



# Third Party Fidelity

## Supplemental Application

Underwritten by The Hanover Insurance Company

### I. APPLICATION INSTRUCTIONS

Whenever used in this Application, the term "Applicant" shall mean the **Named Insured** and all subsidiaries or other organizations applying for coverage, unless otherwise stated.

### II. GENERAL INFORMATION

1. Name of Applicant: \_\_\_\_\_
2. Business Address: \_\_\_\_\_  
\_\_\_\_\_
3. Date established: \_\_\_\_\_ 4. Total number of locations: \_\_\_\_\_ 5. Total number of employees: \_\_\_\_\_
6. Describe the products or services of your predominant business or activity: \_\_\_\_\_  
\_\_\_\_\_
7. Total annual revenues of your organization: \$ \_\_\_\_\_
8. Amount of Coverage Required: \_\_\_\_\_ 9. Deductible: \_\_\_\_\_

### III. COVERAGE AND RATING INFORMATION

#### BLANKET THIRD PARTY COVERAGE: (To be completed if Blanket Coverage for all contracts is desired)

1. Total number of employees for whom Third Party coverage is desired: \_\_\_\_\_
2. Total number of client contracts presently in place: \_\_\_\_\_
3. Describe the specific services provided by your employees while on the premises of your contracted clients:  
\_\_\_\_\_  
\_\_\_\_\_

#### CONTRACT SPECIFIC THIRD PARTY COVERAGE: (To be completed if Specific Coverage is desired)

1. Name of contracted client: \_\_\_\_\_  
\_\_\_\_\_
2. Total number of employees you will be providing to the client under the terms of the contract: \_\_\_\_\_
3. Describe the specific services provided by your employees for the client: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Are you presently bidding on this contract?  Yes  No

5. Is this contract presently in effect?  Yes  No  
*If "Yes", please list effective and expiration dates of the contract:* \_\_\_\_\_
6. Annual gross dollar value of the contract: \$ \_\_\_\_\_

**IV. AUDIT PROCEDURES AND OTHER INTERNAL CONTROLS**

1. Is there an annual audit or review of your operations by an independent CPA?  Yes  No  
*If "Yes", please list date of last audit or review:* \_\_\_\_\_
2. Do you verify the employment background of each prospective employee through personal conversations with all previous employees with whom he or she was employed?  Yes  No  
*If "Yes", how many years of prior employment do you check?* \_\_\_\_\_  
*If "No", what method is used instead of personal conversations?:* \_\_\_\_\_  
 \_\_\_\_\_
3. When making background checks on a hired employee, do you obtain:
- a. The employee's and employer's reasons for termination of employment?  Yes  No
  - b. An explanation for periods of unemployment?  Yes  No
  - c. Whether each employment was full time or part time  Yes  No
  - d. Statement of arrests, indictments or convictions for any felony or misdemeanor except minor traffic offenses?  Yes  No
  - e. Denial or revocation of bond by a bonding company due to his/her acts?  Yes  No
4. Are any of the following forms of testing used for new employees:
- a. Psychological testing?  Yes  No
  - b. Health examinations?  Yes  No
  - c. Drug testing?  Yes  No
5. Is a personnel file established and maintained for all new and existing employees, which includes a photograph, fingerprint card, documented background investigation, previous employer reference check and credit check?  Yes  No  
*If "No", explain what information is maintained:* \_\_\_\_\_
6. Are annual reviews conducted by your firm with each contracted client to assess the services provided by your employees?  Yes  No
7. Describe experience requirements and duties of supervisors: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
8. Will contracted employees have any access to the clients' money, securities, banking systems, sensitive computer data, or inventory?  Yes  No  
*If "Yes", please provide details?:* \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
9. If services provided include systems consulting, answer the following:
- a. Describe the routine supervision of the consulting employees by clients' employees: \_\_\_\_\_  
 \_\_\_\_\_
  - b. Is after hours work performed only with the owner's representative present?  Yes  No

c. What restrictions and controls do the clients maintain over the consultants?: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**V. COVERAGE AND LOSS INFORMATION**

1. Is Blanket Third Party Coverage currently carried with another company?  Yes  No

*If "Yes", please complete:*

Carrier	Limit	Deductible	Expiration Date	Premium
			\$	\$

2. Is Contract Specific Party Coverage currently carried with another company?  Yes  No

*If "Yes", please complete:*

Carrier	Limit	Deductible	Expiration Date	Premium
			\$	\$

3. Is Errors & Omissions Insurance currently carried with another company?  Yes  No

*If "Yes", please complete:*

Carrier	Limit	Deductible	Expiration Date	Premium
			\$	\$

4. Has any request for fidelity/crime coverage been declined or has any fidelity coverage been cancelled in the past six years? **(Not Applicable In Missouri)**  Yes  No

*If "Yes", please explain the circumstances?:* \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5. List all fidelity/crime losses sustained during the past six years, whether reimbursed or not:

From: \_\_\_\_\_ To: : \_\_\_\_\_

Check if none:

Date of Loss	Type of Loss	Amount of Loss*	Amount Recovered from Insurance	Amount Recovered from Other Insurance	Amount of Loss Pending	Location where Loss Occurred
		\$	\$	\$	\$	

**VI. NOTICE AND SIGNATURES**

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARIZONA AND MISSOURI APPLICANTS:** Claim Expenses are Inside the Policy Limits. All claim

expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

**NOTICE TO ARKANSAS, LOUISIANA AND WEST VIRGINIA 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 provide 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.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**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 of the third degree.

**NOTICE TO 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.

**NOTICE TO IDAHO AND OKLAHOMA APPLICANTS:** 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.

**NOTICE TO KANSAS APPLICANTS:** Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. 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 or insurance agent or broker, any written statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**NOTICE TO KENTUCKY 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.

**NOTICE TO 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 include imprisonment, fines and denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or knowingly or willfully 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 MICHIGAN APPLICANTS:** Any person who knowingly and with intent to defraud an insurance company or another 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 act, which is a crime and subjects the person to criminal and civil penalties.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO AND RHODE ISLAND 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 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 OREGON APPLICANTS:** Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.



**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 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.

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

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

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
*Name and Title*

**Supporting Documentation: please attach a copy of the following for every Applicant seeking coverage:**

- Specimen copy of the contract issued to all clients
- If Contract Specific Coverage is desired, please attach a copy of the specific contract which requires coverage.

Hanover Bond No: \_\_\_\_\_  
Produced By: Agent: \_\_\_\_\_ Agency: \_\_\_\_\_  
Agency Taxpayer ID or SS No.: \_\_\_\_\_  
Agent License No.: \_\_\_\_\_ Agent Signature: \_\_\_\_\_  
Address (Street, City, State, Zip): \_\_\_\_\_