

CRIME INSURANCE POLICY APPLICATION

FOR PURPOSES OF THE *INSURANCE COMPANIES ACT (CANADA)*, THIS DOCUMENT WAS ISSUED IN THE COURSE OF LLOYD'S UNDERWRITERS' INSURANCE BUSINESS IN CANADA.

ALL QUESTIONS MUST BE ANSWERED COMPLETELY. DO NOT LEAVE ANY SPACE BLANK. INDICATE "N/A" IF A QUESTION IS INAPPLICABLE. IF THE SPACE PROVIDED IS INSUFFICIENT TO ANSWER A QUESTION FULLY, PLEASE ATTACH DETAILS ON A SEPARATE SHEET.

PLEASE ENSURE THAT THE FOLLOWING ARE PROVIDED WITH THE APPLICATION:

- Latest audited annual report
- Auditor's letter to Management, if available

1. GENERAL INFORMATION

1. Applicant's Name: _____
(Whenever used in this Application, the term "Applicant" shall mean the Insured, unless otherwise indicated)
2. Year established: _____
3. Address: _____

- Web Site Address: _____
4. Nature of Applicant's Business (brief description of operations): _____

5. Annual Revenue: (in 000's): _____
6. If Publicly Traded what is Ticker Symbol? _____
7. Form of business organization: Corporation Partnership Limited Liability
8. Corporation: For Profit Not for Profit
9. DESCRIPTION OF OPERATIONS:
In the course of your business do you perform any of the following functions?

(a) Trading	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(b) Extending Credit	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(c) Issuing Warehouse Receipts	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(d) Transporting or Storing Valuables for Others	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(e) Leasing	<input type="checkbox"/> Yes	<input type="checkbox"/> No
(f) Storing Customer Credit Card Information	<input type="checkbox"/> Yes	<input type="checkbox"/> No

If any answer to the above description of operations is YES, please attach an explanation of the function performed.
10. Have there been any changes in ownership or management within the past (3) three years? Yes No
If YES, please explain: _____

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2. COVERAGE REQUESTED

DESIRED COVERAGE: (PLEASE CHECK THE COVERAGE REQUESTED)	LIMITS REQUESTED	DEDUCTIBLE REQUESTED
<input type="checkbox"/> Employee Theft	\$	\$
<input type="checkbox"/> Forgery or Alteration	\$	\$
<input type="checkbox"/> Theft – Inside Premises	\$	\$
<input type="checkbox"/> Theft – Outside Premises	\$	\$
<input type="checkbox"/> Money Orders & Counterfeit Currency	\$	\$
<input type="checkbox"/> Computer Fraud and Funds Transfer Fraud	\$	\$
<input type="checkbox"/> Client Coverage	\$	\$
<input type="checkbox"/> Credit Card Coverage	\$	\$

1. POLICY PERIOD REQUESTED:

From: _____ To: _____
 (Both dates at 12:01 am Local Time at the principal Address of the Insured)

2. LOCATIONS AND EMPLOYEES:

	NUMBER OF LOCATIONS	SALES OR REVENUES	CLASS 1 EMPLOYEES	ALL OTHER EMPLOYEES
Canadian				
U.S.				
Total				

Foreign Operations: If the Insured has operations outside of the U.S. or Canada, please list below:

FOREIGN COUNTRY	NUMBER OF EMPLOYEES	NUMBER OF LOCATIONS	TYPE OF OPERATIONS	AMOUNT OF ANNUAL REVENUE FROM COUNTRY
TOTAL				

Class 1 Employees: For the purposes of premium computation, Class 1 Employees include management positions and other employees who have access to money, securities and/or other property (such as cashiers, bookkeepers, shipping clerks, etc.)

3. Is there likely to be a substantial increase in the number of employees or locations during the policy period by reason of

- a) Seasonal Activity or other circumstances? Yes No
 - b) Expansion of Applicant's business? Yes No
- If YES to either of the above, please explain. _____

4. EMPLOYMENT PRACTICES:

- a) Are background checks performed on all prospective employee? Yes No
- b) Does the Organization maintain a personnel file for each employee? Yes No
- c) When employees are transferred to more sensitive positions within the organization, is additional screening performed? Yes No
- d) Are building access cards disabled immediately upon employee termination? Yes No

5. AUDITS CONTROLS:

External Audits:

- a) Does an independent CA audit your books at least annually? Yes No
 - (i) If YES, by whom? _____
 - (ii) If NO, please attach an explanation.
- b) Are the audits complete and unqualified? Yes No
 - If NO, please attach an explanation.

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- c) Are all locations and entities audited? Yes No
If NO, please attach description of the extent of your audit.
- d) Have you changed auditors in the past (3) three years? Yes No
If YES, please attach an explanation.
- e) Does the auditor provide a letter to Management? Yes No
If YES, please include the most recent copy and applicant's response to the letter.

Internal Audits:

- a) Is there an Internal Audit Department responsible for the oversight and review of internal audit programs for all business operations? Yes No
If NO, please attach an explanation of how this function is fulfilled.
- b) Does the Internal Audit Department report directly to the Board of Directors? Yes No
- c) What percentage of receipts are Cash? _____% Cheques? _____% Others? _____%

6. INVENTORY CONTROL:

- a) Is a complete inventory made with physical check of stock and equipment? Yes No
If YES, by whom? _____ How often? _____
- b) Does such inventory include all locations? Yes No
- c) Please provide details of the controls in place to prevent theft of inventory. _____

7. ACCOUNTS PAYABLE CONTROLS:

- a) Do all requisitions and purchase orders require the prior approval of authorized personnel? Yes No
If NO, please attach an explanation
- b) Do purchase orders require next level of approval? Yes No
If NO, please attach an explanation
- c) Do expense reimbursements require original receipts for expenses before reimbursement? Yes No
If NO, please attach an explanation
- d) Do expenses reimbursements require management approval at the next level? Yes No
If NO, please attach an explanation.

8. BANK ACCOUNT CONTROL:

- a) Do the employees who reconcile the monthly bank statements also either:
 - (i) Sign check? Yes No
 - (ii) Handle deposits ? Yes No
 - (iii) Have access to check signing machines or signature plates? Yes NoIf any answer above is YES, how will you correct this weakness? _____
- b) Is countersignature of checks required? Yes No
If YES, over what limit? _____
If NO, please provide confirmation that only the owner signs ALL cheques. _____
- c) Are all outgoing cheques pre-numbered and all numbers accounted for, including voided cheques? Yes No
If NO describe the system in effect to prevent unauthorized issuance of cheques:
- d) Is a cheque signing machine used? Yes No
If YES,
 - (i) Describe controls over signature plates: _____
 - (ii) What controls are there over the number of items processed on the cheque signing machine: _____

9. COMPUTER CONTROL:

- a) Does the Organization run a test for unauthorized changes to the system? Yes No
- b) Are the duties of programmers and operators separated? Yes No
- c) Do non-employee have access to the computer system? Yes No
- d) Are systems in place to detect fraudulent usage by employees and non-employees? Yes No
- e) Are access codes and passwords changed regularly? Yes No
- f) Are access codes terminated immediately upon employee termination? Yes No

10. VENDOR CONTROLS:

- a) Does the Insured have procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorized master vendor list Yes No
- b) Does the Insured allow the same person who verifies the existence of vendors to also edit the authorized master vendor list? Yes No

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- c) Is the master vendor list verified annually by the Insured's internal or external audit department to check for fraudulent vendors Yes No
- d) Are supplier's invoices matched with related purchase orders, receiving reports, and authorized vendor lists for review prior to each cash disbursement? Yes No
If NO, please attach a description of procedures followed.
- e) Are purchases received at the home office or picked up at the vendor, reconciled to corresponding purchase requisitions by an employee independent of the purchasing? Yes No
If NO, please attach an explanation.

11. FUNDS TRANSFER CONTROLS:

- a) Does the organization transfer funds by Wire? Electronic Transfer? Voice-initiated Transfers?
- b) What is the total annual value of all funds transfers? \$ _____
- c) What is the average value of a transfer? \$ _____
- d) Are there specific arrangements with banks, as to the individuals in your Company authorized to:
 - (i) Transfer funds? Yes No
 - (ii) Request changes to procedures? Yes No
 - (iii) Obtain records? Yes No
- e) Are all banks required to authenticate the identity of the caller before acting upon the instructions? Yes No
- f) Are all banks required to confirm funds transfer transactions in writing within 24 hours? Yes No
- g) Are there independent checks of funds transfer records by staff not authorized to handle/instruct such transfers? Yes No

12. SECURITIES:

- a) State the value of negotiable owned or held securities. (if none, please write none): \$ _____
- b) Where are the securities kept? _____
- c) If safe deposit boxes are used, has the bank been instructed to require (2) two individuals be present before entry to any box is permitted? Yes No
If NO, identify by name and position those having access. _____

13. PRECIOUS METALS OR HIGH VALUE PROCESSING MATERIALS:

- a) Is there an exposure of precious metals or stones (such as gold, silver, copper, platinum, industrial diamonds, computer chips or similar high-valued materials)? Yes No
If YES, please attach a separate listing of exposures, identify each location, describe security controls and state a maximum value at each location.

14. EMPLOYEE BENEFIT PLANS:

Attach a separate sheet listing the names of each employee benefit plans required to be insured. If No plans are to be covered, please check this box:

15. MONEY, SECURITIES AND PAYROLL EXPOSURES:

- a) What is the maximum amount at any one location?

	DAILY	OVERNIGHT
Money:	\$ _____	\$ _____
Checks:	\$ _____	\$ _____
Negotiable Securities	\$ _____	\$ _____

- b) What is the maximum amount transported from any one location by a method other than an armoured motor vehicle?:

	DAILY	OVERNIGHT
Money:	\$ _____	\$ _____
Checks:	\$ _____	\$ _____
Negotiable Securities	\$ _____	\$ _____

- c) At locations where there is money and securities does the Insured utilize a Fire Protected Safe? Yes No
- d) Do the safes have central station alarm systems? Yes No
- e) Do you utilize any night watchman or security services? Yes No
- f) Number of Messenger(s): _____
- g) Method of transportation: _____

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3. PREVIOUS INSURANCE INFORMATION

1. During the last five (5) years, has the Company carried Crime/Fidelity insurance? Yes No
 If YES, please complete the following for all previous policies:

INSURER	TERM	LIMIT	DEDUCTIBLE

2. Has any similar Crime/Fidelity insurance been declined, cancelled, or non-renewed in the last (5) five years? Yes No
 If YES, please explain: _____

4. PREVIOUS CLAIM INFORMATION

Please provide the following information for ANY loss(es) discovered during the past (5) five years which involve or potentially involve, a peril of the type covered by the policy. If none, please indicate that fact.

CAUSE OF LOSS	DATE DISCOVERED	GROSS AMOUNT OF LOSS (ACTUAL OR ESTIMATED)	AMOUNT RECEIVED FROM INSURANCE LESS SALVAGE	DEDUCTIBLE AT TIME OF LOSS	LOCATION, IF OTHER THAN MAIN OFFICE

Describe corrective actions to prevent a further similar occurrence: _____

5. FALSE INFORMATION

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 act, which is a crime.

6. NOTICE CONCERNING PERSONAL INFORMATION

By purchasing insurance from Creechurch International Underwriters Ltd. (Creechurch), a customer provides Creechurch with his or her consent to the collection, use and disclosure of personal information, including that previously collected, for the following purposes:

- the communication with underwriters;
- the underwriting of policies;
- the evaluation of claims;
- the detection and prevention of fraud;
- the analysis of business results;
- purposes required or authorized by law.

For the purposes identified above, personal information may be disclosed to Creechurch's related or affiliated companies and service providers.

Further information about Creechurch's personal information protection policy may be obtained by contacting their privacy officer at 416-601-2155.

7. WARRANTY STATEMENT

The undersigned warrants that to the best of their knowledge, the statements set forth in this Application are true. The undersigned also warrants that they have not suppressed or misstated any material fact.

If the information provided in this Application should change between the date of the Application and the effective date of the policy, the undersigned warrants that they will immediately report such changes to the Insurer.

Signing this Application does not bind the undersigned to purchase this insurance, nor does it bind the Insurer to issue this insurance. However, should the Insurer issue a policy, this Application shall serve as the basis of such policy and will be attached to and form part thereof.

SIGNED: _____
(Authorized Representative)

DATED:

NAME (Please Print):

TITLE/POSITION: