

# APPLICATION FOR A FINANCIAL INSTITUTION CRIME POLICY FOR FINANCE COMPANIES

I. GENERAL INFORMATION	
<b>Name Of Insured (Applicant):</b>  (List all Insureds including Employee Benefit Plans you sponsor that are subject to ERISA)	
<b>Mailing Address:</b>  	
<b>Policy Period Requested:</b> 12:01 AM on: _____ to 12:01 AM on: _____	
<b>Premium Payable:</b> <input type="checkbox"/> Annual <input type="checkbox"/> Three-year Prepaid <input type="checkbox"/> Three-year Equal Annual Installments <input type="checkbox"/> Other	
<b>Insured Is A:</b> <input type="checkbox"/> Finance Co. <input type="checkbox"/> Mortgage Banker <input type="checkbox"/> Small Business Investment Co. <input type="checkbox"/> Small Loan Co. <input type="checkbox"/> Note Broker <input type="checkbox"/> Real Estate Investment Trust <input type="checkbox"/> Dealer In Mortgages <input type="checkbox"/> Dealer In Commercial Paper <input type="checkbox"/> Other: <input type="checkbox"/> Title Insurance Company – Principally engaged in the mortgage business	
<b>Date Insured Was Established:</b>  	
<b>Name Of Current Insurance Carrier:</b>  	
<b>Complete The Following:</b> 1. Assets as of latest Dec. 31: \$ _____ 2. Assets as of latest June 30: \$ _____	
<b>Organizational Structure:</b> <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation	
<b>Coverage Being Written:</b> <input type="checkbox"/> Primary <input type="checkbox"/> Excess <input type="checkbox"/> Concurrent <input type="checkbox"/> Coindemnity <input type="checkbox"/> Coinsurance If coverage is being written on an excess, concurrent or coindemnity basis, show the names of the other carriers and policy limits:  	
Check the appropriate box(es) if you are a seller or servicer of secondary market mortgages of: <input type="checkbox"/> Freddie Mac <input type="checkbox"/> Fannie Mae <input type="checkbox"/> Ginnie Mae <input type="checkbox"/> Other Agencies	

If coverage is being written on a coinsurance basis, show your percentage participation: \_\_\_\_\_ %  
 (**Note:** Insured may assume a participation of between 5% and 25%.)

Has coverage provided by a prior insurance carrier been reinstated or waived on any of your current employees?  Yes  No

If "Yes", list the name of the employee(s): \_\_\_\_\_

**II. COVERAGE REQUESTED**

**A. Policy Aggregate Limit Of Insurance: \$**  
 If this policy is being written on a multi-year basis:

1. Do you desire having the Policy Aggregate Limit Of Insurance apply to the entire Policy Period?  Yes  No

2. Do you desire having the Policy Aggregate Limit Of Insurance apply to each consecutive one-year term of the Policy Period?  Yes  No

**B. Complete the following for Insuring Agreements, Limits and Deductibles desired:**  
 (**Note:** Insuring Agreement 1. is mandatory. All other insuring agreements are optional and can be written in a limit less than or equal to the Insuring Agreement 1. limit. Deductibles can be written in any amount.)

Insuring Agreements/Coverage	Yes	No	Single Loss Limit Of Insurance	Single Loss Deductible Amount
1. Fidelity (Mandatory)			\$	\$
Is Trading excluded?	<input type="checkbox"/>	<input type="checkbox"/>		
Are Data Processors excluded?	<input type="checkbox"/>	<input type="checkbox"/>		
2. On Premises	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
3. In Transit	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
4. Forged Or Altered Instruments	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Is extended coverage on instruments desired?	<input type="checkbox"/>	<input type="checkbox"/>		
5. Forged, Altered Or Counterfeit Securities	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Is extended coverage on securities desired?	<input type="checkbox"/>	<input type="checkbox"/>		
6. Counterfeit Money	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
7. Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
8. Audit And Claims Expense	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Is extended coverage desired?	<input type="checkbox"/>	<input type="checkbox"/>		

By Endorsement	Yes	No	Single Loss Limit Of Insurance	Single Loss Deductible Amount
Voice Initiated Transfer Fraud	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Telefacsimile Transfer Fraud	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Fraudulent Mortgages	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Extortion – Threats To Persons Or Property	<input type="checkbox"/>	<input type="checkbox"/>	\$	\$
Electronic Records And Signatures	<input type="checkbox"/>	<input type="checkbox"/>		
If "Yes", check all that apply:				
<input type="checkbox"/> Under Insuring Agreement 4.			\$	\$
<input type="checkbox"/> Under Insuring Agreement 5.			\$	\$
<input type="checkbox"/> Under the Fraudulent Mortgages Endorsement			\$	\$

<b>C.</b> For Voice Initiated Transfer Fraud Coverage, indicate the dollar amount of the callback threshold to the originator of an instruction: \$		
<b>D.</b> For Telefacsimile Transfer Fraud Coverage, indicate the dollar amount of the callback threshold to the originator of an instruction: \$		
<b>E.</b> List below the name and location of each data processor to be covered, authorized by you to perform services such as data processing of your checks and accounting records related to such checks:		
<b>Name</b>	<b>Location</b>	
<b>F.</b> If you desire Extortion – Threats To Persons Or Property Coverage, list the countries where your employees travel:		
<b>G.</b> List below the name, location, Single Loss Limit Of Insurance and Single Loss Deductible Amount for each closing attorney to be covered, retained by you to prepare deeds, investigate titles of real property or otherwise assist in the making of mortgage loans (Title Insurance Companies only):		
<b>Name And Location</b>	<b>Single Loss Limit Of Insurance</b>	<b>Single Loss Deductible Amount</b>
	\$	\$
	\$	\$
	\$	\$

<b>III. RATING INFORMATION</b>	
<b>A.</b> For all Named Insureds, show the total number of:	No. Of
1. Salaried officers, full- and part-time employees and persons provided by employment contractors:	
2. Consultants (if any) who are former employees, directors or trustees:	
3. Locations (other than the Home Office of the first Named Insured) in the United States (including its territories and possessions), Canada and Puerto Rico:	
4. Locations outside of the United States (including its territories and possessions), Canada and Puerto Rico, list below:	

<b>IV. UNDERWRITING</b>	
<b>A.</b> Audit Procedures:	
1. Is there an annual audit by an independent CPA?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If "Yes", is it a complete audit made in accordance with generally accepted auditing standards and so certified?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. If the answer to 1. is "No", explain the scope of the CPA's examination:	

3. Is the audit report rendered directly to the Board if a corporation or to all partners if a partnership?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Name and Location of CPA:		
5. Date of completion of the last audit by CPA:		
6. Is there a continuous internal audit by an Internal Audit Department that includes EDP auditing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "Yes", are monthly reports rendered directly to the Board if a corporation or to all partners if a partnership?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Are money and securities actually counted and verified?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. How often are loan balances verified?		

<b>B. Internal Controls (Other Than Audit Procedures):</b>		
1. Do you require annual vacations of at least two consecutive weeks for all officers and employees? If "No", explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Is there a formal, planned program requiring the rotation of duties of key personnel without prior notice thereof?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is there a formal, planned program requiring segregation of duties so that no single transaction can be fully controlled from origination to posting by one person? If "No", explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Is countersignature of checks (including escrow accounts) required? If "No", explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

5. Are monthly statements (with or without activity in the account) mailed directly to all customers? If "No", explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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<b>C. Change In Ownership Or Management:</b>		
Has there been any change in ownership or management within the past three years? If "Yes", explain:	<input type="checkbox"/> Yes	<input type="checkbox"/> No

<b>D. Lending Controls:</b>		
1. Are loan proceeds issued by someone other than the approving loan officer?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Are signatures on all notes and documents obtained in the presence of an employee on both new and renewal loans?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Prior to disbursing funds, are financial statements and collateral verified as genuine (including new and renewal loans)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Is the identity of all signatures verified?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Is negotiable collateral kept under dual control?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

<b>E. Employee Account Controls:</b>			
1. Are employee accounts segregated and reviewed for unusual activity at least monthly?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Are employee's immediate family members' and household members' accounts randomly reviewed for unusual activity at least quarterly?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Do you disclose to your employees the fact that these accounts will be reviewed?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>F. Forgery Controls:</b>			
1. Prior to opening a corporate account, is the customer required to provide a signed corporate resolution or letter authorizing certain individuals to open the corporate account and designating certain individuals to sign on the account?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Do you prohibit the acceptance of checks made payable to corporate payees, but endorsed by individuals?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Are account statements sent out on a monthly basis?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. If statements are held for customer pickup, do you record the customer's receipt of the statement?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Do you verify endorsements on negotiable instruments upon presentment?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Are all transactions on dormant accounts reviewed on a regular basis?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>G. Computer Controls:</b>			
1. Is computer usage preauthorized?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. How often are employees required to change their computer passwords:			
3. Do you change passwords when employees leave the company?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Is computer output reconciled by persons who do not prepare the input or process it?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Is data encrypted?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Do you require digital certificates when making an online transaction?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Do you have documented Internet guidelines for employees?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Do you have documented emergency procedures?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. Is your computer system protected by firewalls?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
11. Do you maintain a firewall log?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
12. Is your computer system supported by intrusion detection software?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
13. Is your computer system supported by antivirus software?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
14. Do any of your employees telecommute?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "Yes", do you provide these employees with remote access to your computer systems?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Number of employees with remote access:			
15. Do you provide access to your proprietary computer system to any third parties?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "Yes", to whom:			
For what reason:			
16. Do you provide these third parties with IDs and passwords for accessing your web site?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
Are these passwords changed when they finish their work?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

What steps are taken to protect the IDs and passwords from unauthorized use:

17. Date of your last security audit:
18. Do you always require your subcontractors/vendors to list your institution as a loss payee under their commercial crime insurance policy?  Yes  No
19. Do you always require your subcontractors/vendors to provide evidence of an errors-and-omissions insurance policy applicable to the work they are performing for you?  Yes  No
20. Has your computer system ever been invaded by a hacker or virus?  
If "Yes", what controls have been implemented to prevent further incidences:  Yes  No

**H. Wire Transfer Controls:**

1. Do you transmit or receive data by:
- a. Telegraph?  Yes  No
  - b. Teletype?  Yes  No
  - c. Computer Link?  Yes  No
2. Do you maintain a documented procedures manual covering all wire transfers under dual control?  
of transfer of funds over a different wire or circuit, other than that used to transmit a request?  Yes  No
4. Are all payment instructions executed under a sequential numbering system?  Yes  No
5. Do independent employees review and reconcile all wire funds transfers used to transmit a request?  Yes  No
6. What is the average monthly volume of funds transferred? \$
7. What is the largest amount an employee can transfer? \$
8. What is the average size of transfers? \$
9. Are there specific employees authorized to:
- a. Transfer funds?  Yes  No
  - b. Request changes in procedures?  Yes  No
  - c. Obtain records?  Yes  No
10. Is there controlled access to the wire room?  Yes  No
11. Are all telephone instructions confirmed in writing within 24 hours?  Yes  No
12. Are all wire transfer transactions confirmed in writing within 24 hours?  Yes  No
13. Do you authenticate the identity of the caller before acting upon his/her instructions?  Yes  No

**I. Electronic Signatures And Record Controls:**

1. Do you engage in business transactions using electronic signatures from:
- a. Your customers?  Yes  No
  - b. Other financial institutions?  Yes  No
  - c. Others?  Yes  No
- If "Yes" to a., b. or c., explain:

2. What types of documents do you accept using electronic signatures such as, but not limited to, auto loan applications and personal loan applications?

3. What is the average daily number of transactions using electronic signatures:

4. Do you use the services of a third-party authentication vendor to process digital signatures?  Yes  No

If "Yes", furnish name:

5. Do you have a policy manual of electronic record/signature procedures?  Yes  No

6. Are electronic signatures and handwritten signatures executed to electronic records and linked to their respective electronic records to ensure that the signatures cannot be excised, copied or otherwise transferred to falsify an electronic record?  Yes  No

7. What protocols are used to authenticate the identity of the sender of the electronic record?

8. What technology is used to safeguard the transmission of electronic records?

**J. Other Controls:**

1. Are official checks and drafts preprinted, sequentially numbered and under dual control?  Yes  No

2. Are reconciliations of official checks prepared by individuals other than those authorized to issue them?  Yes  No

3. Are dormant accounts flagged, segregated and maintained under dual control?  Yes  No

**V. PRIOR INSURANCE**

Has any insurance, similar to the kinds provided under this policy, been declined or cancelled during the past three years?  Yes  No

If "Yes", explain:

**VI. LOSS HISTORY**

Complete the following for all losses sustained, whether or not claimed and if claimed whether or not reimbursed, during the past three years from the completion date of this application for any insurance similar to the kinds provided under this policy.

Check if none

Date Of Loss:

Type Of Loss:

Amount Of Loss: \$

Amount Of Loss Pending: \$

Amount Received From Insurance: \$

Amount Recovered From Other Than Insurance: \$

Describe remedial action taken to prevent similar losses in the future:

Date Of Loss:  
Type Of Loss:  
Amount Of Loss: \$  
Amount Of Loss Pending: \$  
Amount Received From Insurance: \$  
Amount Recovered From Other Than Insurance: \$  
Describe remedial action taken to prevent similar losses in the future:

Date Of Loss:  
Type Of Loss:  
Amount Of Loss: \$  
Amount Of Loss Pending: \$  
Amount Received From Insurance: \$  
Amount Recovered From Other Than Insurance: \$  
Describe remedial action taken to prevent similar losses in the future:

**The Insured (Applicant) represents that all information and statements contained in this application are true, accurate and complete. This application will constitute part of the policy, if issued. Any intentional misrepresentation, intentional omission, intentional concealment or intentional misstatement of a material fact, in this application or otherwise, shall be grounds for the rescission of any policy issued in reliance upon such information.**

**FRAUD STATEMENT:** 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.

**Arkansas Fraud Statement**

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.

**Colorado Fraud Statement**

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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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.

**District Of Columbia Fraud Statement**

**WARNING:** 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.

**Hawaii Fraud Statement**

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

**Kentucky Fraud Statement**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

### **Louisiana Fraud Statement**

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.

### **Maine Fraud Statement**

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.

### **Maryland Fraud Statement**

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

### **New Jersey Fraud Statement**

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

### **New Mexico Fraud Statement**

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 CIVIL FINES AND CRIMINAL PENALTIES.

### **New York Fraud Statement**

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.

### **Ohio Fraud Statement**

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.

### **Oklahoma Fraud Statement**

**WARNING:** 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.

### **Oregon Fraud Statement**

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

### **Pennsylvania Fraud Statement**

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.

### **Tennessee Fraud Statement**

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.

### **Virginia Fraud Statement**

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.

### **Washington Fraud Statement**

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.

<b>Insured (Applicant):</b>
<b>By:</b>
<b>Print Name:</b>
<b>Print Title:</b>
<b>Signature:</b>
<b>Date:</b>



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