



**APPLICATION FOR A CRIME PROTECTION POLICY
FOR MERCANTILE ENTITIES**

Application is hereby made by: _____
(Please list all insureds, including Employee Benefit Plans)

Principal Address: _____
(Number) (Street)

For a (check appropriate box): (City) _____ (State) _____ (Zip Code) _____
Discovery Loss Sustained _____ Crime Protection Policy
Primary, excess, contributing

with: _____

INSURING AGREEMENTS, LIMITS OF INSURANCE AND DEDUCTIBLES

<u>Insuring Agreement</u>	<u>Limit of Insurance</u>	<u>Deductible Amount</u>
1. Employee Dishonesty	\$	\$
2. Forgery or Alteration	\$	\$
3. Inside the Premises	\$	\$
4. Outside the Premises	\$	\$
5. Computer Fraud	\$	\$
6. Money Orders and Counterfeit Paper Currency Insuring	\$	\$
Agreements added by Endorsement		
7. Loss of Clients' Property	\$	\$
8. Funds Transfer Fraud	\$	\$

To become effective or to be continued as of 12:01 a.m. on _____ to 12:01 a.m. on _____

Premium payable (Check the appropriate box):
 Annual Three year Prepaid Three Equal Annual Installments

Other Coverage Amendments (Endorsements): _____

1. Description of your organization

(a) Type of business (check appropriate box):

Proprietorship Partnership Corporation Other _____ If other, explain _____

(b) Date your business was established: _____

(c) Classify your predominant activity:

Manufacturer Processor Wholesaler Distributor Retailer Servicer _____ Other, _____

(d) Describe the products or services of your predominant business or activity: _____

(e) Has there been any change in ownership or management within the past three years? Yes No

If "Yes", explain _____

2. Audit Procedures

- (a) Is there an audit by a CPA, public accountant or equivalent, independent of your organization? Yes No
 If "Yes", how often (check the appropriate box): Quarterly Semi-Annually Annually
- (b) Name and address of person performing audit: _____
- (c) Are all locations audited? Yes No
- (d) Is the audit made in accordance with generally accepted auditing standards and so certified? Yes No
 If "No", indicate the scope of services (check the appropriate box): Review Compilation
 Other, Explain _____
- (e) Is the report rendered directly to the Owner, Partners or Directors? Yes No
- (f) Date of completion of last audit of: Cash and Accounts _____ Inventory _____
- (g) Were any discrepancies or loose practices commented upon in the audit? Yes No
 If "Yes", submit a copy of the auditor's comments.
- (h) Is there an internal audit by an Internal Audit Department under the control of an employee who is a certified public accountant or equivalent? Yes No
 If "Yes", are the reports rendered directly to the Owner, Partners or Directors? Yes No

3. Internal Controls

Bank Accounts:

- (a) Are bank accounts reconciled monthly? Yes No
- (b) Are bank accounts reconciled by someone not authorized to deposit or withdraw? Yes No
 If "No", explain _____
- (c) Is countersignature of all checks required? Yes No
 Above what amount? \$ _____
- (d) Does supporting documentation accompany all checks to be signed? Yes No
- (e) Do you maintain a list of approved vendors? Yes No
- (f) Are securities subject to the joint control of two or more employees? Yes No
- (g) Explain your screening procedures for new employees: _____

4. Prior Insurance

- (a) Has any similar insurance been declined or canceled during the past three years? Yes No
 If "Yes", explain _____
- (b) Prior insurance to be superseded _____ Check here if none

Policy Number	Discovery or Loss Sustained	Effective Date	Expiration Date	Limit of Insurance	Name of Insurance Company

(c) List below all losses sustained during the past three years that were caused by: employee dishonesty, forgery, theft of money or securities on the premises, robbery or safe burglary of other property on the premises, or robbery of money, securities or other property in the custody of a messenger. Please list all losses, whether reimbursed or not.

Check if none

Date of Loss	Type of loss	Amount Recovered From Insurance	Amount Recovered from Other than Insurance	Amount of Loss Pending	Location of Loss

5. Rating Data for Insuring Agreements 1, 2 and 5

(a) Classification of Employees:

(1) Number of Officers _____ and Employees _____

6. Rating Data for Insuring Agreement 7

List the number of employees who handle, have custody of, maintain records of or have access to money, securities or other property owned by your clients. _____

7. Rating Data for Insuring Agreements 3 and 4

(a) Indicate the number of location of locations _____

(b) Indicate the number of outside messengers _____

(c) Do guards accompany each messenger? _____

Yes No

(d) Are your premises secured by watchpersons? _____

Yes No

(e) Are your premises secured by an alarm system? _____

Yes No

Please provide details: _____

(f) Is a safe used at all locations? _____

Yes No

Please provide details: _____

(g) What other measures have been take to provide physical protection (private conveyance, messenger bags, safe alarms, etc.)? _____

8. General Information

Business Hours	Average # of Employees on Duty	Frequency of Deposits	Night Depository Used?	Annual Gross Sales or Receipts for Last fiscal year.	Other Information

9. Coverage Amendments

(a) Insuring Agreement 1

(1) If the deductible is limited to specified positions, list the positions and the number of employees occupying those positions:

<u>Number of Employees</u>	<u>Positions</u>
_____	_____
_____	_____
_____	_____
_____	_____

(2) If insurance is desired on any of your appointed or elected agents, whether they be persons, partnerships or corporations performing any act or service in connection with the ordinary conduct of your business, complete the following:

<u>Capacity in which each agent serves</u>	<u>Limit of Insurance</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

(3) If insurance is desired on any of your partners, please indicate the number of partners to be covered _____

(4) If blanket excess limits of insurance are desired on any of your joint insureds, complete the following:

<u>Joint Insured(s)</u>	<u>Number of Employees</u>	<u>Excess Limit Of Insurance</u>
		\$
		\$
		\$
		\$
		\$

(5) If excess limits of insurance are desired on any of your employees on either a name schedule or position basis, complete the following:

<u>Name Schedule Coverage</u>	<u>Position Schedule Coverage</u>			<u>Excess Limit of Insurance for Each Employee</u>
	<u>Names of Covered Employee(s)</u>	<u>Title(s) of Covered Position(s)</u>	<u>Location of Covered Positions</u>	

(b) Insuring Agreement 2

If insurance is desired, complete the following:

	<u>Number of Cardholders</u>	<u>Limit of Insurance</u>
(1) Credit, Debit or Charge Card Instruments: Covered Instruments (check the appropriate box): include <input type="checkbox"/> or are limited to <input type="checkbox"/> Credit, debit or charge cards Issued to you or any employee for business purposes	_____	\$ _____
(2) Warehouse Receipts: Covered instruments (check the appropriate box): include <input type="checkbox"/> or are limited to <input type="checkbox"/> Warehouse receipts and withdrawal orders		\$ _____
(3) Personal Accounts of your officers or partners: <u>Name(s)</u>		
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____

(c) Insuring Agreements 3 and 4

(1) Increased or Reduced Limits

	<u>Limit of Insurance</u>	<u>Specified Period</u>
(a) If an increased limit is desired for a specified period, indicate: Insuring Agreement 3	\$ _____	
Insuring Agreement 4	\$ _____	
(b) If a decreased limit is desired while the business is closed and a custodian is not on duty, indicate	\$ _____	

(c) If a reduced limit is desired for designated premises, messengers or armored motor vehicle companies, complete the following:

Address of Premises	Names of Messengers	Names of Armored Motor Vehicle Companies	Limit of Insurance

(2) Schedule Coverage

If schedule coverage is desired, complete the following:

Address of Premises	Insuring Agreement 3 Limit of Insurance	Insuring Agreement 4 Limit of Insurance	Number of Armored Motor Vehicles	Number Of Messengers

(a) Covered Property in Custody of Designated Agents

If coverage for property while in the custody of a designated agent is desired, please indicate:

<u>Name of Agent</u>	<u>Value of Property In Custody of Agent</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

READ CAREFULLY AND SIGN

The employees of the Insured have all, to the best of the Insured's knowledge and belief, while in the service of the Insured always performed their respective duties honestly. There has never come to its notice or knowledge any information, which in the judgement of the Insured indicates that any of the said employees are dishonest. Such knowledge as any officer signing for the Insured may now have in respect to his own personal acts or conduct, unknown to the Insured, is not imputable to the Insured.

FRAUD STATEMENT

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY 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 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 agencies."

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 Idaho Applicants: “any person who knowingly and with intent to defraud or deceive any insurance company, files a statement containing any false, incomplete, or misleading information is guilty of a felony.”

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 Minnesota Applicants: “a person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.”

Notice To Nebraska Applicants: “No misrepresentations or warranty made by the insured or on his behalf in the negotiation or application of this policy or contract of insurance shall defeat or void the policy or contract or effect the company’s obligation under the policy or contract unless such misrepresentation or warranty. 1) Was material; 2) was made knowingly with the intent to deceive; 3) was relied and acted upon by the company; and 4) deceived the company to its injury.

The breach of warranty or condition in any contract or policy of insurance shall not void the policy or allow the company to avoid liability unless such breach exists at the time of loss and contributes to the loss.” (44-358)

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, or 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 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 and 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.”

Notice To Vermont Applicants: “any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any 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 may subject such person to criminal and civil penalties.

Signed at: _____ Insured _____
This _____ Day of _____, 20 ____ . By: _____
(Signature) Officer or Director (Title)

SUBMITTING AGENCY'S INFORMATION

Name: South Coast Surety **License Number:** DOI Lic# 0B57612

Mailing Address: 209 Ave. Fabricante, Ste. 120, San Clemente, CA 92672

Phone: South Coast Surety **Contact:** _____