

Underwritten by National Casualty Company
Home Office:
Columbus, Ohio 43215
Administrative Office:
8877 North Gainey Center Drive • Scottsdale, Arizona 85258

COMMERCIAL CRIME INSURANCE APPLICATION

I. GENERAL INFORMATION

Name Of Insured (Applicant) (List all Insureds, including Employee Benefit Plans you sponsor that are subject to ERISA.): _____

Mailing Address:

Street: _____
City: _____ State: _____ Zip Code: _____

Type Of Insurance Requested:

Commercial Crime Coverage Form (for Commercial Package Policy) Commercial Crime Policy

Policy Period Requested:

12:01 AM on: _____ to 12:01 AM on: _____

Applicant is a:

Proprietorship Partnership Corporation Other (specify): _____

Is the Applicant structured as a limited liability company? Yes No

Is a joint venture or partnership to be added as a named insured? Yes No

Date Insured (Applicant) was established: _____

Name of current insurance carrier (if different): _____

Latest fiscal year-end revenues: \$ _____

Latest fiscal year-end net profit/loss: \$ _____

Applicant's predominant activity:

Manufacturer Processor Wholesaler Distributor Retailer
 Servicer Construction Other (specify): _____

Please describe the products or services of predominant activity: _____

II. COVERAGE REQUESTED

Complete the following for Insuring Agreements, Limits and Deductibles desired:

Insuring Agreements*	Limit Of Insurance	Deductible Amount
1. Employee Theft	\$	\$
2. Forgery Or Alteration	\$	\$
3. Inside The Premises—Theft Of Money And Securities	\$	\$
4. Inside The Premises—Robbery Or Safe Burglary Of Other Property	\$	\$
5. Outside The Premises	\$	\$
6. Computer And Funds Transfer Fraud	\$	\$
7. Money Orders And Counterfeit Money	\$	\$
Insuring Agreements Added By Endorsement**:		
Clients' Property	\$	\$
Other (specify):		
	\$	\$
	\$	\$
	\$	\$

* For coverage amendments desired, attach Commercial Crime Insurance Supplemental Application—Coverage Amendments **CR A 041**.

** For additional Insuring Agreements desired, list below or attach:
 Commercial Crime Insurance Supplemental Application—Additional Insuring Agreements **CR A 042**.
 Crime Insurance Supplemental Application—Fraudulent Impersonation Insuring Agreement **CR A 090**.

III. RATING INFORMATION

- A.** Number of employees consisting of: **No. of**
1. Officers (other than noncompensated officers): _____
 2. Full- and part-time employees who handle, have custody or maintain records of money, securities or other property: _____
 3. Directors, trustees, officers, employees, administrators and managers (other than independent contractors) not included in 1. or 2. above, who handle funds of benefit plans subject to the Employee Retirement Income Security Act (ERISA): _____
 4. Leased employees and former employees hired as consultants: _____
 5. Directors or trustees of the Board while serving on elected or appointed committees: _____
 6. Noncompensated officers: _____
 7. Natural persons, whether or not compensated, while performing services as chairpersons or members of committees: _____
 8. Volunteer workers who **do not** solicit funds: _____
 9. Volunteer workers who solicit funds: _____
 10. All others not included in 1.-9. above: _____
 11. **Total** (Items 1.-10. above): _____

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- B. Number of:** **No. of**
1. Premises (other than the head office) located in the United States of America (including its territories and possessions), Puerto Rico and Canada: _____
 2. All other premises not included in 1. above:..... _____

IV. UNDERWRITING

Attach a separate sheet to explain any "No" answers.

A. Audit Procedures

1. Is there an annual audit conducted by an independent CPA? Yes No
 If "Yes":
 Is it a complete audit made in accordance with generally accepted auditing standards and so certified? Yes No
 Are all locations and subsidiaries included in the audit? Yes No
2. Is there a CPA Management Letter and response by management on internal control weaknesses or recommendations for improvement? Yes No
 If "Yes," please attach Management Letter and response.
 If "Yes," have all recommendations made by the accountant been implemented? Yes No
3. Is there an Internal Audit Department that is responsible for the review of all business operations? Yes No
 If "Yes," how many employees are in the Internal Audit Department: Yes No
4. If weaknesses are discovered by the internal auditor, are they reported directly to the owner, partners, members (if LLC) or Board of Directors? Yes No

B. Internal Controls

1. Are all Internal Controls and informational systems consistent among domestic and foreign locations? Yes No

Human Resources And Payroll

2. Does pre-employment screening performed on all prospective employees both domestically and internationally include the following: Yes No
 Background check for criminal activity? Yes No
 Credit history? Yes No
 Drug testing? Yes No
 Education and training verification? Yes No
 Reference checks with prior employers? Yes No
 Other (please explain): _____

3. Are controls in place to prevent persons who approve new hires from adding them to the payroll? Yes No
4. Are additions or changes to the payroll system for new or existing employees automatically reported to a Human Resources manager (or equivalent person) for verification? Yes No
5. Does the Audit Department have a program in place to detect possible ghost employees? Yes No

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Bank Accounts

- 6. Are bank accounts reconciled at least monthly? Yes No
- 7. Are bank accounts reconciled by someone not authorized to deposit or withdraw? Yes No

Accounts Payable

- 8. Is countersignature of all checks required? Yes No
If "Yes," above what amount? \$ _____
If "No," who has check signing authority: _____
- 9. Do all vouchers or other supporting records accompany all checks to be signed? Yes No
- 10. Are vouchers/supporting records stamped "Paid" at the time checks are issued? Yes No
- 11. Are internal controls designed so that no employee can control any transaction from beginning to end (e.g., approve a voucher, request and sign a check)? Yes No
- 12. Are disbursement functions separated from those who have cash receipt or cash refund duties? Yes No

Accounts Receivable

- 13. Are all incoming checks stamped "For Deposit Only" upon receipt? Yes No
- 14. Are at least twenty percent (20%) of accounts receivable periodically verified by contact with the customer? Yes No

Purchasing, Shipping And Receiving

- 15. Are employees engaged in purchasing or sales activities prohibited from taking part in shipping and receiving activities? Yes No
- 16. Are all shipping and receiving activities reconciled to applicable sale or purchase activities? Yes No
- 17. Does any employee have access to both the purchasing system and the accounts payable system? Yes No
- 18. Do you have a program in place to detect payment to fictitious suppliers? Yes No

C. Inventory Controls

- 1. Is a perpetual inventory maintained for stock (including raw materials and manufactured components), equipment, finished goods and scrap? Yes No
- 2. Is a physical inventory count conducted at least annually and reconciled with the perpetual inventory system? Yes No
Is the reconciliation performed by persons not associated with the control of the inventory? Yes No
Are inventory variances outside established parameters reported to auditing? Yes No
- 3. Does the Applicant use precious metal, stone or other high-value items in the manufacturing or processing of goods? Yes No
If "Yes," please describe the controls in place to protect this property: _____

- 4. Are all inventory controls and procedures consistent among domestic and foreign locations? Yes No

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D. Vendor Controls

- 1. Is an authorized vendor list utilized and updated annually?..... Yes No
- 2. Are background checks performed on vendors in order to determine ownership and financial capability?..... Yes No
- 3. Is competitive bidding required for all purchases above stated amounts?..... Yes No
- 4. Is the responsibility for authorizing vendors, approving invoices and processing payments segregated among different employees? Yes No
- 5. Are requisitions and purchase orders issued only after the approval of specified employees within specified limits? Yes No

E. Computer And Funds Transfer Controls

- 1. Are there controls in place so that employees cannot gain access to programs and files for which they have not been granted authorized access?..... Yes No
- 2. Is an intrusion detection system utilized and are all patches up to date? Yes No
- 3. Are computer access controls in place that include the following:
 Passwords that are alphanumeric and changed at regular intervals by all users? Yes No
 Revocation of user IDs upon separation of employment? Yes No
- 4. Are transactions, including the buying and selling of goods and services, performed via the Internet?..... Yes No
 If "Yes," do you have a firewall and are all security patches up to date? Yes No
- 5. Is the authority to initiate and approve a wire transfer separated between employees? Yes No
- 6. Are wire transfers reconciled daily by an employee not involved in approving or initiating the wire transfer?..... Yes No
- 7. Have approval authorities been established in writing and are they up to date? Yes No
- 8. Are wire transfer controls and procedures consistent among domestic and foreign locations? Yes No

F. Client Controls (For clients for whom the Applicant performs services under a written contract)

- 1. Does the Applicant have custody or control over any funds or property of clients? Yes No
 If "Yes," please explain: _____

- 2. Does the Applicant perform any services for clients on the clients' premises? Yes No
 If "Yes," please describe the services being provided: _____

- 3. Does the Applicant perform any services for clients off the clients' premises? Yes No
 If "Yes," please describe the services being provided: _____

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4. Do any clients require the Applicant to be bonded or carry crime insurance? Yes No
 If "Yes," please explain and specify the amount required: _____

V. CHANGE IN MANAGEMENT

Has there been any change in ownership or management within the past three years? Yes No
 If "Yes," please explain: _____

VI. PRIOR INSURANCE (Note: Not applicable in Missouri)

Has any insurance, similar to the kinds requested in this application, been declined or cancelled during the past three years? Yes No
 If "Yes," please explain: _____

VII. LOSS HISTORY

List all losses sustained, during the past three years, whether or not reimbursed:

From: _____ To: _____ Check if None

Date Of Loss	Type Of Loss	Amount Of Loss	Amount Received From Insurance	Amount Recovered From Other Than Insurance	Amount Of Loss Pending
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$
		\$	\$	\$	\$

Describe remedial action(s) taken to prevent similar loss(es) in the future:

The persons signing this **Application** declare that to the best of their knowledge the statements set forth herein and the information in the materials submitted herewith are true and correct and that reasonable efforts have been made to obtain sufficient information from all proposed **Insureds** to facilitate the proper and accurate completion of this **Application** for the proposed policy. Signing this **Application** does not bind the undersigned to purchase the insurance, but this **Application** shall be the basis of the contract should a policy be issued.

It is agreed by all concerned that the particulars and statements contained in this **Application** are true and shall be deemed material to the decision of the **Insurer** to issue the insurance. The undersigned agree that if after the date of this **Application** and prior to the effective date of any policy based on this **Application**, any occurrence, event or other circumstance should render any of the information contained in this **Application** inaccurate or incomplete, then the undersigned shall notify the **Insurer** of such occurrence, event or circumstance and shall provide the **Insurer** with information that would complete, update or correct such information. In such event, the **Insurer** in its sole discretion may modify or withdraw any outstanding quotation.

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The **Insurer** shall maintain on file this **Application**, including material submitted therewith, which shall be considered to be physically attached to and part of the Policy, if issued. The information requested in this **Application** is for underwriting purposed only and does not constitute notice to the **Insurer** under any policy of a **Claim** or potential claim. All such notices must be submitted to the **Insurer** pursuant to the terms of the Policy, if and when issued.

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (Not applicable in AL, CO, DC, FL, KS, LA, ME, MD, MN, NE, NY, OH, OK, OR, RI, TN, VA, VT or WA.)

NOTICE TO ALABAMA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

NOTICE TO COLORADO APPLICANTS: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

WARNING TO DISTRICT OF COLUMBIA APPLICANTS: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

NOTICE TO FLORIDA APPLICANTS: Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO KANSAS APPLICANTS: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

NOTICE TO LOUISIANA APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MAINE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

NOTICE TO MARYLAND APPLICANTS: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NOTICE TO MINNESOTA APPLICANTS: A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NOTICE TO OHIO APPLICANTS: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

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NOTICE TO OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO RHODE ISLAND APPLICANTS: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD WARNING (APPLICABLE IN VERMONT, NEBRASKA AND OREGON): Any person who intentionally presents a materially false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

FRAUD WARNING (APPLICABLE IN TENNESSEE, VIRGINIA AND WASHINGTON): It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

NEW YORK FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Person Authorized To Complete This Application For The Insured (Applicant):

Name (Print): _____

Signature: _____

Title: _____ **Date:** _____

Producer Information (Required in Florida, Iowa and New Hampshire):

Producer Name (Print): _____

Producer Signature: _____

Agency Name: _____

Agency Code: _____ **License Number:** _____