



< _____ >,
a stock insurance company, herein
called the Insurer

SOCIAL ENGINEERING FRAUD LOSS CONTROL SUPPLEMENTARY APPLICATION

MONTANA APPLICANTS ONLY: DEFENSE WITHIN LIMITS: THE AMOUNT OF MONEY AVAILABLE UNDER THE POLICY TO PAY SETTLEMENTS OR JUDGEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY DEFENSE EXPENSES, INCLUDING BUT NOT LIMITED TO FEES PAID TO ATTORNEYS TO DEFEND YOU.

I. GENERAL INFORMATION

1. Name of Applicant Company: _____
(Together with all other entities for whom the insurance is intended, "you.")
2. Address of Applicant: _____
City: _____ State: _____ Zip Code: _____
3. Limit of Insurance Requested: \$ _____

II. VENDOR CONTROLS

(Please explain any "no" response in this section by attachment to this application.)

1. Are all vendor bank accounts approved for use in writing by a representative of both your company and the vendor at the time such parties enter contract? ☐ yes ☐ no
2. Do you authenticate all requested changes to vendor information (such as bank account information, routing numbers, contact information) with a phone call to an authorized representative of the vendor, at a phone number agreed to at the time of contracting? ☐ yes ☐ no
3. Before processing any vendor change, do you first send confirmation of changes requested by the vendor to a person other than the requestor of the change? ☐ yes ☐ no
4. Do you require all vendor changes and supporting documentation to be signed off by a next level manager or supervisor prior to processing any change in vendor information? ☐ yes ☐ no

III. CUSTOMER CONTROLS

1. Do you have custody or control over any funds or accounts of any customers? ☐ yes ☐ no
2. Do you perform bill payment services, collection services, payroll services, or any type of third party administrative services for your customers? ☐ yes ☐ no
3. Do you have access to customer's accounting or purchasing systems? ☐ yes ☐ no

If "no" to questions 1, 2 and 3 of this section, proceed to section IV.

If "yes" to any of the above 1, 2 and 3 of this section, please explain. (attach an additional page if necessary)

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4. Prior to processing any financial transaction for any customer, do you validate the customer bank account information (bank name, bank address, bank contact information)? ☐ yes ☐ no

If "no" please explain by attachment to this application.

5. Do you accept requests for funds transfers from your customers? ☐ yes ☐ no

If "yes":

- a. Do you maintain written procedures for the proper handling of the transfer of customer funds? ☐ yes ☐ no
- b. Do you confirm availability of funds before any funds transfer? ☐ yes ☐ no
- c. If by telephone, email, text message or any other form of communication, do you validate the funds transfer instruction with a phone call to an authorized representative of the customer and to a pre-determined phone number or email address? ☐ yes ☐ no
- d. Do you require any type of secret code or any other method of identification from the customer in order to confirm their identity prior to any funds transfer? ☐ yes ☐ no

Please explain any "no" response to this question 5 by attachment to this application.

IV. WIRE TRANSFER AUTHORITY AND CONTROLS

(Please explain any "no" response (other than to #5) in this section by attachment to this application.)

1. Do you maintain written procedures for the proper handling of wire transfers? ☐ yes ☐ no
2. Is authority to initiate a wire transfer documented in writing and limited to specific employees with specific dollar thresholds? ☐ yes ☐ no
3. Are employees that process wire transfers trained to never process an internal transfer request:
- a. unless the request comes from someone with documented authority and within their established dollar threshold? ☐ yes ☐ no
- b. without first properly validating the request via an email address or telephone number which was obtained from the employee directory and not by utilizing the reply function or a telephone number supplied as a part of the request? ☐ yes ☐ no
4. Before processing a wire transfer, must a next level or supervisor level of approval be obtained? ☐ yes ☐ no
5. Can wire transfer authority be delegated to anyone verbally or in writing? ☐ yes ☐ no
- If "yes", are procedures in place to verify that the authority has been delegated to someone else? ☐ yes ☐ no
6. Are employees that are responsible for wire transfers provided with regular anti-fraud training to include how to detect phishing, social engineering and other types of deception fraud schemes? ☐ yes ☐ no
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V. PRIOR LOSSES

Have you ever been induced to part with any assets due to a phishing, social engineering or deception fraud related scheme? ☐ yes ☐ no

If "yes", please provide an attachment to the application with the following information: 1) the amount of the loss; 2) date of the loss; 3) details of the scheme; 4) controls that were circumvented or absent; 5) corrective measures that have since been implemented; 6) any other information a reasonable person would deem relevant to the loss.

Insurance Fraud Warning

Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance, or a statement of claim 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 in certain jurisdictions.

Maryland Applicants Only - A binder or policy is subject to a 45-day underwriting period beginning on the effective date of coverage. An Insurer may cancel a binder or policy during the underwriting period if the risk does not meet our underwriting standards of the Insurer. If the Insurer discovers a material risk factor during the underwriting period, the Insurer shall recalculate the premium for the policy or binder based on the material risk factor as long as the risk continues to meet the underwriting standards of the Insurer.

FRAUD WARNING STATEMENTS

ATTENTION ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, RHODE ISLAND AND WEST VIRGINIA APPLICANTS: ANY PERSON WHO KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY (OR WILLFULLY IN MARYLAND) PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

ATTENTION CALIFORNIA APPLICANTS:

FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM:

ANY PERSON WHO KNOWINGLY PRESENTS FALSE OR FRAUDULENT INFORMATION TO OBTAIN OR AMEND INSURANCE COVERAGE OR TO MAKE A CLAIM FOR THE PAYMENT OF A LOSS IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN STATE PRISON.

ATTENTION 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 POLICY HOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICY HOLDER 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.

ATTENTION 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 OF THE THIRD DEGREE.

ATTENTION HAWAII APPLICANTS: FOR YOUR PROTECTION, HAWAII LAW REQUIRES YOU TO BE INFORMED THAT PRESENTING A FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT IS A CRIME PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

ATTENTION KANSAS APPLICANTS: INSURANCE FRAUD IS A CRIMINAL OFFENSE IN KANSAS. A "FRAUDULENT INSURANCE ACT" MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR THE ISSUANCE OF, OR THE RATING OF AN INSURANCE POLICY FOR PERSONAL OR COMMERCIAL INSURANCE, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT PURSUANT TO AN INSURANCE POLICY FOR COMMERCIAL OR PERSONAL INSURANCE WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY FACT MATERIAL THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO. IN THE STATE OF KANSAS, COVERAGE FOR

LOSS RESULTING FROM ILLEGAL ACTIVITY IS SUBJECT TO KANSAS LAW (AND SUBJECT TO FEDERAL LAW, WHERE APPLICABLE). COVERAGE MAY THEREFORE BE LIMITED TO DEFENSE COSTS RELATED THERETO.

ATTENTION KENTUCKY AND 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.

ATTENTION LOUISIANA, MAINE, TENNESSEE, VIRGINIA AND WASHINGTON 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.

ATTENTION NEW HAMPSHIRE AND NEW JERSEY APPLICANTS: ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION TO THE BEST OF HER/HIS KNOWLEDGE ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

ATTENTION 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.

ATTENTION 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.

ATTENTION OKLAHOMA APPLICANTS: WARNING, ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

ATTENTION OREGON APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR SOLICIT ANOTHER TO DEFRAUD AN INSURER: (1) BY SUBMITTING AN APPLICATION OR; (2) FILING A CLAIM CONTAINING A FALSE STATEMENT AS TO ANY MATERIAL FACT MAY BE VIOLATING STATE LAW.

ATTENTION PUERTO RICO APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD AN INSURANCE COMPANY PRESENTS FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, HELPS, OR CAUSES THE PRESENTATION OF A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR ANY OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME DAMAGE OR LOSS, SHALL INCUR A FELONY AND, UPON CONVICTION, SHALL BE SANCTIONED FOR EACH VIOLATION WITH THE PENALTY OF A FINE OF NOT LESS THAN FIVE THOUSAND (5,000) DOLLARS AND NOT MORE THAN TEN THOUSAND (10,000) DOLLARS, OR A FIXED TERM OF IMPRISONMENT FOR THREE (3) YEARS, OR BOTH PENALTIES. IF AGGRAVATED CIRCUMSTANCES PREVAIL, THE FIXED ESTABLISHED IMPRISONMENT MAY BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IF EXTENUATING CIRCUMSTANCES PREVAIL, IT MAY BE REDUCED TO A MINIMUM OF TWO (2) YEARS.

ATTENTION TEXAS 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 THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

ATTENTION VERMONT APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES AND ACKNOWLEDGES THAT:

- THE POLICY CONTAINS A DEFENSE WITHIN LIMITS PROVISION WHICH MEANS THAT DEFENSE COSTS WILL REDUCE THE LIMIT OF LIABILITY AND MAY EXHAUST IT COMPLETELY AND SHOULD THAT OCCUR, THE

INSURED SHALL BE LIABLE FOR ANY FURTHER LOSS, INCLUDING DEFENSE COSTS. IN ADDITION, DEFENSE COSTS ARE APPLIED AGAINST THE RETENTION.

- THE STATEMENTS SET FORTH HEREIN ARE TRUE AND COMPLETE¹. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, THE UNDERSIGNED WILL, IN ORDER FOR THE INFORMATION TO BE TRUE AND COMPLETE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS, AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE². THE "EFFECTIVE DATE" IS THE DATE THE COVERAGE IS BOUND OR THE FIRST DAY OF THE POLICY PERIOD, WHICHEVER IS LATER. SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED AND IT WILL BE DEEMED ATTACHED TO AND BECOME A PART OF THE POLICY³. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

1- In New Hampshire the truth and completeness shall be to the best of her/his knowledge.

2- In Maine this sentence ends at the word "quotations."

3- The application shall actually attach in the following states: _____

THIS APPLICATION MUST BE SIGNED BY THE APPLICANT'S CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, PRESIDENT OR BOARD CHAIRMAN.

ATTENTION 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.

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____ DATE: _____

Additionally required of applicants in Florida, Iowa & New Hampshire

Name of Agent _____
(Required: Florida, Iowa & New Hampshire only)

Agent License #: _____
(Required: Florida only)

Print Name: _____

Name of Agency: _____

Address: _____

Date: _____

Agent Signature: _____
(Required: Florida & New Hampshire only)

PLEASE SUBMIT THIS PROPOSAL AND APPROPRIATE MATERIALS TO:

<Enter the address and phone number of the local The Hartford office.>