



## Specialty Solutions Insurance Crime Coverage

### Social Engineering Supplemental Application

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THIS SUPPLEMENTAL APPLICATION IS PART OF THE CRIME COVERAGE APPLICATION, INCLUDING RENEWAL APPLICATIONS, SUBMITTED BY OR ON BEHALF OF THE APPLICANT FOR THE PROPOSED INSURANCE. THE CONDITIONS AND REPRESENTATIONS CONTAINED IN SUCH APPLICATION ARE INCORPORATED INTO AND APPLY TO THIS SUPPLEMENTAL APPLICATION.

For the purposes of this Application, reference to “funds transfer” means any electronic fund transfer transaction, including wire transfers and online transfers/payments.

Whenever used in this Application, “Proposed Organizations” shall mean the Parent Organization and its subsidiaries and affiliated companies.

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

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#### General Information

1. Name of the Parent Organization applying for this insurance: \_\_\_\_\_
2. Limit requested by the Proposed Organizations: \_\_\_\_\_

#### Anti-fraud Training

3. 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 a formalized process in place 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

#### Vendor or Supplier Controls

4. 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 and is that confirmation completed prior to the change being made? ☐ Yes ☐ No
  - (b) require all changes to the vendor or supplier account information be approved by a second 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:  
\_\_\_\_\_

## Client Controls

### 5. 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 and is that confirmation completed prior to the change being made? ☐ Yes ☐ No
- (b) require all changes to client account information be approved by a second individual prior to the change being made? ☐ 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:

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- (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 delivered/performed at a later date? ☐ Yes ☐ No

If "Yes", please provide details:

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

## Funds Transfer Controls

### 6. Do the Proposed Organizations:

- (a) have procedures in place (**other than dual authorization requirements**) to ensure the authenticity of all funds transfer requests originating from:
- i) within the Proposed Organizations? ☐ Yes ☐ No
- ii) a client? ☐ Yes ☐ No
- iii) a vendor? ☐ Yes ☐ No

Please briefly describe the procedures:

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Are these procedures used without exception? ☐ Yes ☐ No

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

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

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

If "Yes", what is the amount? \_\_\_\_\_

- (c) have international and domestic funds transfer procedures performed consistently across all business units?

☐ Yes ☐ No

If "No", please explain any differences:

7. What is the:

- (a) average number of funds transfer transactions processed by the Proposed Organizations **annually**? \_\_\_\_\_
- (b) average dollar amount of all funds transfer transactions processed by the Proposed Organization **daily**? \_\_\_\_\_
- (c) single largest funds transfer transaction processed by the Proposed Organizations in the past 12 months? \_\_\_\_\_

#### Other Controls

8. Describe any other procedures or controls in place to minimize the frequency or severity of a potential social engineering fraud loss (e.g. 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.).

9. 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.

#### Loss History

10. Have the Proposed Organizations sustained any social engineering losses, regardless of whether such losses were insured or recovered, in the past six (6) years?

☐ Yes ☐ No

If "Yes", please provide full details.

**The undersigned authorized representative of the Applicant declares that the statements in this Supplemental Application and any attachments or information submitted with this Supplemental Application are true and complete. The undersigned understands that this Supplemental Application and any such attachments or information submitted herein are part of the Application submitted by or on behalf of the Applicant for the proposed insurance and are subject to the conditions and representations set forth therein.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position (Chief Executive Officer, Chairman or General Counsel)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization