

Policy No. \_\_\_\_\_

Administrative Offices  
1299 Zurich Way  
Schaumburg, IL 60196



**APPLICATION FOR A  
COMMERCIAL CRIME POLICY  
FOR COMMERCIAL ENTITIES**

**INSTRUCTIONS:**

1. This Application must be completed in full, including all required attachments.
2. This Application and all attachments shall be deemed attached to and part of the policy, if issued.

**THE FOLLOWING MATERIAL MUST BE ATTACHED TO THIS APPLICATION, IF APPLICABLE:**

1. Copy of the most recent External Auditor's Letter to Management on internal controls including Management's response.
2. Copy of the Internal Auditors Audit Plan for the current year.
3. For private entities and non-profit entities, copy of the most recent audited financial statements with notes. If not consolidated, please provide financial statements on each consolidated entity.
4. With respect to any Joint Venture or Partnership for which the Applicant requests coverage, please attach the following information:
  - a. country of domicile and date established;
  - b. percentage of Applicant's ownership;
  - c. description of its operations; and
  - d. identify the Applicant's responsibilities in the Joint Venture and/or Partnership, including such participation status as the General Partner, Managing Partner, investor, etc.

Please submit this completed proposal application with all attachments to:  
Zurich American Insurance Company

**If you want to learn more about the compensation Zurich pays agents and brokers visit:**

**<http://www.zurichnaproducercompensation.com>**

**or call the following toll-free number: (866) 903-1192.**

**This Notice is provided on behalf of Zurich American Insurance Company and its underwriting subsidiaries.**

**I. GENERAL INFORMATION:**

1. Applicant (List all insureds, including Employee Benefit Plans you sponsor that are subject to ERISA):

Mailing Address:

City:

State:

Zip:

Year Established:

Website:

E-mail Address:

2. Insured Address (Please do not enter a P.O. Box):

City:

State:

Zip:

3. Policy Period Requested: 12:01 a.m. on \_\_\_\_\_ to 12:01 a.m. on \_\_\_\_\_

4. Premium Payable:  Annual  Three year prepaid  Three year in equal annual installments

5. Direct Bill  Agency Bill

**II. APPLICANT PROFILE**

1. Applicant is a:  Proprietorship  Partnership  Corporation  
 Other \_\_\_\_\_

a. If a corporation, does any employee own more than 50% of the stock?  Yes  No

b. If "Yes", provide the name of the employee and the percentage owned:

c. Is the applicant structured as a limited liability company?  Yes  No

2. Type of business (Enter either the Standard Industry Code (SIC) or North American Industry Classification System (NAICS) Code):

3. Latest fiscal year-end revenues: \$

4. Latest fiscal year-end net profit/loss: \$

5. Applicant's predominant activity:

Manufacturer

Processor

Wholesaler

Distributor

Retailer

Servicer

Construction

Other \_\_\_\_\_

6. For Policies with Credit, Debit, or Charge Card Forgery coverage only: Number of Covered Cardholders

7. For Policies with Guest Property Coverage only: Number of Rooms

8. Please describe the products or services of the predominant activity:

9. Is a joint venture or partnership to be added as a named insured?  Yes  No

If "Yes", list the name(s) of the joint venture or partnership and percentage of your ownership interest:

Name	Percentage
	%
	%
	%

10. Are there any foreign locations?

Yes  No

If "Yes", list countries and number of employees

Country	No. of Employees

11. Has coverage provided by a prior insurance carrier been reinstated or waived on any of your current employees?  Yes  No

If "Yes", list the name(s) of the employee(s):

12. Has there been any change in ownership or management within the past three years?

Yes  No

a. If "Yes", please explain:

**III. COVERAGES REQUESTED:**

	Limit of Insurance	Deductible Amount
Agreement 1 – Blanket – Employee Theft	\$ _____	\$ _____
Agreement 2 – Forgery or Alteration	\$ _____	\$ _____
Agreement 3 – Inside The Premises – Theft of Money & Securities		
<input type="checkbox"/> Blanket <input type="checkbox"/> Schedule	\$ _____	\$ _____
Agreement 4 – Inside The Premises – Robbery or Safe Burglary of Other Property		
<input type="checkbox"/> Blanket <input type="checkbox"/> Schedule	\$ _____	\$ _____
Agreement 5 – Outside The Premises – Theft of Money & Securities and Robbery of Other Property		
<input type="checkbox"/> Blanket <input type="checkbox"/> Schedule	\$ _____	\$ _____
Agreement 6 – Computer Fraud and Funds Transfer Fraud	\$ _____	\$ _____
Agreement 7 – Money Orders and Counterfeit Paper Currency	\$ _____	\$ _____
Other Coverages/Endorsements	Limit of Insurance	Deductible Amount
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

**IV. RATING INFORMATION**

1. Number of employees consisting of:

a. Officers (other than noncompensated officers and/or owners):

- b. Full- and part-time employees who handle, have custody or maintain records of money, securities or other property:
  - c. Directors, trustees, officers, employees, administrators and managers (other than independent contractors) not included in **a.** or **b.** above, who handle funds of benefit plans subject to the Employee Retirement Income Security Act (ERISA):
  - d. Leased employees and former employees hired as consultants:
  - e. Directors or trustees of the Board while serving on elected or appointed committees:
  - f. Noncompensated officers:
  - g. Natural persons, whether or not compensated, while performing services as chairpersons or members of committees:
  - h. Volunteer workers who **do not** solicit funds:
  - i. Volunteer workers who solicit funds:
  - j. All others not included in **a.** – **i.** above
  - k. **Total** (Items **a.** – **j.** above):
2. Number of:
- a. Premises (other than the head office) located in the United States of America (including its territories and possessions), Puerto Rico and Canada:
  - b. All other premises not included in **2.a.** above:

**V. AUDIT PROCEDURES:** If a question is answered “No”, explain what alternate control is in effect. Attach a separate sheet with explanations.

- 1. Is there an annual audit conducted by an independent CPA?  Yes  No
  - a. If "Yes": Is it a complete audit made in accordance with generally accepted auditing standards and so certified?
  - b. Are all locations and subsidiaries included in the audit?  Yes  No
- 2. Is there a CPA Management Letter and response by management on internal control weaknesses or recommendations for improvement?  Yes  No
  - a. If "Yes", please attach Management Letter and response.
  - b. If "Yes", have all recommendations made by the accountant been implemented?
- 3. Is there an Internal Audit Department that is responsible for the review of all business operations?
  - a. If "Yes", how many employees are in the Internal Audit Department:
- 4. If weaknesses are discovered by the internal auditor, are they reported directly to the owner, partners, members (if LLC) or Board of Directors?

**VI. INTERNAL CONTROLS:** If a question is answered “No”, explain what alternate control is in effect. Attach a separate sheet with explanations.

- 1. Are all Internal Controls and informational systems consistent among domestic and foreign locations?  Yes  No

**Human Resources And Payroll**

- 2. Does pre-employment screening performed on all prospective employees both domestically and internationally include the following:
  - a. Background check for criminal activity?  Yes  No

- b. Credit history?  Yes  No
  - c. Drug testing?  Yes  No
  - d. Education and training verification?  Yes  No
  - e. Reference checks with prior employers?  Yes  No
  - f. Other (please explain):
3. Are controls in place to prevent persons who approve new hires from adding them to the payroll?  
 Yes  No
  4. Are additions or changes to the payroll system for new or existing employees automatically reported to a Human Resources manager (or equivalent person) for verification?  Yes  No
  5. Does the Audit Department have a program in place to detect possible ghost employees?  
 Yes  No

#### **Bank Accounts**

6. Are bank accounts reconciled at least monthly?  Yes  No
7. Are bank accounts reconciled by someone not authorized to deposit or withdraw?  Yes  No

#### **Accounts Payable**

8. Is countersignature of all checks required?  Yes  No
  - a. If "Yes", above what amount? \$
  - b. If "No", who has check signing authority:
9. Do all vouchers or other supporting records accompany all checks to be signed?  Yes  No
10. Are vouchers/supporting records stamped "Paid" at the time checks are issued?  Yes  No
11. Are internal controls designed so that no employee can control any transaction from beginning to end (e.g., approve a voucher, request and sign a check)?  Yes  No
12. Are disbursement functions separated from those who have cash receipt or cash refund duties?  
 Yes  No

#### **Accounts Receivable**

13. Are all incoming checks stamped "For Deposit Only" upon receipt?  Yes  No
14. Are at least 20% of accounts receivable periodically verified by contact with the customer?  
 Yes  No

#### **Purchasing, Shipping And Receiving**

15. Are employees engaged in purchasing or sales activities prohibited from taking part in shipping and receiving activities?  Yes  No
16. Are all shipping and receiving activities reconciled to applicable sale or purchase activities?  
 Yes  No
17. Does any employee have access to both the purchasing system and the accounts payable system?  Yes  No
18. Do you have a program in place to detect payment to fictitious suppliers?  Yes  No

### **VII. INVENTORY CONTROLS**

1. Is a perpetual inventory maintained for stock (including raw materials and manufactured components), equipment, finished goods and scrap?  Yes  No
2. Is a physical inventory count conducted at least annually and reconciled with the perpetual inventory system?  Yes  No

If "Yes":

- a. Is the reconciliation performed by persons not associated with the control of the inventory?  
 Yes  No
- b. Are inventory variances outside established parameters reported to auditing?  Yes  No
3. Does the Applicant use precious metal, stone or other high-value items in the manufacturing or processing of goods?  Yes  No
  - a. If "Yes", please describe the controls in place to protect this property:
4. Are all inventory controls and procedures consistent among domestic and foreign locations?  
 Yes  No

#### **VIII. VENDOR CONTROLS**

1. Is an authorized vendor list utilized and updated annually?  Yes  No
2. Are background checks performed on vendors in order to determine ownership and financial capability?  Yes  No
3. Is competitive bidding required for all purchases above stated amounts?  Yes  No
4. Is the responsibility for authorizing vendors, approving invoices and processing payments segregated among different employees?  Yes  No
5. Are requisitions and purchase orders issued only after the approval of specified employees within specified limits?  Yes  No

#### **IX. COMPUTER AND FUNDS TRANSFER CONTROLS**

1. Are there controls in place so that employees cannot gain access to programs and files for which they have not been granted authorized access?  Yes  No
2. Is an intrusion detection system utilized and are all patches up to date?  Yes  No
3. Are computer access controls in place that include the following:
  - a. Passwords that are alphanumeric and changed at regular intervals by all users?  
 Yes  No
  - b. Revocation of user IDs upon separation of employment?  Yes  No
4. Are transactions, including the buying and selling of goods and services, performed via the Internet?  Yes  No
  - a. If "Yes", do you have a firewall and are all security patches up to date?  Yes  No
5. Is the authority to initiate and approve a wire transfer separated between employees?  
 Yes  No
6. Are wire transfers reconciled daily by an employee not involved in approving or initiating the wire transfer?  Yes  No
7. Have approval authorities been established in writing and are they up to date?  Yes  No
8. Are wire transfer controls and procedures consistent among domestic and foreign locations?  
 Yes  No

#### **X. CLIENT CONTROLS** (For clients for whom the Applicant performs services under a written contract)

1. Does the Applicant have custody or control over any funds or property of clients?  Yes  No
  - a. If "Yes", please explain:

2. Does the Applicant perform any services for clients on the clients' premises?  Yes  No
  - a. If "Yes", please describe the services being provided:
3. Does the Applicant perform any services for clients off the clients' premises?  Yes  No
  - a. If "Yes", please describe the services being provided:
4. Do any clients require the Applicant to be bonded or carry crime insurance?  Yes  No
  - a. If "Yes", please explain and specify the amount required:

**XII. MONEY SECURITIES**

ENTER THE EXPOSURES FOR EACH CATEGORY. AMOUNTS ENTERED SHOULD BE MAXIMUM EXPOSURE						
TYPE	MONEY	CHECKS FOR DEPOSIT	CHECKS FOR ACCOUNTS PAYABLE	PAYROLL CHECKS	MONEY OVERNIGHT	SECURITIES (IN BANK/SAFE DEPOSIT BOX)
INSIDE	\$	\$	\$	\$	\$	\$
MESSENGER #1	\$	\$	\$	\$	\$	
MESSENGER #2	\$	\$	\$	\$	\$	

**PROPERTY**

DESCRIPTION OF PROPERTY, MERCHANDISE, STOCK, ETC.	MAXIMUM VALUE

**GENERAL INFORMATION**

BUSINESS HOURS	AVG # EMPLOYEES ON DUTY	CHECKS STAMPED FOR DEPOSIT ONLY	FREQUENCY OF DEPOSITS	NIGHT DEPOSITOR USED	ANNUAL GROSS SALES OR RECEIPTS FOR LAST FISCAL YEAR	DOOR PREMISES HAVE DOUBLE CYLINDER DOOR LOCKS	OTHER INFORMATION
						<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> UL					
		<input type="checkbox"/> SMNA					

**MESSENGER PROTECTION**

MESSENGER #	# OF GUARDS PER MESSENGER	USE PRIVATE CONVEYANCE ?	SAFETY SATCHEL USED?	MESSENGER #	# OF GUARDS PER MESSENGER	USE PRIVATE CONVEYANCE ?	SAFETY SATCHEL USED?
		<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

**XIII. CHANGE IN MANAGEMENT**

1. Has there been any change in ownership or management within the past three years?
   
 Yes  No
  - a. If "Yes", please explain:

**XIV. PRIOR INSURANCE**

1. **Note: Question 1 is not applicable in Missouri.** Has any insurance, similar to the kinds requested in this application, been declined or cancelled during the past three years?

Yes  No

a. If "Yes", please explain:

2. Will this policy supplement a special multi-peril or other package policy?  Yes  No

If "Yes", list the following:

a. Insurer:

b. Effective date:

c. Policy Number:

**XV. LOSS HISTORY**

1. List all losses sustained during the past three years, whether reimbursed or not, from

a. Check if none

b. Briefly describe each loss and explain corrective measures on as separate sheet.

Date of Loss	Amount of Loss	Amount Recovered from Insurance	Amount of Loss Pending	Amount Recovered from other than Insurance	Type of Loss	If Loss occurs at other than Head Office, state location
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		
	\$	\$	\$	\$		

It is understood and agreed that the first premium upon the Policy applied for, and subsequent premiums thereon, are due at the beginning of each premium period, that the Company is entitled to additional premiums because of any unusual increase in the number of Employees or Premises and that the Applicant agrees to pay all such premiums promptly. The Employees of the Applicant have all, to the best of the Applicant's knowledge and belief, while in the service of the Applicant always performed their respective duties honestly. There has never come to its notice or knowledge any information, which in the judgment of the Applicant indicates that any of the said Employees are dishonest. Such knowledge as any officer signing for the Applicant may now have in respect to his own personal acts or conduct, unknown to the Applicant, is not imputable to the Applicant.

Person Authorized To Complete This Application For the Insured (Applicant):

Name (Print):

Signature:

Title:

Date:



Producer Information (Required in Florida, Iowa and New Hampshire):

Producer Name (Print):

Producer Signature:

Agency Name:

Agency Code:

License Number: