



Financial Institution Bond Coverage Application
for Asset Managers

Travelers Casualty and Surety Company of America

Answer each question on behalf of the Primary Applicant and all Additional Applicants (“the Applicant”) seeking coverage. If additional space is needed, attach a separate page.

PRIMARY APPLICANT GENERAL INFORMATION

Name of Applicant: _____

Street Address: _____

City: _____ State: _____ Zip: _____ Year Established: _____

Primary Contact Name and Title: _____ Telephone Number: _____

Email Address (optional for Kansas applicants): _____ Web Address: _____

ADDITIONAL APPLICANT INFORMATION

1.	Name	Percentage Owned	Year Started	Description of Operations	Entity Type
		%			
		%			
		%			
		%			

CURRENT COVERAGE INFORMATION

2. Name of current Insurer: _____
3. Complete the following table for each entity requesting coverage or attach a copy of the expiring coverage declarations page.

Coverage Agreement	Current Limit	Current Deductible
Employee Dishonesty	\$	\$
Data Restoration – Employee Event	\$	\$
ERISA Fraud Or Dishonesty	\$	\$
Customer Capital	\$	\$
On Premises	\$	\$
In Transit	\$	\$
Forgery Or Alteration	\$	\$
Securities	\$	\$
Counterfeit Money	\$	\$
Computer Fraud	\$	\$
Claim And Audit Costs	\$	\$
Fraudulent Instructions—Customer’s Property	\$	\$
Funds Transfer Fraud—Insured’s Property	\$	\$
Social Engineering Fraud	\$	\$
Other Coverage Agreements (Specify):	\$	\$

EXPOSURE INFORMATION

4. What is the total number of:

a. officers and employees (including part-time, leased, temporary, volunteer, and seasonal workers)?

b. FINRA Registered Representatives?

c. locations other than the home office?

d. locations outside the U.S., Canada, or U.S. Territories?

Attach a list of the locations outside the U.S., Canada, or U.S. Territories.
5. Is the Applicant a member of FINRA?

☐ Yes ☐ No
6. What are the total assets under management?

As of year-end December 31st: \$As of June 30th: \$
7. What percentage of the total assets under management are held in the Applicant's physical custody?
8. Is the Applicant a subsidiary of any of the following?

☐ Bank

☐ Broker/Dealer

☐ Investment Advisor/Manager

☐ Not Applicable

If Yes, provide the name of the parent entity.
9. In the past 3 years, have there been any changes in the Applicant's ownership or management?

☐ Yes ☐ No

If Yes, attach an explanation.

REGULATORY INFORMATION

10. In the past 3 years, have there been any regulatory actions taken against the Applicant?

☐ Yes ☐ No

If Yes, complete the following and attach an explanation:

Type of Action	Regulatory Body	Inception Date of Action
11. Has the Applicant or Applicant's employees been censured or fined by any regulatory organization or been subject to any regulatory restrictions, sanctions, investigations, or complaints involving fraud in the past 5 years?

☐ Yes ☐ No

If Yes, attach an explanation.

AUDIT INFORMATION

12. Is there an annual CPA audit of the financial statements?

☐ Yes ☐ No

If No, attach an explanation.
13. In the past 3 years, has there been a change in outside auditors?

☐ Yes ☐ No

If Yes, attach an explanation.
14. Has the Applicant complied with all recommendations, if any, made in the most recent CPA audit?

☐ Yes ☐ No

If No, attach an explanation.
15. Did the most recent CPA audit cite any of the following regarding internal controls?

a. Material Weaknesses

☐ Yes ☐ No

b. Significant Deficiencies

☐ Yes ☐ No

If Yes, attach an explanation.
16. Do internal audits include periodic reports that are provided directly to the governing board or its audit committee?

☐ Yes ☐ No

OPERATIONAL EXPOSURES

17. Is there segregation of duties within all operations so that no single transaction is controlled by one person? ☐ Yes ☐ No
If No, attach an explanation.
18. Is countersignature of checks required? ☐ Yes ☐ No
If Yes, what is the dual signing limit? \$ _____
19. Are bank statements reconciled at least monthly by someone not authorized to sign checks and drafts, initiate payments, authorize payments, or make deposits or withdrawals? ☐ Yes ☐ No
20. Which of the following fraud mitigation controls are in place? (Check all that apply):
- ☐ Internal audit department
 - ☐ Written internal fraud reporting procedures for employees
 - ☐ Whistleblower hotline available to employees and customers
 - ☐ Other (Attach description)

TRANSFER CONTROLS

SOCIAL ENGINEERING FRAUD

21. Are written procedures in place to verify the authenticity of invoices and other payment requests received from a vendor? ☐ Yes ☐ No
22. Are written procedures in place to verify the receipt of services, supplies, or goods against an invoice before making payment to a vendor? ☐ Yes ☐ No
23. Are all changes to vendor information confirmed by a direct call using a pre-determined telephone number? ☐ Yes ☐ No
If Yes, answer questions a. and b. If No, attach a summary of the procedures.
- a. Are change requests held for processing until the vendor has confirmed the change request? ☐ Yes ☐ No
 - b. Are change requests confirmed by a person other than the person who requested the change? ☐ Yes ☐ No
- If 23a. or b. are answered No, attach a summary of the procedures.*
24. Are written procedures in place to verify the authenticity of payments or funds transfer requests received from another employee of the Applicant authorized to release payments or funds? ☐ Yes ☐ No
If Yes, answer questions a. - c. If No, attach an explanation.
- a. Attach a copy of the procedures.
 - b. Are all procedures performed consistently across all subsidiaries, departments, and locations? ☐ Yes ☐ No
If No, attach an explanation.
 - c. Are all procedures performed on every request? ☐ Yes ☐ No

FRAUDULENT INSTRUCTIONS - CUSTOMER'S PROPERTY

25. Is there a written agreement with customers outlining specific verification methods or instructions for all electronic funds transfer requests? ☐ Yes ☐ No
If Yes, attach a copy of the agreement. If No, attach an explanation.
26. Are there written procedures in place to verify the authenticity of payments or funds transfer requests received from another employee of the Applicant authorized to release payments or funds? ☐ Yes ☐ No
If Yes, answer questions a. - c. If No, attach an explanation.
- a. Attach a copy of the procedures.
 - b. Are all procedures performed consistently across all subsidiaries, departments, and locations? ☐ Yes ☐ No
If No, attach an explanation.
 - c. Are all procedures performed on every request? ☐ Yes ☐ No

27. Is there an established out-of-band process to verify funds transfer instructions from someone purporting to be a customer? ☐ Yes ☐ No
If Yes, indicate which of the following are used (check all that apply):
☐ Voice authentication technology ☐ Token technology
☐ Calling a customer at a pre-determined telephone number ☐ Other (Attach description)
☐ Sending a text message to a pre-determined telephone number
28. Are employees who are responsible for fund transfer requests trained at least annually to detect fraudulent transfer requests? ☐ Yes ☐ No

LOSS INFORMATION

29. In the past 3 years, has the Applicant sustained any bond-related losses whether or not covered by insurance? ☐ Yes ☐ No

If Yes, complete the table.

Date Discovered	Description of Loss	Amount of Loss	Amount Recovered from Insurance	Corrective Procedures Implemented	Claim Status
		\$	\$		
		\$	\$		

30. In the past 3 years, has any similar bond coverage been canceled? (*Missouri Applicants: do not complete.*) ☐ Yes ☐ No
If Yes, attach an explanation.

REQUIRED ATTACHMENTS

As part of this Application, provide copies of the documents listed below. Such documents are made a part of this Application, and the Insurer may elect to obtain requested information from public sources, including the Internet.

- Copy of the most recent CPA Audit if not publicly filed
- Copy of the most recent CPA Audited Financial Statement for any private funds sponsored or managed by the Applicants, if applicable
- Copy of the most recent CPA Letter to Management and the Applicant's response, if any

NOTICE REGARDING COMPENSATION

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

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

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.

CALIFORNIA: For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company to defraud or attempt 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 to defraud or attempt to defraud the policyholder or claimant regarding a settlement or award payable from insurance proceeds will 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.

KANSAS: Under Kansas law, 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, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act.

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 to defraud the company. Penalties include imprisonment, fines, and denial of insurance benefits.

OKLAHOMA: 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.

OREGON: 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 may be guilty of a crime and may be subject to fines and confinement in prison.

PUERTO RICO: Any person who knowingly and intending to defraud 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, will incur a felony and, upon conviction, will be sanctioned for each violation with the penalty of a fine of not less than \$5,000 and not over \$10,000, or a fixed term of imprisonment for three years, or both penalties. Should aggravating circumstances be present, the penalty established may be increased to a maximum of five years; if extenuating circumstances are present, it may be reduced to a minimum of two years.

VERMONT: 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.

SPECIAL NOTICE TO KANSAS APPLICANTS REGARDING EMAIL ADDRESS FIELD

If the Applicant is in Kansas, the email address field in the Primary Applicant General Information section is optional.

SIGNATURES

The undersigned Authorized Representative represents that to the best of their knowledge and belief, and after reasonable inquiry, the statements provided in response to this Application are true and complete, and, except in North Carolina, may be relied upon by Travelers as the basis for providing insurance. The Applicant will notify Travelers of any material changes to the information provided. Except in North Carolina and Utah, this Application, including any requested or submitted information, will be deemed attached to and form a part of any policy issued.

☐ Electronic Signature and Acceptance – Authorized Representative*

*If electronically submitting this document, electronically sign this form by checking the Electronic Signature and Acceptance box above. By doing so, the Applicant agrees that use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes acceptance and agreement as if signed in writing and has the same force and effect as a signature affixed by hand.

Authorized Representative Signature: X	Authorized Representative Name and Title:	Date (month/dd/yyyy):
Producer Name (required in FL & IA): X	State Producer License No (required in FL):	Date (month/dd/yyyy):
Agency:	Agency Phone Number:	