

## Social Engineering Supplemental Application

For the purposes of this application, reference to “Payment” or “Funds Transfer” means any electronic fund transfer transaction, including wire transfers and online transfers/ payments.

The controls disclosed below must be applicable for all entities seeking coverage, including all subsidiaries.

### 1. General Information

Name of the Organization applying for this insurance (if the Organization has subsidiaries, give the name of the Parent Organization only):

Organization's mailing address:

Limit requested by the proposed Organizations:

### 2. Anti-fraud training – do the proposed Organizations:

- (a) Provide their employees anti-fraud training which specifically includes ways of identifying and avoiding social engineering, phishing, impersonation, or other types of similar fraudulent activity? ☐ Yes ☐ No

Please describe the nature/scope of the anti-fraud training:

- (b) Have in place a formalized process by which employees can flag or otherwise alert management to potential social engineering or other types of fraudulent activity (e.g. phone hotline, dedicated reporting email address, intranet based reporting)? ☐ Yes ☐ No

### 3. Vendor or supplier controls – do the proposed Organizations:

- (a) Confirm every request to change vendor or supplier account information (including routing numbers, account numbers, telephone numbers and contact information) by a direct call using only the contact number previously provided by the vendor/supplier before the request was received? ☐ Yes ☐ No

- (b) Are all changes to the vendor or supplier account information required to be approved by a secondary individual prior to the change being made? ☐ Yes ☐ No

- (c) Have procedures in place to verify the legitimacy of new vendors or suppliers prior to transacting business with them? ☐ Yes ☐ No

If “NO” to any of the above questions, please describe the method by which vendor or supplier data is verified by the proposed Organizations:

### 4. Client controls – do the proposed Organizations:

- (a) Confirm every request to change client account information (including routing numbers, account numbers, telephone numbers and contact information) by a direct call using only the contact number previously provided by the client before the request was received? ☐ Yes ☐ No

- (b) Are all changes to client account information required to be approved by a secondary individual prior to the change being made? ☐ Yes ☐ No

Are these procedures used without exception? ☐ Yes ☐ No

- (c) Have custody or control over any funds or accounts of any of its clients, have access to clients' accounting, payroll, purchasing systems, or perform bill payment services, including but not limited to escrow or trust accounts? ☐ Yes ☐ No

If “YES” please provide details:

- (d) Accept funds transfer instructions from clients over the telephone, email, text message or similar method of communication? ☐ Yes ☐ No

- (e) Allow prepayment by clients for products or services to be performed at a later date? ☐ Yes ☐ No

If “YES” please provide details:

- (f) Have procedures to verify incoming checks have fully cleared the issuing financial institution prior to performing services, or transferring funds? ☐ Yes ☐ No

**5. Wire Payment / Funds Transfer controls – do the proposed Organizations:**

- (a) Have procedures in place (**other than dual authorization requirements**) to ensure the authenticity of all payment or funds transfer requests, originating from:
- i) Within the Insured's entity ☐ Yes ☐ No
  - ii) a Client ☐ Yes ☐ No
  - iii) a Vendor ☐ Yes ☐ No

Please briefly describe the procedures:

Are these procedures used without exception?

- (b) Require more than one person, at all times, to authorize a payment or funds transfer, for the:
- i) payment of an invoice ☐ Yes ☐ No
  - ii) movement of Client funds, or ☐ Yes ☐ No
  - iii) internal / intracompany movement of money ☐ Yes ☐ No

If "NO" to any of the above, please explain:

If "YES", is there a specific amount over which dual authorization is required? ☐ Yes ☐ No

If so, what is this amount?

- (c) Have international and domestic payment or funds transfer procedures performed consistently across all business units? ☐ Yes ☐ No

If "NO", please explain any differences:

- (d) What is the:
- i) average **annual** number of payment / fund transfer transactions processed by the proposed Organizations?
  - ii) average **daily** size of payment / fund transfer transactions processed by the proposed Organizations?
  - iii) maximum size of payment / fund transfer transactions processed by the proposed Organizations in the past 12 months?

**6. Other Controls**

- (a) Describe any other procedures or controls in place to minimize the frequency or severity of a potential Social Engineering Fraud loss (eg. Limitations on the number of transfers a person may make in a given time period, maximum dollar value a person may transfer in a given time period, use of third party software etc.)
- (b) Describe the procedure by which employee requests to change their payroll direct deposit banking information are verified as being legitimate prior to the change being implemented in the HR / Payroll system.

**7. Loss History**

- Have the proposed Organizations sustained any Social Engineering losses; whether insured or not, or whether funds were ultimately recovered by the insured or not, in the past six (6) years? ☐ Yes ☐ No
- If "YES", please provide full details.

## Declaration for the Application

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The undersigned designated as an officer of the Organization:

- (a) declares that they have been duly authorized by the Organization to complete this Application and that all statements and representations contained herein are true and complete;
- (b) reasonable efforts have been made to obtain sufficient information from each person proposed for this insurance in order to complete this Application properly and accurately;
- (c) the financial statements submitted with this Application reflect the current financial situation of the Organization and its subsidiaries (if this is not the case, please provide details on a separate sheet);
- (d) acknowledges that these statements, representations and information submitted are relied on by Intact Insurance and shall be deemed material to the acceptance of the risk assumed by the Insurer under the insurance applied for, should the insurance be issued;
- (e) agrees that if between the date of this Application and the effective date of the Policy, the statements and information contained in this Application change in any way, they will immediately advise Intact Insurance in writing and, without prejudice to any other legal remedy available to it, Intact Insurance may modify or withdraw any outstanding quotation or any authorization or agreement to bind;
- (f) acknowledges this application and all documents attached hereto shall be form part of the Policy and shall be the basis of the contract, should one be issued.

It is agreed that the statements, representations and attached supplemental information submitted contained within this Application are true and are the basis of the Policy contract. Terms and conditions, including limits of coverage, offered by Intact Insurance, may differ from those applied for from the Applicant. It is further agreed that this Policy shall not be voided, rescinded or coverage excluded as a result of any untrue statement in this Application, except as to the Organization, its Subsidiaries and those Insured Persons making such statement or having knowledge of its untruth.

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Signature

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Position (Chief Executive Officer, Chairman or General Counsel)

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Date

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Organization