BEAZLEY

BSR

CRIME INSURANCE APPLICATION

PLEASE READ THE POLICY CAREFULLY

Please fully answer all questions and submit all requested information. Terms appearing in bold face in this Application are defined in the Policy and have the same meaning in this Application as in the Policy. If you do not have a copy of the Policy, please request it from your agent or broker. This Application, including all materials submitted herewith, shall be held in confidence.

1. GENERAL INFORMATION

    (a)   Applicant Name: (Whenever used in this Application, the term "Applicant" shall mean the **Insured**, unless otherwise indicated)

    (b)   Principal Address:

        a. Street:

        b. City:

        c. State:

        d. Zip Code:

    (c)   State of Incorporation:

    (d)   Date Established:

    (e)   Nature of Business:

    (f)   Applicant's Website address (if applicable):

    (g)   Name of applicant's designated representative to receive all notices from the Insurer on behalf of all person(s) and entity(ies) proposed for this insurance:

    (h)   Standard Industry Classification Code (SIC Code):

    (i)   Annual Revenue: (in 000's):

    (j)   If Publicly Traded what is Ticker Symbol?

(k)   Form of business organization:
☐ Corporation   ☐ Partnership   ☐ Limited Liability

(l)   Corporation
☐ For Profit   ☐ Not For Profit

DESCRIPTION OF OPERATIONS:
In the course of your business do you perform any of the following functions?

(a)	Trading	☐ Yes	☐ No
(b)	Extending Credit	☐ Yes	☐ No
(c)	Issuing Warehouse Receipts	☐ Yes	☐ No
(d)	Transporting or Storing Valuables for Others	☐ Yes	☐ No
(e)	Leasing	☐ Yes	☐ No
(f)	Storing Customer Credit Card Information	☐ Yes	☐ No

If any answer is yes to the above description of operations, please attach an explanation of the function performed**.**

Please mark any of the following characteristics or exposures that apply to your company's operation:

☐ Precious metals or gemstones   ☐ Narcotics
☐ Warehouse operations   ☐ Proprietary credit card operation
☐ Care, custody and control of client's property   ☐ Joint Ventures
☐ Employee credit cards   ☐ High unit value, portable inventory
☐ Cash exposure greater than the deductible   ☐ Private collections of art or collectibles
☐ Active participation in more than one industry

2. COVERAGE REQUESTED:

Desired Coverage: (please check the coverage requested)	Limits Requested:	Deductible Requested:
☐ Employee Theft	$	$
☐ Forgery or Alteration	$	$
☐ Theft – Inside Premises	$	$
☐ Theft – Outside Premises	$	$
☐ Money Orders & Counterfeit Currency	$	$
☐ Computer Fraud and Funds Transfer Fraud	$	$
☐ Client Coverage	$	$
☐ Credit Card Coverage	$	$

3. POLICY PERIOD REQUESTED:

From:
To:
Both dates at 12:01am Local Time at the principal Address of the **Insured**.

4. LOCATIONS AND EMPLOYEES:

	Number of Locations	Sales or Revenues	Class 1 Employees	All Other Employees
U.S.				
Canadian				
Total				

FOREIGN OPERATIONS:
If the Insured has operations outside of the U.S. or Canada, please list below:

Foreign Country	Number of Employees	Number of Locations	Type of Operations	Amount of Annual Revenue from Country
TOTAL				

Class 1 Employees: For the purposes of premium computation. Class 1 Employees include management positions and other employees who have access to money, securities and/or other property (such as cashiers, bookkeepers, shipping clerks, etc.)

5. AUDITS CONTROLS:
External Audits:

(a) Does an independent CPA audit your books at least annually? ☐Yes ☐No
   a) If Yes, by whom?
   b) If No, please attach an explanation.

(b) Does the audit include a review of EDP Department? ☐Yes ☐No
   If No, please attach an explanation.

(c) Are the audits complete and unqualified? ☐Yes ☐No
   If No, please attach an explanation.

(d) Are all locations and entities audited? ☐ Yes ☐ No
      If No, please attach description of the extent of your audit.

(e) Have you changed CPAs in the past three (2) years? ☐ Yes ☐ No
      If Yes, please attach an explanation.

(f) Does the CPA provide a Management Letter? ☐ Yes ☐ No
      If Yes, please include the most recent copy and applicant's response to the letter.

Internal Audits:
(a) Is there an Internal Audit Department responsible for the
      oversight and review of internal audit programs for all
      business operations – including the EDP Department? ☐ Yes ☐ No
      If No, please attach an explanation of how this function is fulfilled.

(b) Does the Internal Audit Department report directly to the
      Board of Directors? ☐ Yes ☐ No

(c) Does the internal audit include a review of EDP Department? ☐ Yes ☐ No
      If No, please attach an explanation of how this function is fulfilled.

6. INVENTORY CONTROL:
(a) Is a complete inventory made with physical check of stock and equipment? ☐ Yes ☐ No

      If Yes, by whom?

      How often?

(b) Does such inventory include all locations? ☐ Yes ☐ No

7. ACCOUNTS PAYABLE CONTROLS:
(a) Do all requisitions and purchase orders require the
      prior approval of authorized personnel? ☐ Yes ☐ No
      If No, please attach an explanation

(b) Do purchase orders require next level of approval? ☐ Yes ☐ No
      If No, please attach an explanation

(c) Do expense reimbursements require original receipts for
      expenses before reimbursement? ☐ Yes ☐ No
      If No, please attach an explanation

(d) Do expenses reimbursements require management
      approval at the next level? ☐ Yes ☐ No

If No, please attach an explanation.

(e) Are all disbursements system generated? ☐ Yes ☐ No
If No please attach an explanation of controls surrounding manual check issuance

8. BANK ACCOUNT CONTROL:
(a) Do the employees who reconcile the monthly bank statements also either:
    Sign check ☐ Yes ☐ No
    Handle deposits ☐ Yes ☐ No

(b) Have access to check signing machines or signature plates? ☐ Yes ☐ No

(c) If any answer above is Yes, will you correct the weakness? ☐ Yes ☐ No

(d) Is countersignature of checks required? ☐ Yes ☐ No
    If Yes, over what limit?

9. COMPUTER CONTROL:

(a) Are pre-authorized controls maintained for all programmers and operators? ☐ Yes ☐ No

(b) Are the duties of programmers and operators separated? ☐ Yes ☐ No

(c) Is the output reconciled by persons who do not prepare or process output? ☐ Yes ☐ No

(d) Do audit practices include "tests" to detect unauthorized programming changes? ☐ Yes ☐ No

(e) Are computerized check writing operations segregated from departments that authorize checks? ☐ Yes ☐ No

10. VENDOR CONTROLS:
(a) Does the Insured have procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorized master vendor list? ☐ Yes ☐ No

(b) Does the Insured allow the same person who verifies the existence of vendors to also edit the authorized master vendor list? ☐ Yes ☐ No

(c) Is the master vendor list verified annually by the Insured's internal or external audit department to check for fraudulent vendors? ☐ Yes ☐ No

(d) Are supplier's invoices matched with related purchase orders, receiving reports, and authorized vendor lists for review prior to each cash

disbursement? ☐ Yes ☐ No
If No, please attach a description of procedures followed.

(e) Are purchases received at the home office or picked up at the vendor, reconciled to corresponding purchase requisitions by an employee independent of the purchasing? ☐ Yes ☐ No
If No, please attach an explanation

11. FUNDS TRANSFER CONTROLS:

(a) What is the total annual value of all funds transfers? $

(b) What is the average value of a transfer? $

(c) Are there specific arrangements with banks, as to the individuals in your Company authorized to:

1) Transfer funds? ☐ Yes ☐ No

2) Request changes to procedures? ☐ Yes ☐ No

3) Obtain records? ☐ Yes ☐ No

(d) Are all banks required to authenticate the identity of the caller before acting upon the instructions? ☐ Yes ☐ No

(e) Are all banks required to confirm funds transfer transactions in writing within 24 hours? ☐ Yes ☐ No

(f) Are there independent checks of funds transfer records by staff not authorized to handle/instruct such transfers? ☐ Yes ☐ No

12. CLIENT SERVICES:

(a) Please fully describe any services that the Insured provides for clients (including but not limited to accounting, payroll or purchasing functions):

(b) Are Employees located at the Client(s) locations? ☐ Yes ☐ No

(b) Does the Insured's Employee(s) have access to Client(s) money, securities and other property? ☐ Yes ☐ No
If Yes, what is the value of the money, securities and other property? $

(c) Are there any security controls in place to limit the Insured's Employee(s) ability to have unsupervised access to Client's money, securities and other property? ☐ Yes ☐ No

13. SECURITIES:
   (a) State the value of negotiable owned or held securities. (if none, please write none): $

   (b) Where are the securities kept?

   (c) If safe deposit boxes are used, has the bank been instructed to require
      2 individuals be present before entry to any box is permitted?   ☐ Yes   ☐ No

   If No, identify by name and position those having access.

14. PRECIOUS METALS OR HIGH VALUE PROCESSING MATERIALS:
   Is there an exposure of precious metals or stones (such as gold, silver,
   copper, platinum, industrial diamonds, computer chips or similar
   high-valued materials?   ☐ Yes   ☐ No

   If Yes, please attach a separate listing of exposures, identify each location, describe security
   controls and state a maximum value at each location.

15. EMPLOYEE BENEFIT PLANS:
   Attach a separate sheet listing the names of each employee benefit plans required to by bonded by
   Title 1 of the Employee Retirement Income Security Act for which coverage is requested.
   If No plans are to be covered, please check this box: ☐

16. MONEY, SECURITIES AND PAYROLL EXPOSURES:
   What is the maximum amount at any one location:

Money:	$
Checks:	$
Negotiable Securitie	$

   What is the maximum amount transported from any one location by a method other than an armored
   motor vehicle?

Money:	$
Checks:	$
Negotiable Securitie	$

   (a) At locations where there is money and securities does the Insured
      utilize a Fire protected Safe?   ☐ Yes   ☐ No

(b) Do the safes have central station alarm systems? ☐ Yes ☐ No

(c) Do you utilize any night watchman or security services? ☐ Yes ☐ No

17. PREVIOUS CRIME INSURANCE:

Please provide the following information for ANY loss(es) discovered during the past five (5) years which involve or potentially involve, a peril of the type covered by the policy. If none, please indicate that fact.

Cause of Loss	Date Discovered	Gross Amount of Loss (Actual or Estimated)	Amount Received from Insurance Less Salvage	Deductible at Time of Loss	Location, if other than Main Office

FALSE INFORMATION:

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 act, which is a crime.

WARNING

THE UNDERSIGNED AUTHORIZED EMPLOYEE OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED EMPLOYEE AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE UNDERWRITER OF SUCH CHANGES, AND THE

UNDERWRITER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE UNDERWRITER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSED, AND IT WILL BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERNCE INTO THIS APPLICATION AND MADE A PART HEREOF.

ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT (S)HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT MAY BE GUILTY OF INSURANCE FRAUD.

NOTICE TO ARKANSAS 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 PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER 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 IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANYAT FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

NOTICE TO LOUISIANA AND NEW MEXICO 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 MAINE 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 MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS."

NOTICE TO NEW JERSEY APPLICANTS: "ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO NEW YORK APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIMS 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 SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION."

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 CLAIMS CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD."

NOTICE TO OKLAHOMA APPLICANTS: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURY, 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 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 TENNESSEE AND VIRGINIA 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."

Signature of Applicant

Title

Date