



**Travelers Casualty and Surety Company of America**

Answer each question on behalf of all entities seeking insurance coverage, unless specifically requested otherwise.  
 An Additional Information section is provided at the end of this document for any information that exceeds the space provided.

**GENERAL INFORMATION**

Proposed First Named Insured & Other Named Insured(s):	Date Business Started (mm/dd/yyyy):
--	--

Mailing Address: \_\_\_\_\_

Telephone Number:	Web Address:
-------------------	--------------

Name of prior carrier: \_\_\_\_\_

Proposed Effective Date (mm/dd/yyyy):	Proposed Expiration Date (mm/dd/yyyy):
---------------------------------------	--

Insured is a (check the appropriate box):

Stock Broker   
  Investment Banker   
  Mutual Fund   
  Investment Adviser   
  Foundation  
 Endowment Fund   
  Dealer in Securities (not Dealer in Mortgages or Commercial Paper)  
 Investment Trust (not Small Business Investment Company or Real Estate Investment Trust)  
 Commodity Broker (if Stock Exchange Member)   
  Other (describe): \_\_\_\_\_

Do you have any subsidiaries that engage in operations different from that checked in the question above? .....  Yes  No

If yes, describe each operation: \_\_\_\_\_

Insured is a (check the appropriate box):   
 Sole Proprietorship   
 Partnership   
 Corporation

**COVERAGE INFORMATION**

1. Aggregate Limit of Liability: \$ \_\_\_\_\_
2. List exchanges which you are a member of: \_\_\_\_\_
3. Are you a member of the Financial Institution Regulatory Authority (FINRA)? .....  Yes  No
4. For all insureds, show the total number of:
 

(a) Salaried officers and employees, persons provided by employment contractors	_____
(b) Partners (if coverage is desired)	+ _____
(c) Total number of employees	= _____
(d) FINRA Registered Representatives (other than those counted in (a) above)	_____
(e) Locations (other than the Home Office of the first Named Insured) in the U.S., Canada, Puerto Rico and Virgin Islands	_____
(f) Locations outside the U.S., Canada, Puerto Rico and Virgin Islands, (list below):	_____
5. Complete the following for Total Assets:
 

(a) As of latest Dec. 31: \$ _____	(b) As of latest June 30: \$ _____
------------------------------------	------------------------------------

6. Complete the following for optional coverages desired:

Form of Coverage		Single Loss Limit
(a) Is Insuring Agreement (D) — Forgery or Alteration Coverage desired?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
(b) Is Insuring Agreement (E) — Securities Coverage desired?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
(c) Is Kidnap and Ransom Coverage desired?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

If yes, list locations (if any) to be excluded.

(d) Is Computer Systems Fraud Coverage desired?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
If yes, complete the following:		
(1) Insured's Computer Systems – For Computer Systems you operate, whether owned or leased:		
a) Number of independent software contractors authorized to design, implement or service programs for your System(s)		
b) Is access to your System(s) by customers or other outside parties permitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

(2) Other Computer Systems

List below other Computer System(s) for which coverage is desired:

\_\_\_\_\_

(e) Is coverage desired on businesses engaged in the data processing of your checks or other accounting records? .....  Yes  No

If yes, list the name and location of each data processor. : \_\_\_\_\_

\_\_\_\_\_

7. Are you a direct participant in a depository for the central handling of securities? .....  Yes  No

If yes, list below the name and location of each depository: \_\_\_\_\_

\_\_\_\_\_

8. If coverage is being written on an excess, concurrent or co-surety basis, show the names of the other carriers and bond limits. In the case of co-surety also show percentage participations:

\_\_\_\_\_

\_\_\_\_\_

9. If coverage is being written on a coinsurance basis, show your percentage participation. \_\_\_\_\_%  
(NOTE: Insured may assume a participation of between 5% and 25%.)

10. Are accounts insured by the Securities Investors Protection Corporation? .....  Yes  No

11. Do you have custody of clients' property? .....  Yes  No

<b>DEDUCTIBLE INFORMATION</b>
-------------------------------

12. Deductibles desired:

**NOTE:** Deductibles on Insuring Agreements (D) and (E) must be at least equal to that carried on the Basic Bond Coverage. Deductibles on Kidnap and Ransom Coverage may be written in any amount.

Coverage	Single Loss Deductible
(a) All coverages except Insuring Agreements (D), (E) and Kidnap and Ransom	\$
(b) Insuring Agreement (D) - Forgery for Alteration	\$
(c) Insuring Agreement (E) - Securities	\$
(d) Kidnap and Ransom	\$

**AUDIT INFORMATION**

13. Scope of financial statement preparation:  
 Internal    CPA Compilation    CPA Review    CPA Audit    None
14. Have you changed outside auditors in the last 3 years? .....  N/A    Yes    No  
*If yes, use the Additional Information section for explanation.*
15. Name and location of CPA: \_\_\_\_\_
16. Have the outside auditors stated there are any significant deficiencies and/or material weaknesses in your systems of internal controls? .....  N/A    Yes    No  
*If yes, use the Additional Information section for explanation and provide the latest CPA letter to management and management's response.*
17. Have you implemented all material recommendations of the auditor? .....  N/A    Yes    No  
*If no, provide an explanation in the Additional Information section.*
18. Is the audit report rendered directly to all partners if a partnership or to the Board of Directors if a corporation? .....  Yes    No
19. Is there a continuous internal audit by an Internal Audit Department? .....  Yes    No  
*If yes, are monthly reports rendered directly to all partners if a partnership or to the Board of Directors if a corporation? .....  Yes    No*

**INTERNAL CONTROLS (OTHER THAN AUDIT PROCEDURES)**

20. Are bank accounts reconciled by someone not authorized to deposit or withdraw? .....  Yes    No  
*If no, explain: \_\_\_\_\_*
21. Is countersignature of checks required? .....  Yes    No  
*If no, explain: \_\_\_\_\_*
22. Are monthly statements (whether or not there was activity in the account) mailed directly to all customers? .....  Yes    No  
*If no, explain: \_\_\_\_\_*
23. Do you allow for statements to be held for pick-up at any of your locations? .....  Yes    No  
*If yes, explain: \_\_\_\_\_*
24. Are all customer complaints handled by employees other than those employees involved directly in the initial transactions? .....  Yes    No  
*If no, explain: \_\_\_\_\_*
25. Has there been any change in ownership or management within the past three years? .....  Yes    No  
*If yes, explain: \_\_\_\_\_*
26. Has any insurance been declined or canceled during the past three years? .....  Yes    No  
*If yes, explain (Missouri applicants: do not complete): \_\_\_\_\_*

## LOSS INFORMATION

27. List all losses sustained during the past three years, whether reimbursed or not, from \_\_\_\_\_ to \_\_\_\_\_  
(mm/dd/yyyy) (mm/dd/yyyy)

Check if none

Date of Loss	Type of Loss	Amount of Loss	Amount Recovered from Insurance	Amount Recovered from other than Insurance	Amount of Loss Pending	If Loss occurred at other than Main Office, state location
		\$	\$	\$	\$	
		\$	\$	\$	\$	
		\$	\$	\$	\$	

## REQUIRED ATTACHMENTS

As part of this Application, please submit the following documents:

- Copy of the most recent CPA Audit Financial Statement (if not filed with the SEC)
- Copy of the most recent CPA Letter to Management with regards to internal controls (including management's response)
- Copy of your most recently quarterly FOCUS Report (if applicable)

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website:

[http://www.travelers.com/w3c/legal/Producer\\_Compensation\\_Disclosure.html](http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html)

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

This application, including any material submitted in conjunction with the application or any renewal, does not amend the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

## FRAUD STATEMENTS – ATTENTION APPLICANTS IN THE FOLLOWING JURISDICTIONS

**ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, NEW MEXICO, AND RHODE ISLAND:** Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**COLORADO:** 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 policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder 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.

**FLORIDA:** 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.

**KENTUCKY, NEW JERSEY, NEW YORK, OHIO, AND PENNSYLVANIA:** 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. (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

**LOUISIANA, MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON:** 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.

**PUERTO RICO:** Any person who knowingly and with the intention of defrauding 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 dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of

