

Agents Supplemental Application

THIS SUPPLEMENTAL APPLICATION IS PART OF THE QUESTIONNAIRE FOR A FINANCIAL INSTITUTION BOND, 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 “fund transfers” means any electronic fund transfer transaction, including wire transfers and online transfers/ payments.

An **“Agent”** means a natural person (who is not an **“Employee”**), firm or corporation engaged or authorized by the **“Insured”** to sell any financial products or services on behalf of the **“Insured”**. The term **“Agent”** shall be deemed to include the partners, officer and employees of such **“Agent”** and all such persona shall collectively be deemed to be one person for the purposes of determining the Limit or Liability in the event of a loss. The terms **“Insured”** and **“Employee”** are as defined in the policy.

General Information

1. Name of the Proposed Organization applying for this insurance:
2. What types of products are sold by Agents on behalf of the Proposed Organization:

(a) Mutual Funds	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(b) Securities	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(c) Life Insurance Policies	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(d) Annuities	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(e) Other – describe fully:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
3. Proposed Organizations’ total number of Agents or non-employee Registered Representatives:

Canada	United States	Other	If other, describe:
--------	---------------	-------	---------------------
4. What is the annual commissions paid to all Agents: _____ for the year ending (DD/MM/YYYY)
5. Does a written contract exist between the Proposed Organization and your Agents? Yes ☐ No ☐
If “No”, please provide details:
6. Are customers required to complete an application for products/services being offered through your Agents? Yes ☐ No ☐
7. Are all client’s cheques made payable directly to the Proposed Organization “in trust”? Yes ☐ No ☐
8. Are all client fund transfers made directly to the Proposed Organization “in trust”? Yes ☐ No ☐
9. If “no” to questions 7 or 8, are the Agents allowed to accept payment? Yes ☐ No ☐
10. What procedure is followed for the first payment?
11. Is there an internal procedure manual or other method used by the Proposed Organization to ensure that the policies and procedures are followed and applied by the Agents? Yes ☐ No ☐
12. How does the Proposed Organization know that it is receiving all first payments on new accounts?
13. How does the Proposed Organization verify that a client has purchased a product?
14. Does the Proposed Organization send a verification statement to its clients on all new business? Yes ☐ No ☐
If “Yes”, do these verification requests contain instructions to report discrepancies to a named person other than the Agent? Yes ☐ No ☐
15. Who exercises direct control over the activities of the Agents (Head office, branch office, Franchise, etc.)
16. What prior investigation is made before issuing a contract to a prospective Agent?

17. How are commissions paid to Agents?
- (i) Deducted by Agents Yes ☐ No ☐
- (ii) Paid by Proposed Organization to Agent Yes ☐ No ☐
- (iii) Paid by franchise to Agent Yes ☐ No ☐
18. Is the Agent's personal financial information obtained and reviewed by the Proposed Organization? Yes ☐ No ☐
19. Is there a periodic review of Agents? Yes ☐ No ☐
- Please provide details about the review process:
20. Does the Proposed Organization have a hotline or other way of being alerted to potential Agent fraud? Yes ☐ No ☐

Special Section – Life Insurance Agents (complete this section only if the Proposed Organization has any Life Agents)

21. Which of the following products are sold by the Proposed Organization's Life Agents (check all that apply):
- Whole Life Insurance ☐ Term Life Insurance ☐ Convertible Life Insurance ☐ Annuities ☐
- Accident and Sickness ☐ Other (provide details):
22. Proposed Organizations' total number of Life Agents (if same as question 3 check N/A ☐)
- Canada United States Other If other, describe:
23. What is the annual commissions paid to Life Agents: for the year ending (DD/MM/YYYY)
24. How long does a "policy" stay in force if there is non-payment of premium?
25. Is there an investigation into unpaid "policies" prior to contacting the Agent?
26. Do the Agents use marketing materials supplied exclusively by the Proposed Organization? Yes ☐ No ☐
27. Do the Agents exclusively sell products offered by the Proposed Organization? Yes ☐ No ☐

Regulatory Condition

- Is any Agent (including all partners, officers and employees of such Agent) expected to be, currently is, or has within the past five years, been under any special or non-standard reporting, condition, disciplinary action, licensing requirement, control, tutorship, or investigation of any sort, to any regulatory or governing bodies? Yes ☐ No ☐
- If yes, please provide complete details (attach an addendum if more space is needed):

Special Conditions	Reason
--------------------	--------

Loss History

List all losses involving agent, similar in type to claims which could fall within the scope of the agents coverage being applied for in this application, that have occurred during the past six years (whether reimbursed or not). Check here if none: ☐

Date of Loss	Type of Agent	Amount of Loss	Amount Recovered from Insurance	Recovered from other Insurance	Amount of Loss Pending	Location
--------------	---------------	----------------	---------------------------------	--------------------------------	------------------------	----------

Declaration for the Application

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