

BENCHMARK MANAGEMENT GROUP & SPECIALTY LINES UNDERWRITERS

CRIME INSURANCE - APPLICATION

GENERAL INFORMATION:

Name of Applicant: _____

Principal Address: _____

Type of Organization: _____ Partnership _____ Corporation _____ Proprietorship

Date Business Established: _____

Annual Revenues: _____

INSURANCE INFORMATION:

Present Coverage: _____

Carrier: _____

Limit: _____ Deductible: _____

Annual Premium (not necessary for "AIG" renewals): _____

Expiration Date: _____

Coverage Requested: _____

Insuring Agreements: _____

Limit: _____ Deductible: _____

Attach a list of all welfare & pension plans and subsidiaries to be covered: _____

Claims History (last six years): Check here if none

Date of Loss	Description	Gross Amount	Date Paid	Corrective Measures

UNDERWRITING INFORMATION:

1. Describe your principal business activity: _____
2. Total number of employees: U.S.: _____ Canadian: _____ Foreign: _____

A. EMPLOYEES LOCATED IN THE UNITED STATES, ITS POSSESSIONS AND CANADA:

(Please list Canadian Personnel in column provided)

	Numb. U.S.	Canada		Numb. U.S.	Canada		Numb. U.S.	Canada
Chairman of the Board			Assistant Sales Managers			Payroll Clerks		
President			Branch Sale Manager			Collectors		
Vice President			Purchasing Agents			Outside Messenger		
Treasurer			Buyers			General Superintendent		
Asst. Treasurer			Assistant Purchasing Agent			Asst. or Factory Superintendent		
Secretary			Asst. Buyers			Timekeepers		
Asst. Secretary			Salesmen			Paymasters		
Comptroller			Outside & Collecting			Traffic Managers		
Assistant Comptroller			Salesman			Receiving Clerks		
Adverting Managers			Outside & No Collecting			Shipping Clerks		
Office Manager			Cashiers			Watchmen		
Department Managers			Accountants & Auditors			Gatemen & Guards		
Branch Managers			Bookkeeper			Drivers (Collections)		
Assistant Branch Managers			Credit Managers			Drivers (No Collections)		
Sales Managers			Cash Handling Clerk					
TOTAL			TOTAL			TOTAL		

B. OTHER EMPLOYEES:

Office Clerks, Secretaries, Stenographers, Typists, Telephone Operators, Inside Salesmen, Inside Messengers, Business Machine Operators, Porters & other Like Personnel.

	U.S.A.	CANADA	FOREIGN	GRAND TOTAL
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TOTAL				

3. Total numbers of locations: U.S. _____ Canadian _____ Foreign _____
4. Total number of retail locations: _____
If more than one location, provide a list of locations including county, state and country.
5. Do you have cash or precious metal exposure that exceeds the lowest deductible amount on your current Fidelity policy? Yes No (If yes, please complete the Precious Metals Questionnaire).
6. Is your organization involved in the trading of stocks, bonds, commodities or currency? Yes No (If yes, please complete the Supplemental Trading Questionnaire).

AUDIT/INTERNAL CONTROL PROCEDURES:

1. How often and by who are audits of cash and accounts performed? _____
2. How often and by who are inventory counts conducted? _____
3. How often are foreign locations audited? _____
4. Are bank accounts reconciled on a monthly basis? Yes No
5. Is the reconciliation done by someone not authorized to deposit or withdraw therefrom, at all locations? Yes No
6. Is countersignature of checks required at all locations? Yes No (If not, describe the system in effect to prevent the unauthorized issuance of checks): _____
 Include dollar amount of countersignature: _____
7. Is there a CPA letter to management relating to internal control weaknesses? Yes No (If so, please provide a copy)
8. If no CPA letter to management was issued, did the CPA make any recommendations for improvement in internal control informally? Yes No (If so, please provide details)

9. Is there an internal audit department? Yes No
10. Are all locations audited by the internal audit staff? Yes No ; How often? _____
 If no, please explain: _____
11. Do the above controls differ for foreign locations? Yes No
 (If yes, please explain): _____
12. Are employees' building access cards denied immediately upon termination and are all procurement, credit cards, etc. cancelled? Yes No
13. Are background checks performed on all new hires? Yes No
14. Are mid-employment screenings performed when employees are promoted to sensitive positions? Yes No
15. Are newly hired employees provided with a copy of your organization's fraud policy identifying and explaining conflicts of interest and other prohibited behavior? Yes No
16. Are employees required to complete conflict of interest disclosure forms annually? Yes No
17. Are employees required to complete conflict of interest disclosure suspicious or questionable forms annually? Yes No
18. Is there a system in place that allows for the reporting of such activity confidentially? Yes No

VENDOR INFORMATION:

1. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them? Yes No
2. Is an authorized vendor list utilized and updated annually for all annual purchases, with competitive bidding required over stated amounts? Yes No
3. Are requisitions and purchase orders issued only after the approval of specified personnel and within specified limits? Yes No
4. Is each cash disbursement based on a recognized liability, accurately prepared and appropriately authorized, including comparisons to authorized vendor lists and receiving reports? Yes No
5. Are perpetual inventories maintained of materials and supplies and periodically verified by physical count? Yes No
6. Are vendors provided with a statement of your conflict of interest and gift policy (prohibiting gifts of any significant value)? Yes No
7. Are vendors asked to disclose any gifts or favors offered or requested or other questionable behavior by employees? Yes No
8. Do the same controls apply to locations outside the United States? Yes No
(If no, please explain): _____

FUNDS TRANSFER:

1. What is your average number of wire transfers per day? _____
2. What is the average dollar volume transferred per day? _____
3. What is the largest amount that may be transferred per day? _____
4. Is there a current procedure manual for wire transfers? Yes No
5. Who has authority to make wire transfers? _____
6. Does your financial institution call an employee other than the one who requested the transfer before acting on the request? Yes No
7. Have any of these call back procedures been modified? Yes No
If yes, please explain: _____
8. Does the receiving financial institution immediately verify the completion of the transfer of funds? Yes No
9. If so, does such verification go to an employee other than the one who initiated the transfer? Yes No
10. Do you receive hard copy confirmations of all wire transfers? Yes No
11. Are the hard copy confirmations sent directly to a department not authorized to initiate transfers? Yes No
12. Is reconciliation done on the same day that the confirmation is received? Yes No
13. Do these same procedures apply to all foreign locations? Yes No

COMPUTER SYSTEMS:

1. Are the duties of programmers and operators kept separate? Yes No
2. Is the output reconciled by the persons who do not prepare the input or process? Yes No
3. Are systems in place to detect fraudulent usage by employees and non-employees? Yes No
4. Are access codes and passwords changed at least every 60 days? Yes No
5. Are access codes terminated immediately upon employee termination? Yes No
6. Do any non-employees have access to the computer systems? Yes No
(If yes, please explain): _____

NOTICE TO ARKANSAS 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 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 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 AUTHORITIES."

NOTICE TO DISTRICT OF COLUMBIA APPLICANTS: "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."

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 IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "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."

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 NEW JERSEY APPLICANTS: "ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO NEW MEXICO 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 CIVIL FINES AND CRIMINAL PENALTIES."

NOTICE TO NEW YORK APPLICANTS: "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, 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."

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."

NOTICE TO OKLAHOMA APPLICANTS: "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" (365:15-1-10, 36 §3613.1).

NOTICE TO PENNSYLVANIA APPLICANTS: "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."

NOTICE TO TENNESSEE 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS."

NOTICE TO VIRGINIA 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS."

The undersigned authorized officer/manager of the applicant declares that the statements set forth herein are true. The undersigned authorized officer/manager agrees that if the information supplied on this application changes between the date of this application and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the insurer of such changes, and the insurer may withdraw or modify any outstanding quotations and/or authorizations or agreements to bind the insurance

Signing of this application does not bind the applicant or the insurer to complete the insurance, but it is agreed that this application shall be the basis of the contract should a policy be issued.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signed _____
(Applicant)

Date _____

Title _____
(must be signed by Chairman of the Board or President)

Attest _____

Broker _____

License Number _____

Address _____
