

If "Yes", please attach a list and itemize each loss separately with the date of loss, description of loss, amount of loss and post loss measures implemented by the Proposed Organization and indicate whether or not the loss was covered under another insurance policy.

13. Within the past three (3) years, has any insurer declined, refused to renew, or cancelled any of the crime policy coverages requested? Yes No
- If "Yes", please provide full details:

14. Have any of the Proposed Organizations been involved in the past three (3) years, are presently involved, or are considering being involved in the next twelve (12) months, in any of the following:
- (a) merger or consolidation with another entity? Yes No
- (b) acquisition of another entity or tender offer? Yes No
- (c) corporate reorganizations or restructuring? Yes No
- (d) sale, dissolution or divestiture? Yes No

If "Yes" to one (1) or more questions above, please provide full details:

Financial Information

15. Does the Proposed Organization have:
- (a) consolidated revenues under \$25MM? Yes No
- (b) positive net income for the last two (2) fiscal years? Yes No
- (c) limits of liability of \$5MM requested or less? Yes No

If "Yes" to all three (3) above, then please complete the below financial table and no financial statements are required to be provided to the insurer.

If any of these items are not met, do not complete the table and please attach the latest consolidated financial statements.

	Most Recent Fiscal Year End		Prior Fiscal Year End	
	(Month:	/ Year:	(Month:	/ Year:
))))
Total Assets				
Owner's/Shareholders Equity (Deficit)				
Revenues				
Net Income (Loss)				

Notable Exposures

(Check if none)

16. Identify which of the following apply to the Proposed Organization (select all that apply):
- Precious Metals, Stones or Gems ATM/ABM/Cash Machines/VLTs/Vending Machines
- Warehousing Cryptocurrency
- Cannabis/Marijuana Products Pharmaceuticals/Narcotics
- Scrap/Recycling/Bulk Product Dealer/Purchaser Proprietary Trading
- Art/Valuable Collections Temporary Help/Employee Placement Agency
- Custody of Client's Property, Materials, or Funds Employees on Client Premises
- Works with Vulnerable Persons Highly Portable/High Value Inventory (see below)

Describe the nature of the Proposed Organization's products or carried inventory (including input materials), specifically making note of any highly portable or high value inventory:

If the Proposed Organization requires **Client Property Coverage** please complete a **Third Party Supplemental Application**.

If the Proposed Organization has custody of Client property, material or funds, please complete an **Escrow Accounts Supplemental Application**.

If the Proposed Organization requires **Social Engineering Fraud Coverage** please complete a **Social Engineering Fraud Supplemental Application**.

If any items above are selected, we will likely require additional information and/or they may not be eligible for coverage. Please discuss with your underwriter.

Audit Procedures

External Audit

17. Is there an annual ; semi-annual ; audit by an independent firm of Chartered Professional Accountants? Yes No
18. Is the audit report rendered directly to all partners if a partnership, or to the Board of Directors? Yes No
19. Name of the CPA: _____
20. Has there been an external audit report on internal controls issued within the past three years? Yes No
 (a) If "Yes", please include a copy with this submission. Included Not Included
 (b) If "Yes", have all items of concern been reviewed with management and solutions implemented? Yes No
21. Has there been any change in the outside auditing firm in the last three (3) years? Yes No
 (a) If "Yes", please provide details and an explanation for the change: _____
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22. Are money and securities physically counted and verified? Yes No
23. Are the ledger balances to the credit of customers verified? N/A Yes No

Internal Audit

24. Is there an internal audit department? Yes No
 If "Yes":
 (a) Number of Employees in the internal audit team: _____
 (b) To whom do they report? _____
 (c) Are money and securities physically counted and verified? Yes No
 (d) Are the ledger balances of customers reviewed and verified? Yes No
 (e) Are all locations included in the audit, without exception? Yes No

Risk Management

25. Has the Proposed Organization conducted a fraud risk assessment which highlights the Proposed Organizations' risk tolerance and outlined how it will manage its fraud risks (including cyber risk), within the past three (3) years? Yes No
 If "Yes":
 (a) Was a certified fraud examiner involved in the process? Yes No
 (b) Have all of the recommendations been implemented? Yes No
 (c) If "No" to (b) above, when will the recommendations be implemented? _____
26. Is there an ongoing process for regular identification of significant fraud risks? Yes No
27. Who has ultimate responsibility for fraud risk management at the Proposed Organization? _____
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28. Does the Proposed Organization enforce a software update process including installation of software "patches"? Yes No
 (a) If "Yes", are critical "patches" installed within thirty (30) days of release? Yes No
29. Does the Proposed Organization use multi-factor authentication to access all critical systems? Yes No
30. How often is critical information backed-up and stored off site?
 Daily Weekly Bi-Weekly Monthly or Greater Never
31. Does the Proposed Organization block employee access to sponsored or promoted internet search results and links? Yes No
32. Are the controls and procedures outlined in this application consistent for all locations, subsidiaries and entities proposed for coverage? Yes No

Payment and Financial Controls

33. Does the Proposed Organization transfer funds by:
Wire Internet Voice Banking Other Describe: _____
34. Are all bank reconciliations completed by person(s) not authorized to:
(a) deposit funds? Yes No
(b) withdraw funds? Yes No
(c) sign cheques? Yes No
(d) have access to cheque signing machines or software? Yes No
(e) have access to approved reproductions of handwritten signatures? Yes No
For all "No" answers, please describe controls implemented to mitigate this weakness:
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35. Is there a countersignature requirement for all cheques? Yes No
(a) If "No", over what threshold are at least two (2) signatures required? _____
36. Is there a written directive which stipulates the required procedures for handling all transfer requests, including approval authorities? Yes No
37. Does the Proposed Organization use Positive Pay or other disbursement auditing services to help verify the accuracy and authenticity of payments made, prior to the release? Yes No
(a) If "No", how does the Proposed Organization verify the accuracy and authenticity of payments made by the Proposed Organization?
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38. Can a manual cheque be written outside of the accounts payable system? Yes No
(a) If "Yes", detail the approval, documentation, and validation process to ensure the request is legitimate:
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39. Are all expense reports reviewed and approved by a manager familiar with the employee's travel, entertainment and spending history, prior to payment? Yes No
40. Can transfer of the Proposed Organization's funds be requested by Employees by email or phone? Yes No
(a) If "Yes", detail the approval, documentation, and validation process to ensure the request is legitimate:
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41. Is the review/approval of at least two (2) authorized Employees required at all times prior to transferring the Proposed Organization's funds? Yes No
42. Is there a system in place to verify the authenticity of the person or organization making a fund transfer request (be it an Employee, Owner, Vendor or Client) beyond requiring dual signatures or dual-reviews of the transfer request before executing each transfer? Yes No
43. Does the Proposed Organization use multi-factor authentication to approve all fund transfers? Yes No
(a) If "No", over what threshold is multi-factor authentication required? _____ MFA is never used on transfers
44. Is there dual-authorization required at all time to issue, obtain, redeem, or otherwise negotiate letters of credit and other written instruments? Yes No
45. With respect to vendors, suppliers, and other outgoing payments, what is the monthly average:
(a) Number of fund transfers: _____ (b) Dollar value of fund transfers: _____
46. Has there been a change to or upgrade to the Proposed Organization's accounting or financial control software in the past three (3) years? Yes No
47. To minimize fraud, does the Proposed Organization require the bank's confirmation that all incoming cheques (including certified cheques), money orders, bank drafts or similar written instruments have been fully cleared before issuing funds against them? Yes No

Inventory Management, Shipping, Receiving and Purchasing

(Check if not applicable)

48. Is there, at all times, a segregation of duties between persons doing:
- (a) shipping and receiving? Yes No
 - (b) stock controls and purchasing/procurement/buying? Yes No
 - (c) shipping, receiving, and stock control? Yes No
 - (d) sales and accounts receivable? Yes No
 - (e) supplier/vendor list auditing and entering/removing suppliers and vendors from the system? Yes No
- If "No" to any of the above, please provide additional details including how this weakness is countered (use a separate sheet if necessary).
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49. Is there a list of authorized vendors? Yes No
50. Are all additions and changed to vendor or supplier information required to be approved by a second, next level person prior to the change being made? Yes No
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People Management

51. Does the Proposed Organization have a full time, dedicated human resource Employee or department? Yes No
52. Is the administrative human resource person/department segregated from the payroll function? Yes No
53. Are the following items verified (internally or outsourced) prior to new Employees commencing?
- (a) Licensing for all licensed Employees Yes No
 - (b) Credit checks for financially sensitive positions Yes No
 - (c) Criminal record checks in all jurisdictions in which the prospective Employee has lived for the past five (5) years Yes No
 - (d) Education, training, and certifications Yes No
 - (e) Business/employment history Yes No
54. Does the Proposed Organization have a program or method in place to detect possible ghost Employees? Yes No
- (a) If "No", please explain the controls in place to counter this weakness:
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55. Are user identification/access codes automatically invalidated/terminated at the end of employment, contract, or while on leave? Yes No
- (a) If "No", please explain the controls in place to counter this weakness:
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56. Is anti-fraud training provided to all of the Proposed Organization's Employees, which specifically addresses the company's code of conduct/ethics, ways of identifying and reporting fraud in the workplace, and how to recognize and avoid social engineering, phishing, impersonation or other types of third party scams? Yes No
57. Does the Applicant have a formalized process in place by which Employees can flag or otherwise bring to the attention of management external threats or potential fraudulent activity in the workplace (eg. Phone hotline, dedicated reporting email address, intranet based reporting)? Yes No
- (a) If "No", please explain the controls in place to counter this weakness:
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58. Does the Proposed Organization engage natural persons as Independent Contractors? Yes No
- (a) If "Yes", does the Proposed Organization apply the same internal controls and procedures to Independent Contractors as they do for its employees? Yes No

Employee Welfare or Benefit Plans

(Check if not applicable)

- 59. Does the Proposed Organization’s employee welfare and benefit plan employ independent administrators? Yes No
 (a) If “Yes” does the administrator carry insurance in respect of, or provide indemnity to the Insured, for loss of property held in the employee welfare or benefit plans? Yes No
- 60. How frequently is the plan membership roster verified for entitlement? _____
- 61. Does the Proposed Organization require a separate ERISA bond to be issued for any employee welfare or benefit plans domiciled in the United States of America? Yes No
 (a) If “Yes” please complete an **ERISA Bond Application** for each plan that requires a policy.

Money, Securities and Other Valuables

(Check if not applicable)

- 62. Does the Proposed Organization hold more than \$10,000 in Cash, Securities, or other valuables on premises overnight? Yes No
 (a) If “Yes” are they held in a Burglary rated safe? Yes No
 If “Yes” what is the maximum overnight exposure held on premises for:
 Cash: _____ Securities: _____
 Other Valuables: _____ (please describe) _____
- 63. By whom will deposits and cash withdrawals be made? Owner Only Employees Armoured Vehicles
- 64. Will securities be subject to joint control by two (2) or more Employees at all times, if not by owner? Yes No
- 65. Do the Proposed Organization require coverage for any Money contained in an Automated Mechanical Device, which include ATMs, ABMs, VLTs and Vending Machines? Yes No
 (a) If “Yes” please complete an **Automated Mechanical Device Supplemental Application**.

Declaration for the Application

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) acknowledge 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) agreed that if between the date of this Application and the effective date of the Policy, the statement 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 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 with this Application are true and 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 the Application, except as to the Organization, its Subsidiaries and those Insured Persons making such statement or having knowledge of its untruth.

Signature

Position (Chief Executive Officer, Chairman or General Counsel)

Date

Organization