

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

**APPLICANT INFORMATION**

<b>Name of Applicant</b>		<b>Web Address</b>	
<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>

**OPERATIONAL INFORMATION**

**Describe any changes to operations or the past 12 months or proposed over the next 12 months -**

**Please provide the following employee information**

<b>Number of Employees</b>	<b>Current Year</b>	<b>Previous Year</b>
Full Time Employees:		
Part Time Employees:		
Independent Contractors:		
Temporary Employees:		
Leased Employees:		
Seasonal Employees:		
Located in California:		
Located in New York:		
Volunteers:		
Foreign Full Time Employees:		
Foreign Part Time Employees:		
Voluntary Terminations:		

Involuntary Terminations (not layoffs/downsizing):		
Layoffs/Downsizing:		
Percentage of Employees compensated less than \$50,000 annually		
Percentage of Employees compensated more than \$100,000 annually		

**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):**

Any merger, acquisition, or divestment?

YES  NO

Any bankruptcy, reorganization or arrangement with creditors under federal or state law?

YES  NO

Any branch, location, facility, office, or subsidiary closings, consolidations or layoffs?

YES  NO

Any public or private offering of securities (including crowd funding/crowd financing)?

YES  NO

Any change in ownership?

YES  NO

*If "Yes" to any part of Question 9 please attach an explanation.*

#### FINANCIAL AND AUDIT INFORMATION

**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:

*Please indicate negative figures with "(" or "-", as appropriate.*

Financial Data	Current Year	Previous Year
Total Revenue:	\$	\$
Total Assets:	\$	\$
Current Assets:	\$	\$
Current Liabilities:	\$	\$
Long Term Debt:	\$	\$
Retained Earnings (Accumulated Deficit):	\$	\$
Total Shareholders' Equity:	\$	\$
Operating Income Before Interest and Taxes:	\$	\$
Net Income (Net Loss):	\$	\$
Cash Flow from Operating Activities:	\$	\$

What is the scope of financial statement preparation?

Internal

CPA Compilation

CPA Review

CPA Audit

None

**In the last 12 months –**
**Has the auditor issued a “going concern” opinion for the Applicant’s financial statements?**
*If “Yes” please attach a full explanation*
 YES

 NO

**Is the Applicant in compliance with all debt and/or loan covenants?**
*If “No” please attach a full explanation*
 YES

 NO

**Has the Applicant changed auditors?**
*If “Yes” please attach a full explanation*
 YES

 NO

**Have the auditors noted any material weakness in the Applicants system of internal controls?**
*If “Yes” please attach an explanation and provide the latest CPA letter to management and management's response.*
 YES

 NO

**Has the Applicant implemented all material recommendations of the auditor?**
*If “No” please attach a full explanation.*
 YES

 NO

**DIRECTORS & OFFICERS INFORMATION**
**Shareholder Information –**

	Common	Preferred	Others	Total
Authorized				
Outstanding				
Voting Shares Outstanding				
Shares owned by Directors & Officers (Direct and Beneficial)				
Number of voting shareholders				

**Please list all shareholders who own more than 5% of any class of security –**

Shareholder	Class of	% Owned	Director or Officer?	
		%	<input type="checkbox"/> YES	<input type="checkbox"/> NO
		%	<input type="checkbox"/> YES	<input type="checkbox"/> NO
		%	<input type="checkbox"/> YES	<input type="checkbox"/> NO
		%	<input type="checkbox"/> YES	<input type="checkbox"/> NO
		%	<input type="checkbox"/> YES	<input type="checkbox"/> NO

*If there are more shareholders, please attach a list. The list should include information listed above.*

Have any Executives of the Applicant disclosed to the Board of Directors of any conflicts of interest regarding any specific contracts or dealings with family members, competitors, customers or vendors?

 YES

 NO

*If "Yes" please attach a full explanation*

Is any shareholder a trust that qualifies as an Employee Stock Ownership Plan under ERISA or hold securities for the benefit of employees?  YES  NO

Have there been any changes to the Board of Directors or Senior Management of the Applicant within the past year?  YES  NO

Are there currently any outstanding loans to any Director or Officer?  YES  NO

Does the Charter or By-laws of the organization provide indemnification to its Directors and Officers to the fullest extent permitted by law?  YES  NO

Do you have a code of conduct or use signed contracts such as offer letters that require that employees and independent contractors not disseminate or use previous employers' or clients' trade secrets, customer lists or other intellectual property?  YES  NO

**EMPLOYMENT PRACTICES INFORMATION**

Have employment policies and procedures been reviewed by outside legal counsel within the past 12 months?  YES  NO

Does the Insured provide reasonable accommodations (flexible work environment), including working from home to those employees unable or unwilling for any reason to work in an office environment?  YES  NO

In the past 24 months or in the next 12 months is the Applicant planning any reduction in workforce; including layoffs or a branch closure?  YES  NO

*If "Yes" please provide details including but not limited to a description of implementation plan, use of outside counsel, impact of protected classes and severance and or waiver agreements.*

In the past 24 months has the Applicant updated its employment practices handbook, or human resources policies and procedures?  YES  NO

*If "Yes" please attach a copy of updated materials and a description of changes.*

**FIDUCIARY INFORMATION**
**Plan Information –**

Full Plan Name	Plan Type*	Current Asset Value	Latest Annual Contributions	Current Number of Participants	Plan status**

\*Plan type – (DB) Defined Benefit, (DC) Defined Contribution, ESOP, (SFW) Self-Funded Welfare Plan, (O) Other – Attach details.

\*\*Plan Status – (A) Active, (F) Frozen, (S) Sold, (T) Terminated – If terminated please provide date and reason for termination.

If there are more plans, please attach a list. The list should include information listed above.

Are plans and guidelines reviewed and updated annually for compliance with plan agreements, violations of ERISA, written investment guidelines, and Health Insurance Portability and Accountability Act (HIPAA)?

 YES

 NO

Are there any outstanding or delinquent plan contributions or plan loans, leases or debt obligations that are in default or classified as uncollectable?

 YES

 NO

Does the employer, committee or employer representative, have final say over the determination of whether benefits will be paid under any healthcare plan sponsored by the Applicant?

 YES

 NO

Do all the employee pension benefit plans or pension plans have a written investment policy?

 YES

 NO

 N/A

Are all employee benefit plans or pension plan assets managed by a third-party investment manager?

 YES

 NO

If "Yes", does said third-party have full investment discretion?

 YES

 NO

During the past 24 months, 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.

**Does the Applicant maintain written policies and procedures to mitigate excessive fee transactions including –**

- Documented review of plan fees and investment performance annually to ensure that plan fees are reasonable?  YES  NO
- Ensuring that all plan recordkeeping fees are offered on a low, flat-per-participant rate, instead of a percentage of assets.  YES  NO
- Conduct a formal Request for Proposal with plan vendors at least every three years?  YES  NO
- Ensuring that your plans include a low-cost index fund?  YES  NO
- Does Applicant utilize a third-party consultant to review plan fees and investment performance annually?  YES  NO

*If “No”, to any of the above please attach a full explanation.*

- Do any of the Applicant plans or investment options include revenue sharing, or invisible fees?  YES  NO  
*(If “Yes”, please provide details)*

**In the past the next 12 months, or anticipated over the next 2 years, has/will any plan –**

- Been amended in a way that would result in the reduction of benefits?  YES  NO
- Contemplated or concluded any restructuring, spin-off, transfer, consolidation, sold, merged with another plan, termination or other similar transaction?  YES  NO

- Any changes over the past 12 months to the firms providing the following services?  YES  NO

*If yes, please provide names of new providers –*

<i>CPA</i>	<i>Attorney</i>	<i>Actuary</i>	<i>Investment Advisor</i>

**CRIME INFORMATION**

**Basic Crime Controls –**

- Is there a documented system of internal control policies/procedures?  YES  NO
- Does the Applicant have an internal audit department?  YES  NO
- If no, do you have someone with internal audit responsibilities?*  YES  NO

Does the Applicant perform or verify the following for new employees? (Check all that apply):

- Reference checks     Drug testing     Prior employment     Credit history     Criminal history

- Are reference checks done on all independent contractors?  YES  NO  N/A

Are there controls in place so that no single person can control a transaction from beginning to end?

YES

NO

**Is there segregation of duties for the following areas?**

Inventory Management

YES

NO

Cash receipts

YES

NO

Vendor approval

YES

NO

Oversight of blank checks

YES

NO

Purchase order approval and payments

YES

NO

Retail checks and credit card receipts

YES

NO

Wire transfers receipts and payments

YES

NO

**Checking and Bank Account Controls –**

Are all incoming checks stamped “For Deposit Only”?

YES

NO

Do you require counter signatures on checks?

YES

NO

If so at what level: \$

Is an employee who has the responsibility to reconcile monthly bank statements prohibited from also (check all that apply): **Signing checks?**  YES  NO **Handling deposits?**  YES  NO **Making withdrawals?**  YES  NO

**Vendors Controls -**

Does the Applicant have procedures in place to verify the authenticity and ownership of new vendors before adding them to the Master Vendor List?

YES

NO

*If so, is the employee who verifies the new vendor restricted from editing the list?*

YES

NO

**Funds Transfers Controls –**

Is dual authorization required for all wire transfers?

YES

NO

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

*If yes, does this training include not replying to the initiating request email or phone number but using the master list contact information to reply to the request?*

YES

NO

**Inventory, Physical Controls and Services**

Indicate any of the following characteristics that apply to your business operations (please check all that apply):

- |   |   |   |
|---|---|---|
| <input type="checkbox"/> Computer chips     | <input type="checkbox"/> Art collection or other valuable collectibles  | <input type="checkbox"/> Precious metals or gemstones |
| <input type="checkbox"/> Narcotics          | <input type="checkbox"/> Special secured/locked retail inventory        | <input type="checkbox"/> Warehousing Operations       |
| <input type="checkbox"/> Alcohol or Tobacco | <input type="checkbox"/> Care, custody and control of clients' property | <input type="checkbox"/> Managed assets of others     |

If any of the above are checked, describe how such exposures are restricted, controlled and monitored –

**Inventory Controls –**

Is a physical count of inventory conducted at least annually?  YES  NO

If "no" how often:

Do you warehouse for others?  YES  NO

If yes, what are you warehousing?

Please describe any services the Applicant provides for clients –

Please provide details as you desire for any "No" responses to from the Crime Information Section –



**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.

**DECLARATIONS AND NOTICES**

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.

**SIGNATURES**

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

**Name** **Title**

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**Signature** **Date**

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