

Third Party Fidelity 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: _____

Business Address: _____

City: _____ State: _____ Zip Code: _____

Date Business Established: _____

Total number of Locations: _____ Total number of Employees: _____

Describe the products or services of the Applicant's predominant business or activity:

Total annual revenues of the Applicant organization: \$ _____

Amount of Coverage Required: \$ _____ Requested Retention: \$ _____

II. Coverage and Rating Information

1. Blanket Third Party Coverage (To be completed if Blanket Coverage for all contracts is desired)

- Total number of employees for whom Third Party coverage is desired: _____
- Total number of client contracts presently in place: _____
- Describe the specific services provided by the Applicant's employees while on the premises of the Applicant's contracted clients:

2. Contract Specific Third Party Coverage (To be completed if Specific Coverage is desired)

- Name of contracted client: _____
- Total number of employees the Applicant will be providing to the client under the terms of the contract: _____
- Describe the specific services provided by the Applicant's employees for the client:

d. Is the Applicant presently bidding on this contract?

☐ Yes ☐ No

e. Is this contract presently in effect?

☐ Yes ☐ No

If "Yes", please list effective and expiration dates of the contract: _____

f. Annual gross dollar value of the contract: \$ _____

III. Audit Procedures and Other Internal Controls

1. Is there an annual audit or review of the Applicants operations by an independent CPA? ☐ Yes ☐ No
If "Yes", please list date of last audit or review: _____
2. Does the Applicant verify the employment background of each prospective employee through personal conversations with all previous employees with whom he or she was employed? ☐ Yes ☐ No
If "Yes", how many years of prior employment does the Applicant check? _____
If "No", what method is used instead of personal conversations? _____
3. When making background checks on a hired employee, does the Applicant obtain:
 - a. The employee's and employer's reasons for termination of employment? ☐ Yes ☐ No
 - b. An explanation for periods of unemployment? ☐ Yes ☐ No
 - c. Whether each employment was full time or part time ☐ Yes ☐ No
 - d. Statement of arrests, indictments or convictions for any felony or misdemeanor except minor traffic offenses? ☐ Yes ☐ No
 - e. Denial or revocation of bond by a bonding company due to his/her acts? ☐ Yes ☐ No
4. Are any of the following forms of testing used for new employees:
 - a. Psychological testing? ☐ Yes ☐ No
 - b. Health examinations? ☐ Yes ☐ No
 - c. Drug testing? ☐ Yes ☐ No
5. Is a personnel file established and maintained for all new and existing employees, which includes a photograph, fingerprint card, documented background investigation, previous employer reference check and credit check? ☐ Yes ☐ No
If "No", explain what information is maintained: _____
6. Are annual reviews conducted by the Applicant's firm with each contracted client to assess the services provided by the Applicant's employees? ☐ Yes ☐ No
7. Describe experience requirements and duties of supervisors: _____
8. Will contracted employees have any access to the clients' money, securities, banking systems, sensitive computer data, or inventory? ☐ Yes ☐ No
If "Yes", please provide details: _____
9. If services provided include systems consulting, answer the following:
 - a. Describe the routine supervision of the consulting employees by clients' employees: _____

- b. Is after hours work performed only with the owner's representative present? ☐ Yes ☐ No
- c. What restrictions and controls do the clients maintain over the consultants?

IV. Coverage and Loss Information

1. Is Blanket Third Party Coverage currently carried with another company? ☐ Yes ☐ No

If "Yes", please complete:

Carrier	Limit	Deductible	Expiration Date	Premium
	\$	\$		\$

2. Is Contract Specific Party Coverage currently carried with another company? ☐ Yes ☐ No

If "Yes", please complete:

Carrier	Limit	Deductible	Expiration Date	Premium
	\$	\$		\$

3. Is Errors & Omissions Insurance currently carried with another company? ☐ Yes ☐ No

If "Yes", please complete:

Carrier	Limit	Deductible	Expiration Date	Premium
	\$	\$		\$

4. Has any request for fidelity/crime coverage been declined or has any fidelity coverage been cancelled in the past six (6) years? *(Not Applicable in Missouri)* ☐ Yes ☐ No

If "Yes", please explain the circumstances:

5. List all fidelity/crime losses sustained during the past six (6) years, whether reimbursed or not:

From: _____ To: _____

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

Date of Loss	Type of Loss	Amount of Loss*	Amount Recovered from Insurance	Amount Recovered from Other Insurance	Amount of Loss Pending	Location where Loss Occurred
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	

V. Supporting Documentation

Supporting Documentation: please attach a copy of the following for every Applicant seeking coverage:

- ☐ Specimen copy of the contract issued to all clients
- ☐ If Contract Specific Coverage is desired, please attach a copy of the specific contract which requires coverage.

VI. 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): _____