

1 Adelaide St. East, Toronto, Ontario M5C 2V9

1. GENERAL INFORMATION

Proposed **Insured** _____

Principal Address _____

Date Established _____

Nature of Business _____

In the course of your business do you perform any of the following:

- a) Trading: Yes No
- b) Extending Credit: Yes No
- c) Issuing Warehouse Receipts: Yes No
- d) Transporting or Storing Valuables for Others: Yes No
- e) Leasing: Yes No

<u>Country Name</u>	<u>Number of Locations</u>	<u>Sales or Revenue</u>	<u>Total Employees</u>
Canada	_____	_____	_____
United States	_____	_____	_____
Mexico	_____	_____	_____
Total	_____	_____	_____

Do you participate in any Joint Ventures? Yes No

If yes, please attach a list of Joint Ventures for which you request coverage, including the following information: nature of business, % owned and date established. Receipt of this information by the Company does not constitute an agreement that coverage will be afforded to the Joint Ventures identified.

2. COVERAGE REQUESTED

Coverage	Limit Requested
Crime	\$ _____
Client	\$ _____
Employee Benefit Plan	\$ _____
Expense	\$ _____
Deductible	\$ _____

3. POLICY PERIOD REQUESTED

From _____ to _____ both days at 12:01 a.m. at the principal address of the proposed **Insured**.

4. PREVIOUS CRIME INSURANCE

Insurer	Limits	Policy Period
_____	\$ _____	_____

5. AUDIT PROCEDURES

Are the books audited annually by an independent CA? Yes No
(If No, please attach an explanation)

If Yes, by whom? _____

Are these audits complete and unqualified? Yes No
(If No, please attach an explanation)

Does the CA provide a Management Letter? Yes No
(If Yes, please attach the most recent copy and Management's response to the letter.)

Do your external auditors review all internal reports? Yes No
(If No, please attach an explanation.)

Do you have internal auditors responsible for the oversight, review and compliance with Internal audit programs for all business operations – including all computer systems? Yes No
(If No, please attach an explanation.)

How many people are employed in the Internal Audit Department? _____

Do both the internal and external audit functions include all locations? Yes No
(If No, please attach an explanation.)

How often are full audits of all locations completed:

- a) By your Independent CA? _____
- b) By your Internal Audit Department? _____

6. INTERNAL CONTROLS

What pre-employment checks are performed for employees in management positions and other employees (cashiers, bookkeepers, shipping clerks, etc.) who have access to money, securities and/or other property?

Do you conduct periodic checks on key personnel in management positions? Yes No

Do the employees who reconcile the monthly bank statements also either,

a) Sign cheques? Yes No

- b) Handle deposits? Yes No
- c) Have access to cheque signing machines or signature plates? Yes No

Do you strictly comply with dual recorded authorization for:

- a) All outgoing wire transfers? Yes No
- b) Letter of Credit? Yes No
- c) Cheques? Yes No

If no, please explain: _____

Is a complete inventory made with physical check of equipment? Yes No

Is a perpetual inventory of stock, including raw materials/manufactured or purchased finished goods/scrap, maintained? Yes No

How often are physical counts taken and reconciled to a perpetual record? _____

State the value of negotiable securities owned or held. (If none, so state): _____

Where are the securities kept? _____

If safe deposit boxes are used, has the bank been instructed to require that 2 individuals be present before entry to any box is permitted? Yes No

What is the maximum amount held at or transported from (by a method other than an armored motored vehicle) any one location:

- a) Money \$ _____
- b) Cheques \$ _____
- c) Negotiable securities \$ _____

Does your internal audit include examination of invoices and/or other purchasing agreements for false entries, overbilling, etc.? Yes No

Are invoice amounts cross-checked with actual services rendered or inventory received? Yes No

Do you perform due diligence searches on invoices to verify the existence of:

- a) customers? Yes No
- b) vendors? Yes No

Are pre-authorization controls maintained for all programmers and operators? Yes No

Are the duties of programmers and operators separated? Yes No

Is the output reconciled by persons who do not prepare or process the input? Yes No

Do audit practices include "tests" to detect unauthorized programming changes? Yes No

Is encryption utilized when sensitive data is transmitted across outside lines? Yes No

