



COMPLETION OF THIS FORM INDICATES YOUR CONSENT FOR PROCESSING YOUR PERSONAL INFORMATION. PLEASE REFER TO PAGE 7 FOR DETAILS ON OUR PRIVACY POLICY.

COMMERCIAL FIDELITY BOND APPLICATION

COMPREHENSIVE DISHONESTY, DISAPPEARANCE AND DESTRUCTION BOND

Please read and complete the application in its entirety. Blanks &/or dashes are not acceptable and will delay consideration of this application. Answer all questions, if the question does not apply, indicate "N/A" in the space provided.

ALL QUESTIONS MUST BE ANSWERED.

Application is made by: _____

(List additional entities to be covered, including Employee Benefit Plans on a separate page with)

Principal Address: _____

Web-Site Address: _____

(herein called Insured) 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: _____

Coverage and Amount of Insurance Desired:

	<u>Limit of Liability</u>	<u>Deductible</u>
I Employee Dishonesty	\$ _____	\$ _____
II Loss Inside the Premises	\$ _____	\$ _____
III Loss Outside the Premises	\$ _____	\$ _____
IV Money Orders and Counterfeit Paper Currency	\$ _____	\$ _____
V Depositors Forgery	\$ _____	\$ _____
Computer Systems Fraud	\$ _____	\$ _____
Extortion – Threats to Persons	\$ _____	\$ _____
Others (Please specify): _____	\$ _____	\$ _____
_____	\$ _____	\$ _____

Please Note: Actual Limits provided may differ from those requested and will be indicated in the Declarations of the Bond.

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, 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, 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? Yes No
If No, explain the scope of the audit: _____

- (d) Is there an Auditor's letter to management on internal controls? Yes No
If Yes, attach a copy.
- (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? Yes No
If No, describe the system in effect to prevent unauthorized issuance of cheques _____

- (e) Are all outgoing cheques prenumbered and all numbers accounted for, including voided cheques? Yes No
- (f) Is a cheque signing machine used? Yes No
If Yes: (i) Describe controls over signature plates: _____

(ii) What control is there over the number of items processed on the cheque signing machine?

(iii) Is bank held harmless for improper use of facsimile signature? Yes No

(g) If facsimile signatures are used, are such signatures subject to dual control and password protected? Yes No

If No, describe controls over such facsimile signatures: _____

(h) Is payroll by: cash cheque direct deposit other (describe): _____

(i) Are suppliers paid only after verifying that goods were physically received? Yes No

If No, explain _____

(j) What are the standard procedures for qualifying suppliers? _____

(k) 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? Yes No

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 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? Yes No
 If Yes, explain: _____

PLEASE NOTE:

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 Insurer to provide the insurance requested.

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond issued in reliance upon such information.

Signature	Date
Name	Title

Please complete Employee Classification Table and Supplemental Questionnaire for Insuring Agreements II & III as attached.

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)			

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? Yes No

If Yes, explain : _____

**SUPPLEMENTAL QUESTIONNAIRE
INSURING AGREEMENTS II & III**

ALL QUESTIONS MUST BE ANSWERED.

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) Number of Watchmen: _____
 Frequency of rounds: _____

Insuring Agreement III – Loss Outside the Premises

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

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

- (c) Number of Messengers: _____
 (including those who collect money off the premises)
 (d) Method of transportation: _____

NOTE: COMPLETE A SEPARATE QUESTIONNAIRE FOR EACH LOCATION

NOTICE CONCERNING PERSONAL INFORMATION

By soliciting insurance from South Western Insurance Group Limited, you agree and provide consent that your personal information, including that previously collected, will be collected, processed, used, communicated, transferred and retained for the following purposes:

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

• In accordance with SWG's privacy policy available at the bottom of this application and as per our website: <https://swgins.com/page/privacy.html>

You can exercise your right to access your personal information in our possession, to have it rectified or to withdraw your consent by contacting us at PrivacyOfficer@swgins.com. Should you exercise your right to withdraw your consent to the communication or use of the information collected required to provide certain products or services, this would prevent South Western Insurance Group from being able to provide such products or services. Further information about South Western Insurance Group Limited personal information protection policy may be obtained by contacting our privacy officer at 416-620-6604.

WARRANTY STATEMENT

The undersigned warrants that to the best of his or her knowledge, the statements set forth in this Application are true. In the event that there is any material change in the answers given to the questions contained in this application prior to the inception of the policy, the applicant must notify the underwriters in writing and the underwriters may revoke, or effect changes to, the quotation provided.

Signing of the proposal does not bind the undersigned to complete the insurance but it is agreed that this form, and any additional information/document provided in support thereof by the client and/or broker, shall be the basis of the contract should a policy be issued.

NEW BRUNSWICK RESIDENTS ONLY:

I hereby confirm my request that the present document and any other document and correspondence pertaining to the present insurance be in the English language.



Privacy Policy

South Western Insurance Group Limited is committed to protecting the privacy and the confidentiality of our brokers and their Insured's personal information. In order to comply with privacy legislation, we have developed this Privacy Policy. Any personally identifiable information about an Insured is considered personal information and will be treated in accordance with this Privacy Policy.

IDENTIFIED PURPOSES

South Western Group only collects, uses and discloses Personal Information for the following purposes:

- Offering and providing insurance and related products and services;
- Verifying the identity and the accuracy of personal information with government agencies, industry associations, or other Insurers;
- Analyzing, assessing and underwriting risks on a prudent basis;
- Investigating and paying claims;
- Detecting and preventing fraud or other illegal activities;
- Compiling statistics;
- Complying with the laws or the requests of law enforcement agencies or regulators.

In this Privacy Policy, the above list of Identified Purposes will be referred to as the 'Identified Purposes'.

THIRD PARTY DISCLOSURE

South Western Insurance Group may share information about you with third party companies, permitted by law. Such disclosures may include those that South Western feels are required to provide customer service, prevent fraud, perform research or comply with the law. Recipients may include South Western's family of insurance service companies, claims representatives, service providers, consumer reporting agencies, insurance agents and brokers, law enforcement, courts and government agencies. These parties may disclose the information to others as permitted by law.

PRIVILEGE & CONFIDENTIALITY NOTICE – Electronic Messages

Electronic mail or faxes and any files transmitted with them are confidential and may be privileged and are intended solely for the use of the individual or entity to whom they are addressed. If you have received this e-mail in error, please notify the sender immediately.

CONSENT

South Western Group relies on the following actions by our Brokers and Companies as indication of their consent from an Insured to our existing and future Personal Information practices:

- The Broker has voluntarily requested personal information from an Insured for the purpose of acquiring an insurance contract or related service or product;
- The Broker has the Insured's express consent or acknowledgement contained within a written, verbal or electronic application process;
- The Insured's consent solicited by our Companies or our Brokers is for a specified purpose;
- The Broker must provide the Insured with a copy of their privacy policy and must inform South Western Group of any withdrawal of this consent by an Insured;
- The Broker may obtain the Insured's consent through the Insured's authorized representative such as a legal guardian, agent or holder of a power of attorney.

If an Insured refuses to provide the Broker with certain Personal Information or withdraws their consent South Western Group may be unable to provide insurance coverage.

LIMITING COLLECTION AND RETENTION OF PERSONAL INFORMATION

South Western Insurance Group will only collect, use or disclose personal information that is necessary for the Identified Purposes or as required by law. We will retain personal information only as long as necessary for the fulfillment of the Identified Purposes. South Western may store certain data in jurisdictions outside of Canada and may share information with third party companies that are located outside of Canada.

ACCURACY

South Western Group requests our brokers to maintain the Insured's Personal Information as accurate, complete, and up-to-date as is necessary for the Identified Purposes.

SAFEGUARDS

South Western Group will protect the Insured's Personal Information by security safeguards appropriate to the sensitivity of the information. Safeguards will vary depending on the sensitivity, format, location and storage of the Personal Information.

ACCOUNTABILITY, OPENNESS AND ACCESS

South Western Group is responsible for all Personal Information under its control and has designated a Privacy Officer who is accountable to Senior Management for South Western's compliance with the Privacy Policy.

You may contact our Privacy Officer at PrivacyOfficer@swgins.com.

CHALLENGING COMPLIANCE

If any Broker is not satisfied with South Western's response to a privacy related inquiry or complaint, they may contact the Office of the Privacy Commissioner of Canada during business hours at [1-800-282-1376](tel:1-800-282-1376) or at www.privcom.gc.ca.

Please refer to the updated comprehensive version of privacy policy on our website: <https://swgins.com/page/privacy.html>