

**Commercial Crime/Employee Dishonesty – Effective Date: TBD**

The following is a Premium Indication for your Employee Dishonesty/Commercial Crime coverage with Hanover Insurance Group, **A.M. Best rating: A (Excellent)**

**Coverage for theft of your firm’s funds and client funds in your care and custody.**

Limits of liability/ Deductible per occurrence	1-10 FTE employees	11-25 FTE employees	26-40 FTE employees	41-60 FTE employees
\$100,000/\$500	\$531.00	\$721.00	\$988.00	\$1,222.00
\$250,000/\$1,000	\$619.00	\$832.00	\$1,143.00	\$1,414.00
\$500,000/\$2,500	\$730.00	\$980.00	\$1,337.00	\$1,653.00
\$1,000,000/\$5,000	\$982.00	\$1,317.00	\$1,799.00	\$2,199.00

<b>Partial Definition of Coverage</b> (see policy form for complete definition)
<b>A1 Employee Theft -</b> Direct loss of damage due to Theft or Forgery committed by an Employee, whether identified or not, acting alone or in collusion with others
<b>A2 ERISA Fidelity –</b> Direct loss of damage due to fraudulent or dishonest acts, including larceny, Theft, embezzlement, Forgery, misappropriation, wrongful abstraction, wrongful conversion and willful misapplication, committed by a Fiduciary of any Employee Benefit Plan, whether identified or not, acting alone or in collusion with others
<b>B Forgery &amp; Alteration</b> Loss directly caused by Forgery or alteration of a Financial Instrument which is made, drawn by or drawn upon the Insured or one acting as the Insured’s agent, or which is purported to have been so made or drawn. If the Insured is sued for refusing to pay any written Financial Instrument on the basis that it has been forged or altered the Insurer will pay for any reasonable legal fees and expenses that the Insured incurs and pays in such defense.
<b>E. Computer Crime - Computer Fraud</b> Direct loss sustained by the Insured of Money, Securities and Other Property resulting from Computer Fraud.
<b>F. Funds Transfer Fraud</b> Direct loss of Money or Securities resulting from a Fraudulent Instruction directing a financial institution to transfer, pay or deliver Money or Securities from the Insured Transfer Account. <b>Funds Transfer Fraud--False Pretense by endorsement</b> Loss of Money or Securities resulting from False Pretenses directing an Employee to transfer, pay or deliver Money or Securities. (\$100,000 Limit/\$2500 deductible) Higher Limits of Liability are available

This indication is subject to receipt and satisfactory review of the following prior to binding coverage:

- 1) Signed and dated Premium Indication document with desired coverage amount circled.
- 2) Completed Hanover Small Crime Application

We reserve the right to amend or rescind this indication at any time if upon underwriter review the requested subjectivities are deemed to be unsatisfactory.

**For more information or additional coverage options, please contact:**

**Rob Ferrini**  
**McGowanPRO**  
Program Manager

[EMAIL](mailto:rob.ferrini@mcgowanpro.com)

HAN CC 1-60 fraud (3-2018)

This acknowledges my request to bind coverage as indicated above.	
<input type="checkbox"/> Please check if you intend to finance the premium.	
X _____	_____
Signature	Date

# Fidelity/Crime Insurance for Accountants

## New Business Application

Underwritten by The Hanover Insurance Company

### I. NAME AND ADDRESS

Name of Applicant: \_\_\_\_\_  
 Address of Applicant: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_ State of Incorporation: \_\_\_\_\_  
 Year Established: \_\_\_\_\_

### II. GENERAL INFORMATION

- Total Number of U.S. Employees: \_\_\_\_\_ Total Number of Non U.S. Employee: \_\_\_\_\_  
*Include all Owners, Partners, Officers, Accounting/Tax/Consulting Professionals and administrative staff employed by the applicant)*
- Total Number of Locations: \_\_\_\_\_ Total U.S. Locations: \_\_\_\_\_ Total Non-U.S. Locations: \_\_\_\_\_  
 If applicable, list all non-U.S. locations: \_\_\_\_\_
- Total Revenues: \_\_\_\_\_
- Does the Applicant have any subsidiaries for which coverage is requested?  Yes  No  
*If "Yes", please attach a list of these entities and indicate percentage of ownership and nature of business for each.*

### III. REQUESTED INSURING AGREEMENT COVERAGES

- Indicate below which insuring agreements are being requested.

Insuring Agreements	Limit	Retention
Fidelity: Employee Theft	\$	\$
ERISA Fidelity	\$	\$
Client Property	\$	\$
Forgery or Alteration	\$	\$
Premises & Transit Coverage	\$	\$
Computer Fraud & Funds Transfer Fraud	\$	\$
Credit, Debit or Charge Card Fraud	\$	\$
Money Orders and Counterfeit Currency	\$	\$

Include Expense Coverages:  Restoration Expense  Investigative Expense  Identity Reimbursement

- Within the past 3 years has the Applicant given notice to an insurer of any claim, circumstance, or potential claim under a Crime policy?  Yes  No  
*If "Yes", please attach a full explanation of the claim. Include dates, loss values and corrective controls put in place.*

7. If the Applicant does not purchase a Crime policy, has the Applicant within the past 3 years suffered any theft of its own assets or clients' assets by an employee or non-employee?  Yes  No  N/A  
If "Yes", please attach a full explanation of the loss.

**IV. INTERNAL CONTROLS**

8. Is an independent CPA firm involved in the Applicant's financial reporting?  Yes  No  
a. What is the scope of financial statement preparation?  
 CPA Audit  CPA Review  CPA Compilation  Internal
- b. Did the auditor find any material weaknesses in the Applicant's system of internal controls? If "Yes" please attach a full explanation of control weaknesses and confirm that all auditor recommendations have been implemented.  Yes  No
9. Does the Applicant have an internal audit department or someone with internal audit duties?  Yes  No
10. Does the Applicant have a documented system of internal control policies/procedures?  Yes  No
11. Does the Applicant perform or verify the following for new employees (check all that apply):  Yes  No  
 Reference checks  Drug testing  Prior employment  Credit history  Criminal history
12. Does the Applicant continuously audit expense accounts and have documented travel and expense policies requiring validation of expenses with original receipts?  Yes  No
13. Is all check and wire transfer payments reviewed monthly for unusual transactions and reviewed by an employee who did not process the transactions?  Yes  No
14. Is an employee who has the responsibility to reconcile monthly bank statements prohibited from:  
Signing checks? Yes  No  Handling deposits? Yes  No  Making withdrawals? Yes  No
15. Does the Applicant utilize a Master Vendor List to assist in detecting payments to unauthorized or fictitious vendors or suppliers?  Yes  No
16. Does the Applicant match all purchase orders up to invoices before making any payments?  Yes  No
17. Does the Applicant provide any payroll services to clients?  
If yes, what % of the Applicants revenues is derived from payroll operations? \_\_\_\_\_  Yes  No
18. Does the Applicant require second level approval for all electronic funds wire transfers?  Yes  No

**\*Complete this section only if you are interested in social engineering coverage (added to your policy by endorsement).**

**V. FALSE PRETENSE**

19. Does the Applicant authenticate all requests for changes to vendor/supplier information and customer/client Information (such as bank account, routing number, contact information) with a phone call to an authorized representative of the vendor/supplier or customer/client, at a phone number provided at the time of contracting?  Yes  No
20. Does the Applicant have procedures whereby your employees that process wire transfers are to never process an internal request without first validating the request with a call back to the requestor (inclusive of any owner) at a pre-determined work phone number?  Yes  No

21. Does the Applicant provide employees that are responsible for funds transfers with anti-fraud training, including detection of social engineering, phishing or other confidence scams? Yes No
22. Has the Applicant ever been fraudulently induced to part with any assets due to a phishing, spear phishing, social engineering or false pretense related scheme? If "yes", please provide an attachment to this questionnaire with details about the loss and corrective measures put in place. Yes No

**Note:** This **Application** must be signed by an officer or Risk Manager of the Applicant. The Undersigned hereby affirms that the information rendered herein and attached hereto is current, true and complete.

*Date*

*Signature*

*Title*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

