



FIDELITY BOND APPLICATION - QUESTIONNAIRE
COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION BOND

3-D BOND FOR COMMERCIAL BUSINESS

ALL QUESTIONS MUST BE ANSWERED

Application is hereby made by: (Please insert exact name(s) of proposed Insured)

Address: _____

Web-Site Address: _____

(herein called the Applicant) for insurance under each of the following Insuring Agreements opposite which an amount is stated, to become effective or to be continued as of 12:01 a.m. on _____
 (month day year)

COVERAGE AND AMOUNT OF INSURANCE DESIRED:

**ACTUAL AMOUNT TO BE PROVIDED MAY BE DIFFERENT THAN REQUESTED
 AND WILL BE INDICATED IN THE DECLARATIONS OF THE BOND**

		<u>LIMIT OF LIABILITY</u>	<u>DEDUCTIBLE</u>
<u>Insuring Agreement I</u>	Employee Dishonesty	\$ _____	\$ _____
<u>Insuring Agreement II</u>	Loss Inside the Premises	\$ _____	\$ _____
<u>Insuring Agreement III</u>	Loss Outside the Premises	\$ _____	\$ _____
<u>Insuring Agreement IV</u>	Money Orders and Counterfeit Paper Currency	\$ _____	\$ _____
<u>Insuring Agreement V</u>	Depositors Forgery	\$ _____	\$ _____
<u>Others:</u> (Please specify)	_____	\$ _____	\$ _____
	_____	\$ _____	\$ _____

1. Nature of Applicant's Business: (brief description of operations)

2. Is your organization involved in trading of stocks, bonds, commodities or currency? Yes No

3. Has there been any change in ownership or management within the past three years? Yes No

If Yes, please explain: _____

4. List of additional locations: (If insufficient space, please list on separate sheet)

Canada	U.S.A.	Other (specify)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

AUDIT PROCEDURES

5. (a) Is there an audit by an independent CA, CMA, CGA, public accountant or equivalent? Yes No
If Yes, how often: Quarterly Semi-Annual Annual
- (b) Name and address of firm performing audit: _____

- (c) Is the audit made in accordance with generally accepted auditing standards and so certified? If No, explain the scope of the audit: Yes No

- (d) Is there an Auditor's letter to management on internal controls? (If so, attach copy) Yes No
- (e) Date of completion of last audit of:
- (i) Cash and accounts: _____
- (ii) Inventory: _____
- (f) Is there an internal audit by an Internal Audit Department? Yes No
If Yes, are the reports rendered directly to the proprietor, partners if a partnership, or Board of Directors if a corporation? Yes No
- (g) Are all locations audited? Yes No
If Yes:
- (i) Are audits made at branches or are they based on records maintained in the principal office?

- (ii) How often will branches be completely audited and inventoried? _____
By whom? _____
- (iii) When was the last audit and inventory of branches made? _____
- (iv) Were all accounts then found correct, and all cash, merchandise and securities found on hand or properly accounted for? Yes No
- (h) What percentage of receipts are cash? _____ cheques? _____ other? _____

INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES)

6. (a) Are bank accounts reconciled by someone not authorized to deposit or withdraw therefrom? Yes No
How often? _____
- (b) Are securities subject to joint control of two or more responsible employees? Yes No
If no securities, state so: _____
- (c) What provision is made for safekeeping of securities (if applicable)?

- (d) Is countersignature of cheques required at all locations? If No, describe the system in effect to prevent unauthorized issuance of cheques: Yes No

- (e) Are all cheques (outgoing) prenumbered and all numbers accounted for, including voided cheques? Yes No

- (f) Is a cheque signing machine used? Yes No
 If Yes, (1) Describe controls over signature plates: _____
 (2) What control is there over the number of items processed on the cheque signing machine?
 (3) Is the bank held harmless for improper use of facsimile signature? Yes No
- (g) Is payroll by: cash cheque direct deposit other (describe) _____
- (h) Are suppliers paid only after verifying that goods were physically received? Yes No
 If No, please explain: _____
- (i) What are the standard procedures for qualifying suppliers? _____
- (j) Do you have cash or precious metal exposure that exceeds the requested deductible? Yes No

EMPLOYMENT PRACTICES

7. (a) Is an application for employment completed by each prospective employee? Yes No
 (b) Are background checks performed on all prospective employees? Yes No
 (c) Does the organization maintain a personnel file for each employee? Yes No
 (d) Does the organization distribute a copy of its Code of Conduct to all employees?
 If Yes, are all employees required to sign the document annually as evidence of receipt and understanding? Yes No
 (e) When employees are transferred to more sensitive positions within the organization, is additional screening performed? Yes No
 (f) Are building access cards disabled immediately upon employee termination? Yes No

COMPUTER SYSTEMS

8. (a) Are the duties of programmers and operators kept separate? Yes No
 (b) Does the organization run a test for unauthorized changes to the system? Yes No
 (c) Do any non-employees have access to the computer systems? 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

FUNDS TRANSFER (IF APPLICABLE)

9. Does your organization transfer funds by: wire electronic transfer voice-initiated transfer
- If Yes to any of the above, please answer the following:
- (a) Average number of transfers annually? _____
- (b) Average dollar volume transferred? _____
- (c) Is there a current procedure manual for transfers? Yes No
- (d) Who has authority to make transfers? _____
- (e) Does your financial institution call an employee other than the one who requested the transfer before acting on the request? Yes No
- (f) Do these procedures apply to all locations? Yes No

LOSS HISTORY

10. Losses during the past 5 years, whether reimbursed or not, by Employee Dishonesty, Forgery, Burglary, Robbery, Theft, Disappearance, Destruction:

Period from _____ to _____

CHECK IF NONE

Description of Loss	Date Loss Discovered	Amount	Describe Corrective Measures Taken (If Employee Dishonesty – State Position)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

11. Prior Coverage to be superseded:

CHECK IF NONE

- (a) Name of Insurer: _____
- (b) Form of Bond or Policy: _____
- (c) Renewal Date: _____
- (d) Amount of Coverage: _____
- (e) Last Renewal Premium: _____

12. Discovery Period under prior bond or policy: _____

60 days 120 days one year other: _____

13. Has any Employee Dishonesty, Forgery, Burglary, Robbery, Theft, Disappearance or Destruction insurance carried by the Applicant been declined or cancelled within the last six years by any Insurer? If Yes, please explain: Yes No

Please complete EMPLOYEE CLASSIFICATION TABLE and QUESTIONNAIRE FOR INSURING AGREEMENTS II & III as attached.

All provisions contained in the various forms issued under this contract shall be deemed to be contained in the present application for insurance. Completion of this application does not bind the Underwriter to provide the insurance requested.

Signed and dated this _____ day of _____, _____.

(Signature)

(Name and Title – Please Print)

EMPLOYEE CLASSIFICATION TABLE

14. Entire personnel as of the date of this application:

(a) All officers and employees (including entities construed to be employees by rider, other than agents and partners) who, as a part of their regular duties, handle, have custody or maintain records of money, securities or other property, including in any event those holding any position listed below:

	Number in		
	Canada	USA	Other
Chairman			
President			
Vice-President			
Treasurer			
Assistant Treasurer			
Secretary			
Assistant Secretary			
Comptroller			
Assistant Comptroller			
Accountants			
Assistant Auditors			
Cashiers			
Bookkeepers			
Paymasters/Payroll Clerks			
Adjusters			
Stock Appraisers			
Shipping/Receiving Clerks			
Warehousemen			

	Number in		
	Canada	USA	Other
Custodians/Watchmen			
Sales Managers			
Assistant Sales Managers			
Purchasing Agents			
Assistant Purchasing Agents			
Salesmen (outside who collect)			
Drivers and Helpers			
Managers			
Assistant Managers			
Branch Managers			
Department Managers			
Superintendents			
Factory Superintendents			
Messengers (outside)			

OTHER SIMILAR POSITIONS

Total (a):			
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(b) All other employees including: inside salesmen, inside messengers, clerks, typists, stenographers, telephone operators, janitors, porters, foremen, factory workers, labourers, and other similar positions:

	Canada	USA	Other
Total (b):			

(c) **Total number of All officers and employees:**

	Canada	USA	Other
Total (a + b):			

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

- (a) Seasonal activity or other circumstances peculiar to Applicant's business? Yes No
- (b) Expansion of Applicant's business? If Yes, please explain: Yes No

QUESTIONNAIRE FOR INSURING AGREEMENTS II & III

Location: _____ Type of Operation: _____
 _____ (office, factory, store, etc.)

Insuring Agreement II – Loss Inside the Premises

16. (a) Amount of insurance required: \$ _____

(b) Maximum exposures:

	Money	Cheques	Securities
Daily	\$ _____	\$ _____	\$ _____
Overnight	\$ _____	\$ _____	\$ _____

(c) Safe Description:

Make and Class _____
 Material _____
 Thickness of door _____
 Thickness of body _____
 Type of lock (combination) _____
 U.L. Label _____

(d) Alarm System: (Description) _____

Connected to: Local Alarm
 Central Station
 Police Station

(e) Watchman: Number _____
 Frequency of rounds _____

Insuring Agreement III – Loss Outside the Premises

17. (a) Amount of insurance required: \$ _____

(b) Maximum exposures:

	Money	Cheques	Securities
Daily	\$ _____	\$ _____	\$ _____

(c) Messengers: Number _____

(including those who collect money off the premises)

(d) Method of transportation: _____

NOTE: COMPLETE A SEPARATE QUESTIONNAIRE FOR EACH LOCATION