

CRIME SHIELD PLUS

APPLICATION FOR COMMERCIAL CRIME INSURANCE

THE FOLLOWING INFORMATION MUST BE ATTACHED TO THIS APPLICATION:

- **AUDITORS LETTER TO MANAGEMENT** and management's response (if available).
- Complete organizational chart with **OWNERSHIP PERCENTAGES** showing **ALL INSURED ENTITIES (INCLUDING SUBSIDIARIES AND ALL PENSION OR EMPLOYEE BENEFIT PLANS)**.

Please answer all questions, including with "n/a" if question is not applicable. Do not leave any blanks.

- Principal Applicant: _____
- Principal Address: _____
(Number) (Street) (City) (Province) (Postal Code)
- Are you a: Proprietorship Partnership Corporation Other _____
- Date of Establishment: _____ Website: _____
- Primary Activity: Manufacturer Processor Wholesales Distributor Retailer Service Company
 Other _____
- Describe the nature of your products or services: _____

7. Countries in Which the Insured has Operations*	Number of Locations	Sales / Revenue	Number of Employees **
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Totals:		_____	_____

* For the purposes of this application, "Insured", "you" or "your company" includes the Principal Applicant and all subsidiaries more than 50% owned, directly or indirectly, by the Principal Applicant.

** Employee count must include all full time, part time, leased, temporary, contract, volunteer and guest/student workers

Desired Coverage

- Please indicate your desired: (a) main limit of liability \$ _____ (b) main deductible amount \$ _____

Financial Information

- Is the limit being requested greater than \$5,000,000? Yes No

If "yes" please attach the most recent consolidated **FINANCIAL STATEMENTS** including annual report.

If "no" please complete the chart below.

Financial Measure	Most Recent Year End (Month / Year)	Prior Year End (Month / Year)
Total Assets	\$ _____	\$ _____

Owner's / Shareholder's Equity (Deficit)	\$ _____	\$ _____
Revenue	\$ _____	\$ _____
Net Income (Loss)	\$ _____	\$ _____

Notable Exposures

(Check, if none)

10. Identify which of the following apply to your company (select all that apply):

- | | | | |
|--|--------------------------|---|--------------------------|
| Precious Metals, Stones or Gems | <input type="checkbox"/> | ATM/ABM/Cash Machines/VLTs/Vending Machines | <input type="checkbox"/> |
| Warehousing / Custody of Client's Property | <input type="checkbox"/> | Cryptocurrency | <input type="checkbox"/> |
| Cannabis / Marijuana Products | <input type="checkbox"/> | Highly Portable / High Value Inventory | <input type="checkbox"/> |
| Scrap Dealers | <input type="checkbox"/> | Pharmaceuticals / Narcotics | <input type="checkbox"/> |
| Art / Valuable Collections | <input type="checkbox"/> | Proprietary Trading | <input type="checkbox"/> |

If you selected any of the items noted above please provide details to quantify the exposure and outline the controls in force to mitigate the risk of loss.

General Risk Management

11. Do you have an internal audit department or function, and do their audits extend to all companies and locations disclosed in Question 1 and 7 above without exception? Yes No

If no provide details: _____

12. Are the controls outlined in this application consistent across all companies and locations disclosed in Question 1 and 7 above without exception? Yes No

If no please provide details as to where they deviate: _____

13. How often are all bank accounts reconciled? Daily Weekly Monthly Other _____

14. Are bank accounts, cheques and funds transfers reconciled by someone not authorized to:

- | | |
|---|--|
| (a) Sign and/or authorize cheques? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| (b) Prepare and/or make bank deposits? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| (c) Access cheques signing machines, computerized/digital signatures or signature plates? | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| (d) Approve and/or transmit any funds (via internet, wire, voice or other means)? | Yes <input type="checkbox"/> No <input type="checkbox"/> |

If "No" to any of the above please provide additional details including how this weakness is countered (use a separate sheet if necessary) _____

Movement of Money

15. Does your company transfer funds by? Wire Internet Voice Other _____

16. Is there a written directive which stipulates the required procedures for handling all transfer requests, including approval authorities? Yes No

17. Does your company make use of any disbursement auditing services offered by your Financial Institution to help verify the accuracy and authenticity of payments made by your company prior to their release? Yes No

18. Is there is 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

19. Is there strict compliance for counter-signature or dual-authorization of all:

(a) Cheques?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(b) Letters of Credit?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(c) Other Written Instruments?	Yes <input type="checkbox"/> No <input type="checkbox"/>
(d) Electronic Fund Transfers?	Yes <input type="checkbox"/> No <input type="checkbox"/>

If "No" to any of the above please provide additional details including how this weakness is countered (use a separate sheet if necessary) _____

20. To minimize fraud, do you require your 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

Protection of Information

- 21. Is there a separation of duties between the entering and removal of suppliers/vendors from your system and the reviewing of current supplier / vendor information? Yes No
- 22. Is every request to change vendor or supplier account information (including all bank account information, invoice changes, telephone or telefacsimile numbers, location and contact information) verified prior to implementation of the requested change by a direct call to the vendor or supplier using a telephone number provided by the vendor or supplier before the change request was received? Yes No
- 23. Are all changes to the vendor or supplier information required to be approved by a second, next-level person prior to the change being made? Yes No

Computer System Security

- 24. Are Access Controls designed so that users cannot gain access to programs and files to which they have not been specifically granted access through a formal procedure? Yes No
- 25. How often is a change required of mandatory passwords or other identification methods? _____
- 26. How often is critical information backed-up and stored off-site? Daily Weekly Bi-weekly Monthly or greater or Never
- 27. Is business transacted over the Internet? Yes No
 If "Yes": Are firewalls configured to restrict all IP communications except those necessary to conduct business and are firewall security patches updated / maintained regularly? Yes No
- 28. Does your company enforce a software update process including installation of software "patches"? Yes No
 If "Yes": are critical "patches" installed within thirty (30) days of release? Yes No

Inventory Management, Shipping, Receiving and Purchasing

(Check if Not Applicable)

- 29. 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) Procurement / buying and budgeting / forecasting? Yes No
 - (d) Shipping, receiving and stock control? Yes No
 - (e) Sales and stock control? Yes No
 - (f) Sales and accounts receivable? 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) _____

People

- 30. Do you verify the business history of prospective employees for the years preceding their employment with your firm? Yes No
- 31. Are credit checks performed when employment involves access to cash or control / input of financial transactions? Yes No
- 32. Does the audit department have a program in place to detect possible ghost employees? Yes No
 If "No", please explain the controls in place to counter this weakness: _____
- 33. Are user identification / access codes automatically invalidated / terminated at the end of employment or contract? Yes No
 If "No", please explain the controls in place to counter this weakness: _____
- 34. Is anti-fraud training provided to all of your 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
 If "No", please explain the controls in place to counter this weakness: _____
- 35. 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
 If "No", please explain the controls in place to counter this weakness: _____

Pension or Employee Benefit Plans

(Check if Not Applicable)

36. Does the **Pension or Employee Benefit Plan** employ independent Administrators? Yes No
 If "Yes", does the Administrator carry insurance in respect of, or provide indemnity to the Insured for, loss of property held in the **Pension or Employee Benefit Plan**: Yes No
37. How frequently is the plan membership roster verified for entitlement? _____

Money, Securities and Other Valuables

(Check if None Applicable)

38. Do you hold more than \$10,000 in Cash, Securities or Other Valuables on premises overnight? Yes No
 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 \$ _____
39. By whom will deposits and cash withdrawals be made? Owner only Employees Armoured couriers
40. Will securities be subject to joint control by two or more employees, if not by owner? Yes No

Other Exposures

(Check if None Applicable)

41. Do you require **Client** coverage? Yes No
 If "Yes", please complete a **Client Coverage Supplemental Application**:
42. Do you require coverage for any **Money** contained in an Automated Mechanical Device, which include ATMs, ABMs, VLTs and Vending Machines? Yes No
 If "Yes", please complete an **Automated Mechanical Device Supplemental Application**
Note: Coverage is not included unless explicitly added by rider:
43. Do you require a separate ERISA bond to be issued for any **Pension or Employee Benefit Plans** domiciled in the United States of America? Yes No
 If "Yes", please complete an **ERISA Bond Application** for each Plan that requires a policy.
44. Does the Insured engage in any in-house investments, hedging or similar trading activities? Yes No
 If "Yes", please describe the nature of this activity: _____

Current / Prior Insurance

(Check if you have no prior crime insurance)

45. Since what date has your company maintained continuous fidelity / crime insurance? _____
46. Complete the following chart regarding your current and previous crime insurance for the past 5 years?

Policy Period	Main Limit of Liability	Main Deductible	Insurer
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

47. Has an Employee Dishonesty, Disappearance, Destruction, Forgery, Burglary, Robbery, Theft, Computer Fraud, or similar insurance been declined or cancelled within the last five (5) years by any Insurer? Yes No
 If "Yes" please explain: _____

Loss History

(Check if you have had no prior losses)

48. Provide details of all losses (insured, uninsured, or which may have fallen below any applicable deductibles) and actions commenced against the Applicant in the past five (5) years for any Employee Dishonesty, Disappearance, Destruction, Forgery,

Burglary, Robbery, Theft, Computer Fraud, Fraudulently Induced Transfer or other insurance similar to the types(s) being applied for:

Date of Loss	Type of Loss	Amount of Loss	Description of Loss <small>(append if necessary)</small>	Corrective Measures Taken <small>(append if necessary)</small>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

APPLICANTS' DECLARATION

STAFF HONESTY

To the Applicant's best knowledge and belief, all employees while in their regular service have always performed their respective duties honestly.

MATERIAL CHANGE

The undersigned represents that the information furnished in this and any supplemental application or attachment is true, correct and complete. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in the application or otherwise, shall be grounds for the rescission of any insurance issued in reliance upon such information.

If there is any material change in answers to the questions provided herein prior to the inception of a policy, the Applicant will notify The Guarantee™ (herein referred to as "the Company") in writing and any offer of terms and conditions may be modified or withdrawn.

FALSE INFORMATION

Any person who, knowingly and with intent to defraud any insurance company or other person, files an application for insurance containing any false information, or conceals for the purpose of misleading information concerning any fact material thereto, commits a fraudulent act, which is a crime.

AUTHORIZATION AND SIGNATURE

The Company and its agent(s) are hereby authorized to make any investigation and/or enquiry in connection with this application for insurance as it deems necessary. If coverage is bound subsequently, the Applicant agrees that the Company may from time to time use and disclose any and all information it deems necessary to any authority or regulator, its lawyers, affiliates, associates, agents or representatives, as is require for the purposes of its operations as an insurance company.

The signing of this application does not bind the Applicant or the Company. The signatory must be an officer of the Applicant, the Risk Manager or the person responsible for the firm's insurance.

Should the Company decide to offer terms, they may be different from those requested in this application. Review the quotation carefully.

Dated at: _____
(Location) (Date: Day, Month, Year)

Signed by: _____
(Signature) (Title)

(Print Name)