



BANKERS BLANKET BOND

This Application Is For A Claims Made Insurance Policy

APPLICANT INSTRUCTIONS

(Note: Application must be printed to be completed.)

- 1. All questions must be answered completely; Please type or print clearly; if any questions are considered "Not Applicable," Please explain why.
2. If you need more space, continue on an attachment, and indicate on application. Reference question number on attachment.
3. Please include a copy of your latest audited FINANCIAL STATEMENT and other supplements where required.
4. This application, which includes supplemental forms, must be signed and dated by a principal of the firm.

GENERAL INFORMATION

1. Applicant's Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

2. The Company has continuously been in business since (Month) \_\_\_\_\_ (Year) \_\_\_\_\_

Name and title of person to contact: \_\_\_\_\_

Describe the applicant's operations and give the number of locations by state: \_\_\_\_\_

3. Latest annual gross revenue: \_\_\_\_\_

4. Number of Employees (including salaried officers, employees, and contractors) \_\_\_\_\_

CORPORATE HISTORY

- 1. Has your business name changed? \_\_ Yes \_\_ No
2.a. Have you acquired any companies in the last ten (10) years? \_\_ Yes \_\_ No
b. If yes, did the purchase include the assumption of liabilities? \_\_ Yes \_\_ No
c. If yes, is the loss information included? \_\_ Yes \_\_ No
d. With respect to acquired companies, were any employees or officers terminated or do you plan in the next eighteen (18) months to terminate any employees or officers? \_\_ Yes \_\_ No
3.a. Have you sold any companies in the last ten (10) years? \_\_ Yes \_\_ No
b. Did the sale include liabilities? \_\_ Yes \_\_ No
4. Please indicate type of company:
Sole Trader \_\_\_\_\_ Partnership \_\_\_\_\_ Other \_\_\_\_\_
Corporation \_\_\_\_\_ Privately Held \_\_\_\_\_ Publicly Traded \_\_\_\_\_
Non-Profit \_\_\_\_\_

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- 1. For all insureds, show the total number of:
(a) Salaried officers and employees, and persons provided by employment contractors \_\_\_\_\_

(b) Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands \_\_\_\_\_ if necessary, attach list

(c) Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, attach list.

2. Is Computer Systems fraud Coverage desired? \_\_ Yes \_\_ No  
If yes, complete the following:

(a) For the Computer System(s) you operate, whether owned or leased, complete the following:

- 1) Number of independent software contractors authorized to design, implement or service programs for your System(s) \_\_
- 2) Is access to your System(s) by customers or other outside parties permitted? \_\_ Yes \_\_ No

(b) Other Computer Systems

List below other Computer Systems for which coverage is desired:

Computer System(s)

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(c) Is coverage desired on businesses engaged in the data processing of your checks or other accounting records? \_\_ Yes \_\_ No  
If yes, list below the name and location of each data processor:

Name & Location

Name & Location

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3. Is coverage desired on closing attorneys retained by you to prepare deeds, investigate titles of real property or otherwise assist in the making of mortgage loans? (Title Insurance Companies Only)? \_\_ Yes \_\_ No

If yes, list below the name and location of each closing attorney:

Name & Location

Name & Location

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4. Check the appropriate box(es) if you are a seller or servicer of secondary market mortgages of:

Freddie Mac \_\_, Fannie Mae \_\_, Ginnie Mae \_\_, Other agencies \_\_: \_\_\_\_\_

**AUDIT PROCEDURES**

1. a. Is there an annual \_\_ or semi-annual \_\_ audit by an independent CPA? \_\_ Yes \_\_ No

If yes, is it a complete audit made in accordance with generally accepted auditing standards and so certified? \_\_ Yes \_\_ No

If the answer to (b) is "No," explain the scope of the CPA's examination: \_\_\_\_\_

Is the audit report rendered directly to all partners if a partnership or the Board of Directors if a corp? \_\_ Yes \_\_ No

2. Name and location of CPA: \_\_\_\_\_

3. Date of completion of the last audit by CPA: \_\_\_\_\_

4. Is there a continuous internal audit by an Internal Audit Department?  Yes  No
- If yes, are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation?  
 Yes  No
5. Are money and securities actually counted and verified?  Yes  No
6. How often are loan balances verified? \_\_\_\_\_

**INTERNAL CONTROLS OTHER THAN AUDIT PROCEDURES**

1. Do you require annual vacations of at least two consecutive weeks for all personnel?  Yes  No
- If no, explain: \_\_\_\_\_
2. Is there a formal, planned program requiring segregation of duties so that no single transaction can be fully controlled from origination to posting by one person?  Yes  No
- If no, explain: \_\_\_\_\_
3. Are bank accounts reconciled by someone not authorized to deposit or withdraw?  Yes  No
- If no, explain: \_\_\_\_\_
4. Is countersignature of checks (including escrow accounts) required?  Yes  No
- If no, explain: \_\_\_\_\_
5. Are monthly statements (whether or not there was activity in the account) mailed directly to all customers?  
 Yes  No
- If no, explain: \_\_\_\_\_
6. Has any insurance been declined or cancelled during the past three years?  Yes  No
- If yes, explain: \_\_\_\_\_
7. List all losses sustained during the past three years, whether reimbursed or not, from \_\_\_\_\_ to \_\_\_\_\_  
 (MM/DD/YY)  
 Check if none \_\_\_\_\_ Attach list, if necessary.

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred At other than Main Office, State location
		\$	\$	\$	\$	

8. Is any Mortgage Bankers Blanket Bond currently in force in favor of the Applicant?  Yes  No
- Carrier: \_\_\_\_\_ Limit: \_\_\_\_\_ Deductible: \_\_\_\_\_ Premium: \_\_\_\_\_

## GENERAL WARRANTIES

- A. No fact, circumstance or situation indicating the probability of a Claim against which indemnification would be afforded by the proposed insurance is now known by any person(s) or entity(ies) applying for this insurance other than that which is disclosed in this Application. It is agreed by all concerned that if any person(s) or entity(ies) to be insured under the Policy has any knowledge of any such fact, circumstance, or situation, any Claim subsequently emanating therefrom shall be excluded from coverage under the proposed insurance.
- B. It is warranted that the particulars and statements contained in the Application for the proposed Policy and any materials submitted herewith (which shall be retained on file by Underwriters and be deemed attached hereto, as if physically attached hereto), are the basis for the proposed Policy and are to be considered as incorporated into and constituting a part of the proposed Policy.
- C. It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the Policy, the applicant will notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn.
- D. Attached and made part of this Application by reference are the following materials regarding the Parent Company: (a) two copies of the Last Annual Report to Stockholders (b) two certified copies of the provisions of the Charter or By-Laws covering Indemnification of Directors and Officers, and (c) two copies of the Notice to Stockholders and the Proxy Statement for either the last or the next annual meeting. Underwriters are hereby authorized to make any investigation and inquiry in connection with this Application as they deem necessary.
- E. The undersigned declares that to the best of his/her knowledge the statements herein are true. Signing of this Application does not bind the undersigned to complete the insurance, but it is agreed that this Application will be attached to and become a part of such Policy, if issued. Underwriters are hereby authorized to make any investigation and inquiry in connection with this Application as it may deem necessary.

NOTICE: IN CERTAIN STATES, 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.

I HAVE READ THE FOREGOING APPLICATION OF INSURANCE INCLUDING SUPPLEMENTS AND WARRANT THAT THE RESPONSES PROVIDED ON BEHALF OF THE APPLICANT ARE TRUE AND CORRECT.

SIGNED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_ IN \_\_\_\_\_

APPLICANT'S SIGNATURE \_\_\_\_\_

TITLE \_\_\_\_\_

PRODUCER (Name, address, phone #): \_\_\_\_\_

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Upon completing this form, please fax to:

**Spiro Risk Management, Inc.**

**71 South Central Avenue**

**PO Box 1207**

**Valley Stream, NY 11582-1207**

**516-568-0800 800-566-0801 fax 516-568-0809**

e-mail: [info@spiorisk.com](mailto:info@spiorisk.com)