

Temporary Staffing Crime Application

DEFENSE WITHIN LIMITS: THE AMOUNT OF MONEY AVAILABLE UNDER THE POLICY TO PAY SETTLEMENTS OR JUDGEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE EXPENSES, INCLUDING BUT NOT LIMITED TO FEES PAID TO ATTORNEYS TO DEFEND YOU.

Application Instructions

Whenever used in this Application, the term "Applicant" shall mean the Named Insured and all subsidiaries or other organizations applying for coverage, unless otherwise stated.

I. General Information

Name of Applicant: _____

Address of Applicant: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Website: _____

Effective Date of Coverage: _____ Date Business Established: _____

Description of Organization: ☐ Partnership ☐ Corporation ☐ Proprietorship ☐ LLC

Nature of Operation (Check all that apply): ☐ General Temporary Help ☐ Specialized Help

Please describe: _____

II. Requested Coverage

Indicate below which coverages are being requested. Complete only those sections of this Application which pertain to requested coverage.

| I. Insuring Agreements: | Requested Limit of Liability: | Requested Retention: |
|--|-------------------------------|----------------------|
| A. Fidelity: | | |
| 1. Employee Theft | \$ | \$ |
| 2. ERISA Fidelity | \$ | \$ |
| 3. Client's Property | \$ | \$ |
| B. Forgery or Alteration | \$ | \$ |
| C. Premises Coverage | \$ | \$ |
| D. Transit Coverage | \$ | \$ |
| E. Computer Fraud | \$ | \$ |
| F. Funds Transfer Fraud | \$ | \$ |
| G. False Pretenses Fraud | \$ | \$ |
| H. Credit, Debit or Charge Card Fraud | \$ | \$ |
| I. Money Orders and Counterfeit Money | \$ | \$ |
| J. Personal Accounts Protection: | | |
| 1. Personal Accounts Forgery or Alteration | \$ | \$ |
| 2. Identity Fraud Expense Reimbursement | \$ | \$ |

| II. Coverage Expenses: | Requested Limit of Liability: | |
|------------------------------|-------------------------------|------|
| A. Investigation Expenses | \$ | None |
| B. Data Restoration Expenses | \$ | None |

| Client Schedule-please provide Name of Client(s), Limit(s) and Address(es): | | |
|---|--------------------|---------------------|
| Full name and address of client(s) | Requested Limit(s) | Requested Retention |
| | \$ | \$ |
| | \$ | \$ |
| | \$ | \$ |
| | \$ | \$ |

III. Current Insurance Information

IMPORTANT: The **Insurer** will rely upon the declarations and statements contained in any prior application(s) submitted and the Applicant understands and agrees that those declarations and statements will be incorporated into any policy issued by the **Insurer**.

Current Crime Insurance: Check if none: ☐

| Insurer | Limit(s) of Liability | Retention | Expiring Premium |
|---------|-----------------------|-----------|------------------|
| | \$ | \$ | \$ |

Within the past three (3) years has any similar insurance been cancelled or non-renewed any coverage parts to which this application relates? *(Not Applicable in Missouri)*

☐ Yes ☐ No

If "Yes", please explain:

Loss Experience (during the last 6 years): Check if none: ☐

| Description of Loss | Date of Loss | Amount of Loss | Insurance Recovery |
|---------------------|--------------|----------------|--------------------|
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |

If the Applicant had a loss over the past six (6) years, please describe actions taken to help prevent reoccurrence of this type of loss:

IV. Audit Procedures and Other Internal Controls

1. Classification of Employees-First Party (Applicant employees, not temporary help):

- a. Total Number of Employees: _____
- b. Number of locations: _____
- c. Number of Owner-Officers: _____

- d. Number of Non-Owner Officers: _____
- e. Number of Employees who handle, have custody of, or maintain records of money, securities or other property: _____
2. Classification of Temporary Employees:
- a. Total number of temporary or professional employees available through Applicant's agency: _____
- b. Is there likely to be a substantial increase in the number of employees during the premium period due to expansion, seasonal activity, acquisitions, etc.? ☐ Yes ☐ No
If "Yes", please explain: _____

3. Please provide the following breakdown as percentages of the total number of temporary or professional employees placed by your agency on the premises of others:

| Type of Domestic Location | Percentage |
|--|------------|
| Clerical - <i>non-financial; typing; inventory; general office work</i> | % |
| Financial - <i>bank tellers, bookkeepers, accounting clerks and cashiers</i> | % |
| Laborer - <i>construction, factory/assembly, maintenance, manual labor</i> | % |
| Medical - <i>registered nurses, LPN's; nurses aids; therapists, dieticians</i> | % |
| Computer Programming | % |
| Computer Hardware (installation/maintenance) | % |
| Engineering/Architecture | % |
| Auditing/Accounting | % |
| Guards or Watchmen | % |
| Other (please explain): _____ | % |

4. Audit Procedures & Internal Control Procedures—All locations:
- a. Is an independent CPA firm involved in the applicant's financial reporting ☐ Yes ☐ No
If "Yes", what is the level of accounting? ☐ Audit ☐ Review ☐ Compilation
- b. Are bank accounts reconciled by someone not authorized to deposit or withdraw? ☐ Yes ☐ No
If "No", please explain: _____
- c. Is countersign of checks required? ☐ Yes ☐ No
1) At what dollar value is countersignature required? \$_____
- 2) If countersignature is not required, please explain if you have alternative control regarding check signing: _____
- d. Have there been any changes to ownership or management within the past three years? ☐ Yes ☐ No
- e. Are internal control systems designed so that no employee can control a financial transaction from beginning to end (e.g., request a check, approve a voucher or sign a check)? ☐ Yes ☐ No
If "No", please explain: _____
- f. Do all purchases require the approval of two or more employees? ☐ Yes ☐ No
If "No", indicate maximum authority granted to any one person: \$_____
- g. Is an authorized vendor list used and updated at least annually? ☐ Yes ☐ No ☐ N/A

- h. Are procedures in place to verify new vendors prior to adding them to the authorized vendor list? ☐ Yes ☐ No ☐ N/A
5. Employment Screening & Underwriting for Client Loss Extension (Complete the following with regard to Applicant's off-site professional or temporary staffing services):
- a. Are there formal background checks on new hires prior to their being offered an off-site employment assignment? ☐ Yes ☐ No
If "Yes", does it include: ☐ Employment references
☐ Criminal record check
☐ Consumer credit report
☐ Other-Please explain: _____
- b. Are payroll checks for Applicant's temporary employees drafted in accordance with their signed timecards? ☐ Yes ☐ No
- c. Are client signatures on timecards and the number of hours worked verified routinely to prevent forged or altered cards from being processed? ☐ Yes ☐ No
- d. Will the temporary help have access to the client's money, securities, banking systems, wire transfers or any sensitive computer data? ☐ Yes ☐ No
If "Yes", please provide details: _____
- e. Will Applicant's temporary help have restricted access to physical areas of the client's premises? ☐ Yes ☐ No
- f. Will the temporary help be performing Applicant's services during normal business hours (i.e., 9:00 a.m. to 5:00 p.m.)? ☐ Yes ☐ No
If "No", at what time will work be performed? _____
- g. Will the temporary employees be supervised and/or monitored by Applicant's client(s) when providing services on their premises? ☐ Yes ☐ No
- h. Do the Applicant's services include computer programming? ☐ Yes ☐ No
If "Yes", please describe (i.e.-all types; installation of specific software; programming for specific types of operations such as payroll, accounting, etc.): _____
6. Payroll Controls:
- a. Does the Applicant outsource payroll function? ☐ Yes ☐ No
- b. Are management policies and computer system controls in place to prevent persons who approve new hires from adding them into the payroll? ☐ Yes ☐ No ☐ N/A
7. Computer & Funds Transfer Controls (only answer if you are purchasing this coverage):
- a. Is there a software security system in place to detect fraudulent computer usage by employees or outsiders? ☐ Yes ☐ No ☐ N/A
- b. Are passwords and access codes changed at regular intervals and when users are terminated? ☐ Yes ☐ No ☐ N/A
- c. What is the average daily number of electronic fund transfers? _____
- d. What is the average daily dollar volume of electronic funds transfers? \$_____
- e. What is the daily dollar maximum of electronic funds transfers? \$_____
- f. Is there a written policy regarding wire transfers? ☐ Yes ☐ No ☐ N/A

8. Inside & Outside the Premises Coverage Exposure: *(complete only if you are requesting this coverage)*

| Maximum Exposure Inside the Premises | | | | |
|--------------------------------------|------|-----------------------|--|--|
| Location | Cash | Securities/ Checks | Safes? | Alarm System? |
| | \$ | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Yes <input type="checkbox"/> No |

| Maximum Exposure Outside the Premises | | | | | |
|---------------------------------------|------|-----------------------|-------------------------|---------------------|--|
| Location | Cash | Securities/ Checks | Number of Messengers | Number of Guards | Alarm System? |
| | \$ | \$ | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | \$ | \$ | | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

V. Declarations, Notices and Signature

The authorized signer of this Application represents to the best of their knowledge and belief that the statements set forth herein are true, accurate, complete and include all material information. The authorized signer also represents that any fact, circumstance or situation indicating the probability of a loss, claim, or legal action now known to any entity, official, or employee involving the proposed coverage has been declared, and it is agreed by all concerned that the omission of such information shall exclude any such loss, claim, or action from coverage under the insurance being applied for, whether or not disclosed. Any loss or claim based upon, arising out of or in connection with any misrepresentation, omission, concealment, untruthful, inaccurate, or incomplete statement of a material fact in this Application or otherwise shall be excluded from coverage.* Signing of this Application does not bind The Hanover Insurance Company or any of its insurance affiliates or subsidiaries to offer, nor the authorized signer to accept insurance. It is agreed this Application and any attachments hereto shall be the basis of the insurance.

*For state of Washington and South Dakota applicants only: Any loss or claim based upon, arising out of or in connection with any intentional misrepresentation, omission, concealment, untruthful, inaccurate, or incomplete statement of a material fact in this Application or otherwise shall be excluded from coverage.

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

ATTENTION APPLICANTS IN THE FOLLOWING JURISDICTIONS

ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, LOUISIANA, MARYLAND, NEW MEXICO, RHODE ISLAND AND WEST VIRGINIA: Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

CALIFORNIA: For your protection, California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO: 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.

FLORIDA AND OKLAHOMA: 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 in FL).

KANSAS: 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.

KENTUCKY, OHIO AND PENNSYLVANIA: 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.

MAINE, 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 (may)* include imprisonment, fines and denial of insurance benefits. *Applies in ME Only.

NEW HAMPSHIRE AND NEW JERSEY: Any person who includes any false or misleading information to the best of her/his knowledge on an application for an insurance policy is subject to criminal and civil penalties.

OREGON: Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

PUERTO RICO: Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

VERMONT: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

NEW YORK: 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 civil penalties not to exceed five thousand dollars and the stated value of the claim for each such violation.

SIGNATURE OF APPLICANT'S AUTHORIZED REPRESENTATIVE

Date

Signature**

Title

**This Application must be signed by the chief executive officer, president, or chief financial officer of the Applicant's parent organization acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance.

Produced By: Producer: _____ Agency: _____

Taxpayer ID: _____ License Number: _____ Email: _____

Address (Street, City, State, Zip): _____