____

Director or Officer Shareholders	Percentage of Voting Shares Owned	Represented on Applicants Board of Directors or Board of Managers
		☐Yes ☐No
		☐Yes ☐No
		☐Yes ☐No
		☐Yes ☐No
Non-Director and Non-Officer Individual and Corporate Shareholders	**Percentage of Voting Shares Owned**	**Represented on Applicants Board of Directors or Board of Managers**
☐		☐Yes ☐No
☐		☐Yes ☐No
☐		☐Yes ☐No
☐		☐Yes ☐No

Please check the box in the table above if any non-director or non-officer shareholder is related by family to another shareholder or to a director or officer of the Applicant.

4. Does any security holder own, or have the right to own, directly and/or beneficially 10 percent or more of the Applicants outstanding shares or units? ☐Yes ☐No

5. Does the Applicant participate in any of the following activities:
   a. Franchising? ☐Yes ☐No
   b. Joint Ventures? ☐Yes ☐No
   If "Yes" please attach list of franchises and joint ventures including percentage ownership.

VI. EMPLOYMENT PRACTICES LIABILITY INFORMATION

1. What percentage of the Applicant's Employees currently earn more than $100,000? ___%

2. Does the Applicant have written procedures in place regarding:
   a. Equal Opportunity Employment: ☐Yes ☐No

b. Anti- Discrimination ☐Yes ☐No
c. Anti-Sexual Harassment ☐Yes ☐No
d. Employment at Will: ☐Yes ☐No
e. Progressive Discipline: ☐Yes ☐No
f. Handling complaints of sexual harassment or discrimination: ☐Yes ☐No
g. ADA accommodations: ☐Yes ☐No
h. Social Media and Computer/Network Usage: ☐Yes ☐No

3. Does the Applicant:
   a. Distribute and document the receipt of an employee handbook to all employees? ☐Yes ☐No
   b. Have written procedures in place that are distributed to each employee if the Applicant does not have an employee handbook? ☐Yes ☐No
   c. Conduct performance evaluations to determine if an employee will maintain his/her employment or be considered for a promotion? ☐Yes ☐No
      If "Yes", please describe:
   d. Have a full-time human resources manager or department? ☐Yes ☐No
   e. Review all terminations with human resources or in-house / outside counsel? ☐Yes ☐No
   f. Conduct training regarding anti-discrimination and anti-sexual harassment policies and procedures using in-house human resource staff or an outside vendor? ☐Yes ☐No

4. During the past 5 years, has any Applicant in any capacity, been involved in any lawsuit, charges, inquires, investigations, grievances or other administrative hearings or proceedings before any of the following agencies and/or any of the following forums, including both domestic and foreign equivalents? ☐Yes ☐No
   a. National Labor Relations Board? ☐Yes ☐No
   b. Equal Employment Opportunity Commission? ☐Yes ☐No
   c. Office of Federal Contract Compliance Programs? ☐Yes ☐No
   d. U.S. Department of Labor? ☐Yes ☐No
   e. Any State or Local Government agency such as the Department of Fair Employment and Housing? ☐Yes ☐No
   f. U.S. District or State Court? ☐Yes ☐No
   If "Yes" to any of the above in Question 4, please attach a full description with details.

5. Does the Applicant have established policies and procedures:
   a. Outlining employee conduct when dealing with third parties, including non-discrimination and non-harassment statements? ☐Yes ☐No
   b. Outlining independent contractor conduct when dealing with third parties, including non-discrimination and non-harassment statements? ☐Yes ☐No
   c. For responding to complaints of harassment, discrimination or civil rights violations from third parties? ☐Yes ☐No

6. What percentage of the Applicant's employees work at customer locations or perform a majority of their functions off-site? ___**%**

7. During the past 5 years, has the Applicant had any action or civil suit brought against them by a customer, client or third party alleging harassment, discrimination, or civil rights violations? *If "Yes" please attach a full description of the details.* ☐Yes ☐No

VII. FIDUCIARY LIABILITY INFORMATION

1. Please list the names and types of **Applicant's** employee benefits plan(s). Attach additional pages if needed.

Plan Names (Do not include health & welfare plans)	**Plan Assets** (Most current year)	**Type of Plan***	**Funding (DB only)** Under or Over Funded by more than 25%	**Number of Plan Participants**	**Plan Status****
	$		☐Yes ☐No		

	$		☐Yes ☐No		
	$		☐Yes ☐No		

**** Defined Contribution (DC), Defined Benefit (DB), Employee Stock Ownership (ESOP), Excess Benefit or Top Hat (EBP)***

***** Active (A), Frozen (F), Sold (S), Terminated (T)-Include date of termination***

2. Names of any third party/outside administrators for any plans: _____

3. In the past 12 months or the next 12 months has/will any plan been amended in a way that will result in the reduction of benefits? ☐Yes ☐No
   If "Yes," please describe: _____

4. Does the Applicant handle any investment decisions in-house? ☐Yes ☐No
   If "Yes," please describe: _____

5. If "No" to question 2 above, do the fiduciaries review the investment guidelines used by the investment managers at least annually? ☐Yes ☐No

6. Are all plans in compliance with plan agreements and ERISA? ☐Yes ☐No
   If "No," please describe: _____

7. Has any employee benefit plan:
   a. Invested in securities of the Applicant? ☐Yes ☐No
   b. Invested in more than 10% of any entity other than the Applicant or a pooled investment vehicle such as a mutual fund? ☐Yes ☐No
   c. Loaned or pledged any employees benefit plan assets to any party-in-interest (including the Applicant)? ☐Yes ☐No
   If "Yes" to any of the above in Question 5, please attach a full description with details.

8. Are there any overdue Applicant contributions for any plan, or has any plan requested or contemplated filing a request for a waiver of contributions? ☐Yes ☐No
   If "Yes", please attach a full description with details.

9. Within the last 3 years, has there been, or is there currently under consideration, any restructuring, spin-off, transfer, consolidation, merger, termination or other similar transaction of any employee benefit plan? ☐Yes ☐No
   If "Yes", please attach a full description with details.

10. Are all employee benefit plans compliant with the Health Insurance Portability and Accountability Act (HIPAA)? ☐Yes ☐No

11. Does the plan sponsor comply with the summary plan description requirements under ERISA for all employee benefit plans? ☐Yes ☐No

12. Do all employee benefit plans have a written investment policy? ☐Yes ☐No

13. Is the "fair market value" of all employee benefit plans calculated annually? ☐Yes ☐No
    If "No" to any of the above in Questions 8-11, please attach a full description with details.

14. During the past 5 years, has there been, or is there currently, any investigation by the IRS, Department of Labor (DOL), Pension Benefit Guarantee Corporation (PBGC), or any other State or Federal Agency of any employee benefit plan or any current or former fiduciary of such employee benefit plan? ☐Yes ☐No
    If "Yes" please attach a full description of the details.

15. During the past 5 years has there been any assessment of fees, fines or penalties under any voluntary compliance resolution program or any similar voluntary settlement program administered by the IRS, DOL or other government authority? ☐Yes ☐No
    If "Yes" please attach a full description of the details.

VIII. CYBER PRIVACY AND SECURITY COVERAGE

1. Please provide the following:

   Number of Customer/Patient Records: _____

   Number of Online Customers: _____

   Total Number of IP Addresses Assigned: _____

   Number of Active IP Addresses: _____

   Gross Revenue from on-lines sales or services:_____

   Estimated Number of Credit Card Transactions if applicable:_____

2. Requested Coverage

Insuring Agreement	Requested Limit	Requested Retention
Privacy and Security Liability	$	$
Cyber Media Liability	$	$
Breach Event Expenses	$	$
Breach Reward Expenses	$	$
Breach Restoration Expenses	$	$
Cyber Investigations	$	$
Cyber Business Interruption	$	$
Cyber Extortion	$	$
Cyber Theft	$	$

3. Please indicate the type of information that the Applicant collects and which resides on the Applicant's or service provider's systems and networks.

☐ Credit Card Numbers
☐ Social Security Numbers
☐ Email Addresses
☐ Medical Information
☐ National ID Numbers
☐ Drivers' License Numbers
☐ Race, Ethnicity, National Origin
☐ Data Regarding Sexual Orientation
☐ Account Numbers
☐ Financial Data (i.e. credit rating)
☐ Passwords, Including PINs
☐ Salary and Compensation
☐ Criminal Records
☐ Disability Status
☐ Civil Judgments
☐ Clients' Intellectual Property

4. Does the Applicant have encryption tools to enhance the integrity and confidentiality of confidential information? ☐ Yes ☐ No

   If "Yes" in which scenarios is data encrypted (check all that apply)?

   ☐ Data At Rest ☐ Data In Transit ☐ Data Transferred to Removable Media

5. Does the applicant utilize third-party service providers for:

   a. Back up of electronic data? ☐ Yes ☐ No
   b. Web-site hosting? ☐ Yes ☐ No
   c. Processing or maintenance of sensitive data: ☐ Yes ☐ No
   d. Maintenance of applications? ☐ Yes ☐ No
   e. Infrastructure hosting? ☐ Yes ☐ No

   If "Yes" to any of the above please attach a list of providers and services offered.

6. With respect to the written contracts with the service providers identified in Question 34:
   a. Are contracts reviewed by in-house or outside counsel? ☐Yes ☐No
   b. Do contracts require the Applicant to be indemnified and "held harmless" for the errors or omissions of the service provider? ☐Yes ☐No
   c. Is the service provider required to carry errors & omissions insurance or "cyber liability" insurance? ☐Yes ☐No
   d. Is the liability of the service provider limited or restricted in any manner? ☐Yes ☐No
7. Has the applicant evaluated the level of security provided by any of the service providers used per the question above? ☐Yes ☐No
   a. Review of SAS Type I ☐Yes ☐No
   b. Review of SAS Type II ☐Yes ☐No
   c. Review of SSAE 16 ☐Yes ☐No
   d. Review of security audit conducted by third party ☐Yes ☐No
   e. Other, please describe:

   _____
8. Does the Applicant have an information security policy? ☐Yes ☐No
9. Does the Applicant's information security policy identify and proscribe the type and level of protection for all of the Applicant's information assets, electronic and physical, whether held by the Applicant or by a person or organization providing services to the Applicant? ☐Yes ☐No
10. Does the Applicant's information security policy include the following?
    a. Defined duties and responsibilities of an Information Security Officer ☐Yes ☐No
    b. Requirements for confidentiality agreements for employees, vendors and contractors ☐Yes ☐No
    c. Document classification protection and destruction protocols ☐Yes ☐No
    d. Requirements for employee usage of system assets ☐Yes ☐No
    e. Protection requirements for sensitive information stored on mobile devices (e.g. laptops, tablets, smartphones). ☐Yes ☐No
    f. Protection requirements for sensitive information stored on other electronic media (e.g. backup tapes, CD's, USB drives). ☐Yes ☐No
11. Are all users of the Applicant's network issued unique passwords? ☐Yes ☐No
12. Do all users of the Applicant's network have designated rights and privileges for access to information and use of the Applicant's network? ☐Yes ☐No
13. Does the Applicant have policies regarding the following?
    a. Internet usage ☐Yes ☐No
    b. Use of social networking sites or applications ☐Yes ☐No
    c. E-mail usage ☐Yes ☐No
    d. Are employees required to acknowledge that they are aware of such policies? ☐Yes ☐No
14. Are penetration tests conducted on the Applicant's network at least annually? ☐Yes ☐No
15. Does the Applicant's management review the following for prospective personnel who will have access to sensitive information?
    a. Criminal history records ☐Yes ☐No
    b. Credit history records ☐Yes ☐No
    c. Previous employment records ☐Yes ☐No
16. Do individuals other than employees have access to sensitive information? ☐Yes ☐No
17. Are all rooms that contain main frames, servers, switches or routers locked with access permitted with a key card or some other device that can be logged? ☐Yes ☐No
18. Does the Applicant investigate patterns of attempted access by persons who should not have access to equipment described above? ☐Yes ☐No
19. Is the identity of all visitors verified prior to granting them access to the Applicant's premises where sensitive information or the network can be attained? ☐Yes ☐No

20. Is sensitive customer (or patient) data stored on web servers? ☐Yes ☐No
21. Does the Applicant employ web application firewalls. ☐Yes ☐No
22. Are web servers housed in a dedicated DMZ? ☐Yes ☐No
23. Is external access to sensitive information encrypted using SSL? ☐Yes ☐No
24. Does the Applicant have security policies governing the use of FTP, Telnet, Bash, etc? ☐Yes ☐No
25. When are the Applicant's applications assessed for vulnerabilities such as SQL injections, cross-site scripting and buffer overflow? ☐Yes ☐No
    a. During development ☐Yes ☐No
    b. At deployment ☐Yes ☐No
    c. Regularly after deployment
26. How quickly does the Applicant remediate vulnerabilities after they are discovered? _____
27. Are session lifetimes limited? ☐Yes ☐No
28. Can the Applicant be alerted or otherwise identify when personally identifiable or confidential information is downloaded to a mobile memory device or sent in an email or added as an attachment to email? ☐Yes ☐No
29. Is data on smart phones encrypted? ☐Yes ☐No
30. Regarding the Payment Card Industry Data Security Standard (PCI DSS):
    a. Has a qualified Security Assessor performed an assessment of the Applicant's security within the past year? ☐Yes ☐No
    b. Have all critical recommendations been corrected or complied with? ☐Yes ☐No
    c. If "no" when will all critical recommendations be corrected or complied with? _____
31. If the Applicant is a healthcare organization:
    a. Is the Applicant a covered entity under the Health Insurance Portability and Accountability Act (HIPAA)? ☐Yes ☐No
    b. Is the Applicant a Business Associate under the HIPAA? ☐Yes ☐No
    c. If "Yes" to the questions above, approximately how many individuals' Protected Health Information do you collect, store or process? _____
    d. If "Yes" to the questions above is the applicant in full or partial compliance with the provisions of the HITECH Act? ☐Yes ☐No
    e. If the Applicant is in partial compliance with the HITECH Act when will the Applicant be in full compliance?_____
32. Has the Applicant been audited by The Department of Health and Human Services (HHS) or any other agency under the authority of HHS, for their compliance with HIPAA Privacy Rule or Security Rule? ☐Yes ☐No
    a. If "Yes" was the Applicant found to be in compliance? ☐Yes ☐No
    b. If "No" please indicate which areas the Applicant was found not to be in compliance.
    _____
33. Is sensitive information collected through hand written applications, forms or notes? ☐Yes ☐No
    a. If "Yes" are documents shredded after entering the information into a computer system? ☐Yes ☐No
    b. If "No" does the Applicant:
    c. Retain the documents in secured files? ☐Yes ☐No
    d. Store documents in secure areas that minimize access by persons not authorized to view such documents? ☐Yes ☐No
    e. Enforce a "clean desk" policy? ☐Yes ☐No
    f. Shred documents when they are ultimately disposed of? ☐Yes ☐No
34. Is sensitive information in any written form stored with a third party? ☐Yes ☐No
    a. If "Yes" does the applicant have a written contract with the respective service providers? ☐Yes ☐No

b. If "Yes" does the Applicant's contract with the service provider state that the service provider:
   1) Has Primary responsibility for the security of the Applicant's information? ☐Yes ☐No
   2) Has a contractual responsibility for any losses or expenses associated with any failure to safeguard the Applicant's information? ☐Yes ☐No

35. Does the Applicant have an Incident Response Plan (IRP)? ☐Yes ☐No
    If "Yes" does the IRP address:
    a. Unauthorized access to the Applicant's computers, system network or any information assets? ☐Yes ☐No
    b. Known or suspected unauthorized access to personally identifiable or other confidential information? ☐Yes ☐No
    c. Denial of service attacks and other forms of network and system outages? ☐Yes ☐No
    d. Extortion demands? ☐Yes ☐No
    e. Corruption of or damage to, electronic data? ☐Yes ☐No
36. Has the IRP been reviewed and approved by the Applicant's board of directors? ☐Yes ☐No
37. Does the plan include a review of the applicable state or federal laws or regulations with which the Applicant may have to comply? ☐Yes ☐No
38. Is the IRP tested annually? ☐Yes ☐No
39. Is there a specific person or group of persons responsible for maintaining the IRP? ☐Yes ☐No
40. Does the IRP identify:
    a. The organizations that will provide mailing or other notification services ☐Yes ☐No
    b. The organizations that will provide public relations services? ☐Yes ☐No
    c. The organizations that will provide credit or other monitoring services? ☐Yes ☐No
    d. The organizations that will provide forensic services? ☐Yes ☐No
41. Does the Applicant have a Business Continuity Plan? ☐Yes ☐No
    If "Yes":
    a. Is the plan updated reviewed and updated annually? ☐Yes ☐No
    b. Is the plan tested at least annually? ☐Yes ☐No

IX. CRIME COVERAGE

1. Requested Coverages

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	$	$

2. Regarding disbursement and check handling does the Applicant:
   a. Allow the employees who reconcile the monthly bank statements to also:
      1) Sign checks? ☐Yes ☐No
      2) Handle deposits? ☐Yes ☐No
      3) Have access to check signing machines or signature plates? ☐Yes ☐No
   b. Require countersignature of checks? ☐Yes ☐No
      If "Yes", over what amount? $_____
      If "No", who can sign checks? _____
   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. Store check stocks under dual control with controlled access? ☐Yes ☐No
   e. Immediately stamp incoming checks "*For Deposit Only*"? ☐Yes ☐No
3. Does an annual external audit include all subsidiaries and joint ventures? ☐Yes ☐No
4. Does the Applicant's external audit include all of its locations? ☐Yes ☐No
   If "No," please describe: _____
5. Does an independent CPA provide a Management Letter to the Applicant? ☐Yes ☐No
6. Is there a documented system of internal control policies/procedures? ☐Yes ☐No
7. Is there an internal audit department? ☐Yes ☐No
8. 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
9. Do you have a program in place to detect possible "Ghost" employees? ☐Yes ☐No
10. Regarding inventory:
    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 controlled by more than one individual? ☐Yes ☐No ☐N/A
    c. Is a perpetual inventory maintained for:
       1) Stock, including raw materials, and manufacturing components? ☐Yes ☐No ☐N/A
       2) Manufactured or finished goods? ☐Yes ☐No ☐N/A
       3) Scrap? ☐Yes ☐No ☐N/A
    d. Is physical inventory protected by:
       1) Alarm System? ☐Yes ☐No
       2) Video Camera? ☐Yes ☐No
       3) Security Guards? ☐Yes ☐No
       4) Security Fencing? ☐Yes ☐No
    e. Do you warehouse for others? ☐Yes ☐No
    f. Is there a periodic review of unused or obsolete inventory (including raw materials and scrap metal)? ☐Yes ☐No

g. Is a physical count of inventory conducted at least annually? ☐Yes ☐No
If "Yes" by whom and how often? _____

11. Indicate any of the following characteristics or exposures that apply to your business operations (please check all that apply):
    a. Precious metals or gemstones ☐Yes ☐No
    b. High unit, portable inventory ☐Yes ☐No
    c. Managed assets of others ☐Yes ☐No
    d. Warehousing Operations ☐Yes ☐No
    e. Art collection or other valuable collectibles ☐Yes ☐No
    f. Narcotics ☐Yes ☐No
    g. Computer chips ☐Yes ☐No
    h. Proprietary trading activity ☐Yes ☐No
    i. Care, custody and control of clients' property ☐Yes ☐No

12. Are internal control policies and procedures for foreign locations consistent with those of domestic locations? ☐Yes ☐No
    If "No", please attach an explanation.

13. With respect to potential new employees does the Applicant:
    a. Perform reference checks? ☐Yes ☐No
    b. Perform drug testing? ☐Yes ☐No
    c. Verify education? ☐Yes ☐No
    d. Verify prior employment? ☐Yes ☐No
    e. Perform credit history checks? ☐Yes ☐No
    f. Perform criminal history checks? ☐Yes ☐No
    If "No", please attach an explanation

14. Regarding vendors, does the Applicant:
    a. Maintain a list of authorized vendors? ☐Yes ☐No
    b. Have a procedure in place to verify the existence and ownership of new vendors? ☐Yes ☐No
    c. Allow the same individual who verifies the existence of vendors to also have the authority to edit the authorized master vendor list? ☐Yes ☐No
    d. Verify invoices against a corresponding purchase order, receiving report and the authorized master vendor list prior to issuing payment? ☐Yes ☐No

15. Are the duties of computer programmers and operators separated? ☐Yes ☐No

16. Regarding funds transfer requests:
    a. What is the daily volume of electronic funds transfers? $_____
    b. Has separation been established between authority to initiate and approve a funds transfer? ☐Yes ☐No
    c. If a customer, vendor, client or employee can initiate a funds transfer by telephone call, email, text message or similar method of communication are such instructions authenticated:
        1) Calling the customer at a predetermined number? ☐Yes ☐No
        2) Sending a text message to a predetermined number? ☐Yes ☐No
        3) Requiring receipt of a code known only to the customer to confirm identity? ☐Yes ☐No
        4) Requiring confirmation from an internal employee? ☐Yes ☐No
    d. If a telephone call, email, text message or similar method of communication 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? If "Yes" what is the callback threshold? _____ ☐Yes ☐No
    e. Are funds transfer verifications sent to an employee or a department other than the one who initiated the transfer? ☐Yes ☐No
    f. Are funds transfers reconciled the same day the transfer verifications are received by an individual who did not approve or transmit such a funds transfer? ☐Yes ☐No
    g. Are employees that are responsible for funds transfers provided anti-fraud training, including detection of false pretenses, social engineering, phishing or other confidence scams? ☐Yes ☐No

17. Are the following physical controls in place?
    a. Alarm System ☐Yes ☐No
    b. Video Cameras ☐Yes ☐No
    c. Security Guards ☐Yes ☐No
    d. Controlled Premises Access ☐Yes ☐No

18. Maximum exposure inside the premises at any one location:

    Location: _____ Cash: $_____ Checks/Securities: $_____

19. Do you use an Armored Motor Vehicle Company to transport Money or Securities? ☐Yes ☐No

    If "No", please complete below:
    Maximum exposure outside the premises at any one location:
    Cash/Securities: $_____
    Checks: $_____ # of Messengers: _____

20. List all employee theft, forgery, computer fraud or other crime losses discovered by the Applicant in the last 5 years, itemizing each loss separately. Include date of loss, description, total amount of loss, and corrective measures. *Attach additional pages if needed.* Check if none ☐

    _____

    _____

21. Please describe the services the Applicant provides for clients:

    _____

22. Do any of the Applicant's clients require the Applicant to carry crime insurance or to be bonded? ☐Yes ☐No
    If "Yes", please explain and specify amount.

    _____

X. KIDNAP & RANSOM COVERAGE

1. Complete the following information regarding the foreign travel of the Applicant:
   Please attach additional pages if needed.

Country Visited	Number of annual trips	Average length of stay	Number of employees traveling	Number of independent contractors traveling

2. Describe the Applicant's security precautions while traveling, both domestic and international, including use of security consultants:

   _____

   _____

3. Please attach a list of all kidnapping, extortion threats, cyber extortion, hijacking, wrongful detention, or political threats discovered by the Applicant in the last five years, itemizing each loss separately:

   Check box if None ☐ or describe below and attach additional pages as needed:

   _____

   _____

XI. PRIOR KNOWLEDGE AND APPLICANT REPRESENTATION

The Applicant must answer the prior knowledge question below:

- For any **Liability Coverage Part** for which coverage is requested and is not currently purchased; or
- If the Applicant is requesting higher limits than are currently purchased.

Is any **Insured** proposed for coverage aware of any fact, circumstance, or situation that might reasonably be expected to result in a **Claim** that would fall within the scope of the proposed **Liability Coverage Parts**?

Yes ☐ No ☐

If "Yes" please attach a full description of the details.

This representation applies only to those coverage types for which no coverage is currently maintained and any higher limits of liability requested.

IMPORTANT: Without prejudice to any other rights and remedies of the **Insurer,** the Applicant understands and agrees that if any such fact, circumstance or situation exists, whether or not disclosed in response to the question above, any claim or action arising from such fact, circumstance or situation is excluded from coverage under the proposed policy, if issued by the **Insurer**.

XII. MATERIAL CHANGE

If any of the Applicants discover or become aware of any significant change in the condition of the Applicant between the date of this **Application** and the policy inception date, which would render the **Application** inaccurate or incomplete, notice of such change will be reported in writing to us immediately and any outstanding quotation may be modified or withdrawn.

XIII. DECLARATIONS, NOTICE AND SIGNATURES

The submission of this New Business Application does not obligate the **Insurer** to issue, or the Applicant to purchase, a policy. The Applicant will be advised if the **Application** for coverage is accepted. The Applicant hereby authorizes the **Insurer** to make any inquiry in connection with this **Application**.

The undersigned, acting on behalf of all Applicants, declare that to the best of their knowledge and belief, after reasonable inquiry, the statements set forth in this **Application** and in any attachments or other documents submitted with the **Application** are true and complete and were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this **Application**.

The undersigned agree that the information provided in this **Application** and any material submitted herewith are the representations of all the Applicants and the basis for issuance of the insurance policy should a policy providing the requested coverage be issued, and that the **Insurer** will have relied on all such materials in issuing any such policy. The undersigned further agree that the **Application** and any material submitted herewith shall be considered attached to and a part of the policy. Any material submitted with the **Application** shall be maintained on file (either electronically or paper) with us.

The information requested in this New Business Application is for underwriting purposes only and does not constitute notice to the **Insurer** under any policy of a **Claim** or potential **Claim**.

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, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material 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 HAMPSHIRE 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.

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.

Note: This **Application** must be signed by the chief executive officer or chief financial officer of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Date	***Signature***	***Title***
_____	_____	_____

Supporting Documentation: please attach a copy of the following for every Applicant seeking coverage:

- ☐ Most recent CPA prepared financial statements
- ☐ Most recent CPA Letter to Management and Management's response. If this Letter is not issued, check here: ☐
- ☐ Directors and Officers Liability: include any applicable offering memoranda
- ☐ Fiduciary Liability: if Applicant has an ESOP, include most recent stock valuation report
- ☐ Employment Practices Liability (for Applicants with 500 or more employees):
  - ☐ Employee handbook
  - ☐ Employment application form
  - ☐ Most recent EEO-1
  - ☐ Third party policies and statements, if requesting such coverage

Produced By: Agent:_____ Agency: _____

Agency Taxpayer ID or SS No.: _____

Agent License No.:_____ Agent Signature: _____

Address (Street, City, State, Zip):_____