

American International Companies®

CrimeGuard® Application

Name Of Insurance Company To Which Application is Made:
(herein called the Company)

NOTICE: THE POLICY PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGEMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

A. GENERAL INFORMATION

Name of Applicant: _____

Principal Address: _____

Type of Organization: Partnership Corporation Proprietorship

Date Business Established: _____

Subsidiaries/Affiliates Included in Coverage? Yes No

(If yes, please attach a listing of all subsidiary or affiliated organizations.)

B. INSURANCE INFORMATION

1. Present Crime Insurance Program: None

Insurance Carrier	Type (Primary or Excess)	Limit of Liability	Policy Number	Effective Date

Are collateral lines written by member companies of American International Group?

Yes No

Type of Coverage	Effective Date	Policy Number

2. Coverage Requested:

Proposed Effective Date: _____

Limit of Liability: _____

Deductible Amount: _____

C. INTERNAL CONTROLS

1. Financial Reporting

	Most Recent Year End Reporting (\$)
Total Assets	
Total Debt	
Sales or Revenues	
Operating Income	
Net Income	

a. Are the financial statements audited by an independent CPA?

• If yes, by whom? _____

• How many consecutive years? _____

• Do management letters submitted comment on the internal control structure?

b. Are internal audit programs instituted covering all business operations—including the EDP Department—with a provision for analytical reviews?

• If yes, are the reports distributed to the Audit Committee, the Chief Executive Officer and the Chief Financial Officer?

Yes No N/A

Yes No N/A

Yes No N/A

Yes No N/A

If you responded "No" to any questions in the above section, please comment on the current practices of your organization:

Please attach supporting documentation (Audited Financial Statements, Annual Report, 10-K, Management Letter, etc.)

Please complete the following by indicating "yes", "no" or "N/A" (not applicable) in the appropriate space. Based upon the responses, supplemental applications may be necessary.

2. Locations, Personnel Census and Asset Exposure:

	Number of Locations	Sales or Revenues (\$)	Number of Class 1 Employees*	Number of Other Employees	Asset Exposure (Max. \$ any one location)
United States	a. Retail				a. Money \$ b. Checks \$ c. Neg. Securities \$
	b. All Other				
Canada	a. Retail				a. Money \$ b. Checks \$ c. Neg. Securities \$
	b. All Other				
Foreign	a. Retail				a. Money \$ b. Checks \$ c. Neg. Securities \$
	b. All Other				
Total	a. Retail				a. Money \$ b. Checks \$ c. Neg. Securities \$
	b. All Other				

*Class 1 employees include **employees** who handle, have custody or maintain records of **assets**.

- | | |
|---|--|
| <p>a. Are all applications for employment verified by checking references and contacting former employers?</p> <p>b. Are payments made exclusively to authorized employees for actual work performed, including:</p> <ul style="list-style-type: none"> • personnel records maintained independent of payroll and time keeping departments? • independent written approval require for time cards or other documentation of time worked? • terminated employees promptly removed from payroll? <p>c. Is physical inventory protected by:</p> <ul style="list-style-type: none"> • Alarm Systems? • Security Guard or Watchman? | <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A</p> |
|---|--|

If you responded "No" to any questions in the above section, please comment on the current practices of your organization:

Please complete the following by indicating "yes", "no" or "N/A" (not applicable) in the appropriate space. Based upon the responses, supplemental applications may be necessary.

3. Treasury and Purchases

- | | |
|---|--|
| <p>a. Are securities, cash balances, cash receipts and stock certificates protected from theft and misappropriation, including:</p> <ul style="list-style-type: none"> • storage of items in locked facilities? • countersignature on checks and for access to securities? Amount: \$ _____ • facsimile signature plates under controlled custody? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>b. Independent control of cash items upon receipt with subsequent comparison to bank deposit slips?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>c. Are bank accounts reconciled by employees not authorized to deposit or withdraw therefrom?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>d. Are investment and debt transactions made only after the authorization of specified personnel with limits of authority in accordance with management's criteria?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>e. Is an authorized vendor list utilized and updated annually for all major annual purchases, with competitive bidding required over stated amounts?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>f. Are requisitions and purchase orders issued only after the approval of specified personnel and within specified limits?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>g. Is each cash disbursement based on a recognized liability, accurately prepared and appropriately authorized, including comparisons to authorized vendor lists and receiving reports?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>h. Are perpetual inventories maintained of materials and supplies and periodically verified by physical count?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>i. Is there an exposure of precious metals or stones (gold, silver, copper, platinum, industrial diamonds, etc.)? Amount: \$ _____</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

If you responded "No" to any questions in the above section, please comment on the current practices of your organization:

4. Computer and Information Security

- | | |
|--|---|
| <p>a. Is the organizational structure, policies and procedures of the EDP Division outlined in a manual and communicated to all EDP personnel?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| <p>b. Is there physical and functional segregation of personnel and periodic job and/or shift rotation?</p> | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

Please complete the following by indicating "yes", "no" or "N/A" (not applicable) in the appropriate space. Based upon the responses, supplemental applications may be necessary.

- | | |
|---|---|
| c. Is competent and thorough surveillance and review performed by EDP management, including independent review of console or operations logs and machine utilization reports, as well as processing time and file usage, to determine that unauthorized activities and exceptions are identified, investigated and properly resolved? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| d. Are EDP systems, programs and procedures, including changes thereto, authorized, documented and tested? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| e. Is physical access to the data processing facility restricted, including controlled entrance points, installation of alarms, requirements that at least two people be present when data is being processed and restrictions against entry during Non-scheduled hours? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| f. Is all, and only, approved input accepted for processing including use of controlled prenumbered forms, physical control in the EDP department and checking of source documents against detailed listing of items processed by the computer? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| g. Are erroneous data reported for investigation and re-entry? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| h. Is output reconciled by persons who do not prepare or process input? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| i. Is coverage for toll fraud requested? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |

If you responded "No" to any questions in the above section, please comment on the current practices of your organization:

5. Employee Benefit Plans

- a. Is an independent consultant retained to administer the benefit plans? Yes No N/A

Name of Firm: _____

- b. Total Assets of all benefit plans: _____

Please attach a separate listing of the names of the employee benefit plans required to be bonded by Title 1 of the Employee Retirement Income Security Act.

Please complete the following by indicating "yes", "no" or "N/A" (not applicable) in the appropriate space. Based upon the responses, supplemental applications may be necessary.

D. LOSS EXPERIENCE (during the last 3 years) None

Description of Loss	Date	Amount (\$)	Preventative Measures Taken

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.

It is understood that the first premium upon the Policy Period applied for, and subsequent premiums thereon, are due at the beginning of each premium period, that the Company is entitled to additional premium because of any unusual increase in the number of employees, and the Applicant agrees to pay all such premiums promptly.

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 AUTHORITIES."

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 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 MAINE 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 MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS."

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, 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 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."

Dated at: This Day of 19 Signed (Applicant) Title