

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. Name and Address

Hanover Policy No.: _____ Date: _____
 Name of Insured: _____
 Principal Address: _____
 Effective Date of Coverage: _____ Date Business Established: _____

II. General Information

- Total number of U.S. Employees: _____ Total number of Non-U.S. Employees: _____
Include all Owners, Partners, Officers, Accounting/Tax/Consulting Professionals and administrative staff employed by the Applicant.
- Total number of Locations: _____ Total number U.S. Locations: _____
 Total number Non-U.S. Locations (if any): _____
 List all Non-U.S. Locations (if any): _____
- Total Revenue: \$ _____
- Does the Applicant have any subsidiaries for which coverage is requested? ☐ Yes ☐ No
If "Yes", please attach a list of these entities and indicate percentage of ownership and nature of business for each.

III. Requested Insuring Agreement Coverage

- Indicate requested coverage limits and retentions:

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

2. Within the past 3 years has the Applicant given notice to an insurer of any claim, circumstance, or potential claim under a Crime policy? ☐ Yes ☐ No
If "Yes", please attach a full explanation of the claim. Include dates, loss values and corrective controls put in place.
3. If the Applicant did not purchase a Crime policy, has the Applicant within the past 3 years suffered any theft of its own assets or clients' assets by an employee or non-employee? ☐ Yes ☐ No
If "Yes", please attach a full explanation of the loss.

IV. Internal Controls

1. Is an independent CPA firm involved in the Applicant's financial reporting? ☐ Yes ☐ No
a. What is the scope of financial statement preparation? ☐ CPA Audit ☐ CPA Review
☐ CPA Compilation ☐ Internal
- b. Did the auditor find any material weaknesses in the Applicant's system of internal controls? ☐ Yes ☐ No
If "Yes" please attach a full explanation of control weaknesses and confirm that all auditor recommendations have been implemented.
2. Does the Applicant have an internal audit department or someone with internal audit duties? ☐ Yes ☐ No
3. Does the Applicant have a documented system of internal control policies/procedures? ☐ Yes ☐ No
4. Does the Applicant perform or verify the following for new employees (check all that apply): ☐ Reference checks ☐ Drug testing ☐ Prior employment
☐ Credit History ☐ Criminal History
5. Does the Applicant continuously audit expense accounts and have documented travel and expense policies requiring validation of expenses with original receipts? ☐ Yes ☐ No
6. Are all check and wire transfer payments reviewed monthly for unusual transactions and reviewed by an employee who did not process the transactions? ☐ Yes ☐ No
7. Is an employee who has the responsibility to reconcile monthly bank statements prohibited from:
a. Signing checks? ☐ Yes ☐ No
b. Handling deposits? ☐ Yes ☐ No
c. Making withdrawals? ☐ Yes ☐ No
8. Does the Applicant utilize a Master Vendor List to assist in detecting payments authorized or fictitious vendors or suppliers? ☐ Yes ☐ No
9. Does the Applicant match all purchase orders up to invoices before making any payments? ☐ Yes ☐ No

10. Does the Applicant provide any payroll services to clients? ☐ Yes ☐ No
If "Yes", what % of the Applicant's revenues is derived from payroll operations? _____ %
11. Does the Applicant require second level approval for all electronic wire transfers? ☐ Yes ☐ 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): _____