

FDIC No. \_\_\_\_\_

Check all coverage for which you are applying:

- ☐ Directors & Officers/Company Liability — Great American Security Insurance Company
- ☐ Employment Practices — Great American Security Insurance Company
- ☐ Cyber Liability — Great American Security Insurance Company
- ☐ Financial Institution Bond/CSD — Great American Alliance Insurance Company

**NOTICE: The liability policy which may be issued based upon this application provides claims made coverage and is written on a no duty to defend basis. Defense costs are included within the limit of liability and are subject to any applicable retention. Amounts incurred as defense costs will reduce the limit of liability available to pay judgments or settlements. Please read your policy carefully.**

Applicant Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Individual authorized to receive notices on behalf of all insureds:

Name \_\_\_\_\_ Title \_\_\_\_\_

Mailing P.O. Box \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Website \_\_\_\_\_

Current GL and Property Carrier \_\_\_\_\_ GL and Property Policy Expiration Dates \_\_\_\_\_

## General Information

1. Choose applicable:

a. Type

- ☐ Bank ☐ Bank Holding Company ☐ Financial Services Holding Co. ☐ Savings Bank
- ☐ Savings & Loan/Thrift ☐ Other (please list) \_\_\_\_\_

b. Corporate structure:

- ☐ C-Corporation ☐ S-Corporation ☐ Limited Liability Company

c. Type of ownership:

- ☐ Stock Company ☐ Mutual Company ☐ Other \_\_\_\_\_

2. Number of: Employees (FT and PT) \_\_\_\_\_ Full Service Branches \_\_\_\_\_

Safe Deposit Boxes \_\_\_\_\_ Issued Debit Cards \_\_\_\_\_

General Information *Continued*

## 3. If a Stock Company:

a. Stock is: ☐ Privately Held ☐ Publicly Traded Ticker Symbol \_\_\_\_\_ Exchange \_\_\_\_\_

b. Number of: **Holding Company** **Subsidiary Bank**

i. Shareholders \_\_\_\_\_

ii. Shares outstanding \_\_\_\_\_

iii. % Shares owned directly or beneficially by directors, officers and employees \_\_\_\_\_ % \_\_\_\_\_ %

c. List all persons or entities that own more than 10% of common stock (*directly or beneficially*) or debentures convertible to common stock, which if exercised, would result in a controlling interest of 10% or more of common stock. Indicate name, percentage owned and if such individual/entity is represented on the board.

d. Is the Applicant in compliance with all applicable federal and state diversity laws **N/A** **Yes** **No**  
(*examples: California AB 979, Maryland HB1116*)? ☐ ☐ ☐

e. Is the Applicant in compliance with all SEC regulations and exchange listing rules regarding diversity board membership, hiring practices, disclosures and reporting requirements? ☐ ☐ ☐

**If the answers to Question 3(d) or 3(e) are No, provide details by attachment.**

## 4. List all Subsidiaries/entities applying for coverage. Include most recent year-end income and assets below or by attachment:

Name	Nature of Business	Parent Owner	% Owned	Date Established	Net Income	Total Assets

**It is understood and agreed that no coverage will be provided for any subsidiary or entity unless listed in the application and expressly agreed to by the Insurer.**

## 5. Has the Applicant or any Subsidiary completed any of the following transactions in the past 3 years or does management anticipate any such transactions in the next 12 months:

	Past 3 Years	Next 12 Months	N/A
a. Stock offering, merger, consolidation, acquisition, divestment or sale of stock in excess of 10% of shares outstanding?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Conversion from a mutual to stock company or from a Bank Holding Company to a Financial Services Holding Company?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Going-private, conversion from a C-Corp to a Subchapter S-Corp or any other transaction that eliminates shareholders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**If any of the answers to Question 5 are Yes, provide details by attachment. Include a copy of the Prospectus/Placement Memorandum for stock offerings.**

## 6. Regulatory information from the most recent exam:

	Yes	No
a. Regulatory Agency _____ Date of Last Exam _____		
b. Have all criticisms in the exam been addressed by the Board of Directors/Trustees?	<input type="checkbox"/>	<input type="checkbox"/>
c. Has the Financial Institution or any Subsidiary been placed under any type of formal regulatory order, agreement or action in the past 3 years or does management anticipate being placed under any such order in the next 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
d. Has the Financial Institution or any Subsidiary been placed under any memorandum of understanding in the past 3 years or does management anticipate being placed under any such order in the next 12 months?	<input type="checkbox"/>	<input type="checkbox"/>

**If the answer to Question 6(c) or 6(d) is Yes, provide details by attachment.**

General Information *Continued*

## 7. Levels of Review

- a. Loan reviews are conducted: ☐ Monthly ☐ Quarterly ☐ Annually ☐ Other \_\_\_\_\_
- b. The loan review function is performed by: ☐ Employee(s) ☐ External Firm (specify) \_\_\_\_\_
- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| c. For loans originated by the Applicant, are signatures on all notes and documents obtained in the presence of a bank employee, notary, attorney, closing agent, escrow agent or title company employee?  | <input type="checkbox"/> | <input type="checkbox"/> |
| d. For loans originated by third parties (e.g., mortgage brokers, other banks), are signatures on all notes and documents obtained in the presence of a bank employee, notary, attorney, closing agent, escrow agent, leasing or title company employee? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Is a written loan application required for every extension of credit?   | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Please list the Applicant's current level of internally classified assets:  |                          |                          |
| Substandard \$ _____   | Doubtful \$ _____        | Loss \$ _____            |

## 8. Funds Transfers

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| a. Does the Applicant have written agreements in place with all customers who request wire transfers via voice, fax, email or the internet (on-line banking)?            | <input type="checkbox"/> | <input type="checkbox"/> |
| b. If Yes, does the agreement specify the names of persons authorized to initiate such transfers?  | <input type="checkbox"/> | <input type="checkbox"/> |
| c. If Yes, does the agreement outline the method of authentication to be used to verify the identity of the person initiating such transfers?                            | <input type="checkbox"/> | <input type="checkbox"/> |
| d. For wire transfers initiated via voice, fax and email, does the bank require a call-back or other authentication procedure?   | <input type="checkbox"/> | <input type="checkbox"/> |
| e. If Yes, indicate the dollar amount above which authentication is required. \$ _____   |                          |                          |
| f. For wire transfers initiated through the internet, are multifactor authentication controls in place to verify the identity of the individual requesting the transfer? | <input type="checkbox"/> | <input type="checkbox"/> |
| g. If Yes, please describe: _____  |                          |                          |
| h. For wire transfers initiated on-line, is behavioral pattern software used to mitigate the risk of fraud?  | <input type="checkbox"/> | <input type="checkbox"/> |
| i. Does the bank allow international wire transfers?   | <input type="checkbox"/> | <input type="checkbox"/> |
| j. If Yes, please describe any additional controls or methods used to verify the authenticity of such requests: _____  |                          |                          |
| k. If repetitive customer-initiated funds transfers are established, do procedures for changes or deviations require supervisor approval and appropriate confirmation?   | <input type="checkbox"/> | <input type="checkbox"/> |
| l. How often are wire transfer verifications sent to customers?  |                          |                          |
| <input type="checkbox"/> Daily <input type="checkbox"/> Other _____  |                          |                          |
| m. Is senior officer approval required for wire transfer requests over a specified dollar amount?  | <input type="checkbox"/> | <input type="checkbox"/> |
| If Yes, indicate dollar amount: \$ _____   |                          |                          |

**Director & Officer Liability****9. Management (D&O)**

- a. Indicate if there have been changes in any of the following positions during the past 3 years for reasons other than internal promotion, retirement or death (*provide details and attach resumes of any new hires*):

☐ No changes      ☐ President and/or CEO      ☐ Chief Financial Officer      ☐ Senior Loan Officer

- b. List all board members who missed more than 25% of the board meetings within the past 12 months and reasons:

c. During the past 3 years, have there been any problems involving extensions of credit to directors or officers? **Yes**  
☐ **No**  
☐

d. During the past 3 years, has any past or present director, officer or employee been charged with a crime or been the subject of a criminal investigation or disciplinary proceeding by a regulatory agency or organization? ☐ ☐

**If the answer to Question 9(c) or 9(d) is Yes, provide details by attachment.**

**Lender Liability**

**Complete this section only if coverage is desired.**

**10. Commercial Real Estate Lending**

- a. Please indicate the percentage of Commercial Real Estate Loans relative to Total Commercial Real Estate Loans for:

Description	Commercial Real Estate Loans
Generated through mortgage brokers or other 3rd party loan producers	_____ %
Made outside the bank's defined trade territory	_____ %
Owner-Occupied	_____ %
Multi-family Residential	_____ %
Hotel/Motel Industry	_____ %
Retail & Restaurants	_____ %
Office Space	_____ %
Industrial	_____ %
Oil & Gas	_____ %

- b. Please indicate the Average/Maximum Loan to Value ratio for commercial real estate loans: AVG \_\_\_\_\_ % MAX \_\_\_\_\_ %

c. Does the Applicant maintain a system to ensure that it requests and receives current financial information for commercial borrowers whose loan repayment is dependent on business income? **Yes**  
☐ **No**  
☐

d. Does the Applicant investigate the qualifications of fee appraisers before placing them on the list of approved appraisers? ☐ ☐

e. Have there been any regulatory criticisms of the bank's commercial real estate lending guidelines, underwriting Standards, corporate policies & procedures or risk management practices? ☐ ☐

**11. Mortgage Banking**

a. Please list the states in which the Applicant originates mortgage loans (*either through the bank or through a Subsidiary*). ☐ ☐

- b. What is the estimated dollar volume of mortgage loan originations for the current year? \$ \_\_\_\_\_

**Lender Liability Continued**

Yes No

c. Does the Applicant sell mortgage loans to third parties?

☐ ☐d. **If yes:**

Please list the estimated dollar volume of mortgage loans to be sold in the current year.

\$ \_\_\_\_\_

Does the Applicant retain servicing rights to the loans sold?

☐ ☐

12. Indicate if the Applicant or any Subsidiary engages in the following:

Description	Yes	No	Existing Amount
Loan servicing for third parties	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Out-of-territory lending greater than 25% of total loans	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Loan participations originated by third parties	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Loan participations sold <u>with</u> recourse	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Unsecured commercial lending	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Dealer floor planning	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Subprime lending	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
"Payday" lending ( <i>i.e. cash advances on checks held for future deposit</i> )	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Purchase of brokered loans, books of loans	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Use of mortgage brokers or other third-party loan or lease producers	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Origination of loan syndications or securitizations	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Oil & Gas Lending ( <i>Not Commercial Real Estate</i> )	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____
Marijuana Business Lending	<input type="checkbox"/>	<input type="checkbox"/>	\$ _____

13. During the past 3 years, has any director or officer become aware of any of the following conditions:

Yes No

a. Concentration of credit that warrants reduction or correction?

☐ ☐

b. Extension of credit that exceeds the legal lending limit?

☐ ☐

c. Conflict of interest transaction/s?

☐ ☐

d. Regulatory criticisms of the bank's commercial real estate standards or procedures?

☐ ☐**If any of the answers to Question 13 are Yes, please provide details by attachment.**

### Professional Service Liability

Complete this section only if coverage is desired.

#### 14. Professional Services

Check all services currently offered or planned to be offered by the Applicant or any Subsidiary in the next 12 months. Please include annualized revenue for each checked service.

Real Estate		Investment Services	
<input type="checkbox"/> Appraisal Services	\$ _____	<input type="checkbox"/> Investment Advisory Services	\$ _____
<input type="checkbox"/> Property Management	\$ _____	<input type="checkbox"/> Security Broker/Dealer	\$ _____
<input type="checkbox"/> Real Estate Brokerage	\$ _____	<input type="checkbox"/> Investment Banking	\$ _____
<input type="checkbox"/> Title Company	\$ _____	<input type="checkbox"/> Securities Underwriting	\$ _____
		<input type="checkbox"/> Private Equity Investing	\$ _____
		<input type="checkbox"/> Trust Services (Please complete Trust Application)	\$ _____
Accounting/Processing		Insurance Services	
<input type="checkbox"/> Accounting Services	\$ _____	<input type="checkbox"/> Insurance Agency	\$ _____
<input type="checkbox"/> Actuarial Services	\$ _____	<input type="checkbox"/> Insurance Company	\$ _____
<input type="checkbox"/> Credit Card Processing	\$ _____		
<input type="checkbox"/> Tax Preparation	\$ _____		
<input type="checkbox"/> Data Processing	\$ _____		
IT or FinTech (Please Specify)		Other (Please Specify)	
<input type="checkbox"/> _____	\$ _____	<input type="checkbox"/> _____	\$ _____

It is understood and agreed that coverage will not be provided for any service or activity unless listed above and expressly agreed to by the Insurer.

#### 15. Depositor Liability

- |  | Yes                      | No                       |
|--|--------------------------|--------------------------|
| a. Prior to opening a corporate account, is the customer required to provide a signed corporate resolution or letter designating certain individuals to sign on the account? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Does the Applicant prohibit the acceptance of checks made payable to corporate payees, but endorsed by individuals or endorsed over to individuals?                       | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Are account statements forwarded to customers on a monthly basis?   | <input type="checkbox"/> | <input type="checkbox"/> |
| If No, how often? _____  |                          |                          |
| d. Are makers' signatures verified on checks in excess of \$25,000 drawn on the Applicant?   | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Are endorsements on negotiable instruments verified upon presentment?   | <input type="checkbox"/> | <input type="checkbox"/> |

If any of the answers to Questions 15(a) through 15(e) are No, please provide details by attachment.

- |  |                          |                          |
|--|--------------------------|--------------------------|
| 16. Does the Applicant accept deposits from, or provide other non-lending services to, marijuana businesses? | <input type="checkbox"/> | <input type="checkbox"/> |
|--|--------------------------|--------------------------|

### Brokerage/Advisory Services

Complete this section only if coverage is desired.

#### 17. Type of brokerage services offered:

- |   |  |
|---|--|
| <input type="checkbox"/> Referral-basis only (if applicable, skip to next section)                            | <input type="checkbox"/> Investment advisory services only |
| <input type="checkbox"/> Discount brokerage only (purchase and sale of securities only, no investment advice) | <input type="checkbox"/> Full-service brokerage            |

**Brokerage/Advisory Services Continued**

18. Brokerage services are offered by:

- ☐ The Applicant's own employees
- ☐ The Applicant's own employees, who are also managed and/or compensated by a third-party broker-dealer ("dual employees")

Firm name \_\_\_\_\_

19. Total assets under management: \$ \_\_\_\_\_ Total number of accounts \_\_\_\_\_

20. If dual employees are used, does the Applicant's contract specify that the broker/dealer is responsible for their supervision? **Yes** ☐ **No** ☐

21. Are all securities and funds forwarded directly to the client or deposited directly into the client's account? ☐ ☐

22. Do address changes require management approval and a written, signed request from the client? ☐ ☐

23. Are account statements forwarded directly to the client from a central location at least quarterly? ☐ ☐

24. Are all transactions over \$10,000 verified with the client by an individual other than the broker? ☐ ☐

25. Are all employees prohibited from accessing client funds? ☐ ☐

**If any of the answers to Questions 17 through 25 are No, provide details by attachment.****Insurance Services Liability****Yes No****Complete this section only if coverage is desired.**

26. Do the Applicant's insurance operations maintain a system to immediately notify insurance carriers of a claim? ☐ ☐

27. Do the Applicant's insurance operations prohibit the placement of insurance with carriers rated B+ or lower (or not rated)? ☐ ☐

28. Type of insurance offered: **% of Total Premium**

- ☐ Credit Life & Disability \_\_\_\_\_ %
- ☐ Homeowners, Personal Automobile, Health & Life \_\_\_\_\_ %
- ☐ Commercial P&C \_\_\_\_\_ %
- ☐ Annuities \_\_\_\_\_ %
- ☐ Crop \_\_\_\_\_ %
- ☐ Consulting/Loss Control Services \_\_\_\_\_ %
- ☐ Claims Adjusting/TPA \_\_\_\_\_ %
- ☐ Other (specify) \_\_\_\_\_ %

**100%**

29. Please provide the most recent year-end premium volume: \$ \_\_\_\_\_

**Fiduciary Liability****Complete this section only if coverage is desired.**

30. Complete the following for all Applicant sponsored Plans.

Company Plan Name	Asset Value	Year Established	Type of Plan*

\*Plan Types: ESOP; 401k Plan; Profit Sharing Plan; Defined Benefit (Pension) Plan; or Other.

**It is understood and agreed that coverage will not be provided for any service or activity unless listed above and expressly agreed to by the Insurer.**

**Fiduciary Liability Continued**

31. What percentage of Applicant stock is owned by Employees through an ESOP? \_\_\_\_\_ %

32. What percentage of Applicant stock is owned by Employees through a 401(k) Plan? \_\_\_\_\_ %

	Yes	No
33. Is the investment manager prevented from exerting discretionary control over any Plan asset?	<input type="checkbox"/>	<input type="checkbox"/>
34. Are all Company Plans fully funded?	<input type="checkbox"/>	<input type="checkbox"/>
35. Have the past 3 actuarial assessments and external audit reports related to Company Plans been free from qualification?	<input type="checkbox"/>	<input type="checkbox"/>
36. Has the IRS, Department of Labor or any other regulatory body issued any inquiries or noted any concerns with respect to any ERISA plan owned or managed by the Applicant?	<input type="checkbox"/>	<input type="checkbox"/>

If any of the answers to Questions 33 through 36 are No, provide details by attachment.

**Employment Practices Liability**

Yes No

Complete this section only if coverage is desired.

37. <b>Policies &amp; Procedures</b>	<input type="checkbox"/>	<input type="checkbox"/>
a. Does the Applicant have a written manual of all personnel policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>
b. If Yes, does it include an Employment-at-Will Statement?	<input type="checkbox"/>	<input type="checkbox"/>
c. If Yes, does it include a Sexual Harassment Policy?	<input type="checkbox"/>	<input type="checkbox"/>
d. If Yes, does it include a Discrimination Policy?	<input type="checkbox"/>	<input type="checkbox"/>
38. Does the Applicant terminate employees without seeking legal counsel?	<input type="checkbox"/>	<input type="checkbox"/>
39. Has employee turnover greater than 25% in both of the past 2 years?	<input type="checkbox"/>	<input type="checkbox"/>
40. List the number of employees impacted by layoffs, branch closings or reorganizations in the past 12 months. _____		
41. List the number of employees that may be impacted by layoffs, branch closings or reorganizations in the next 12 months. _____		
42. What percentage of employees:		
a. are paid under a partial or full commission structure? _____ %		
b. receive total compensation greater than \$100,000 annually? _____ %		
43. Does the Applicant have employees located in California, Georgia, Louisiana, New Jersey, New York or Pennsylvania?	<input type="checkbox"/>	<input type="checkbox"/>

**Cyber Liability**

Complete this section only if coverage is desired.

44. Please provide the website addresses owned by the bank:

45. **Third Party Service Providers**

a. Please check the Third-Party Service Provider used by the Applicant to provide its core/electronic banking platform:

- ☐ Fiserv   ☐ Jack Henry   ☐ FIS   ☐ D+H   ☐ Accenture   ☐ Infosys  
☐ Oracle   ☐ TCS   ☐ CSI   ☐ Fidelity   ☐ SAP   ☐ IBM  
☐ Other (please list) \_\_\_\_\_



**Cyber Liability Continued**

b.	List any other Third-Party Service Provider with which the Applicant has entered into a direct service-level agreement requiring the third party to provide internet or mobile banking applications, electronic storage, or similar electronic services to the Applicant. _____		
c.	Do all vendor contracts indemnify/hold the bank and bank personnel harmless for vendor misconduct, errors, omissions or negligence?	<b>Yes</b> <input type="checkbox"/>	<b>No</b> <input type="checkbox"/>
d.	Do all vendor contracts outline the vendor's responsibility for safeguarding customer and confidential information and stipulate what security measures are provided by the vendor?	<input type="checkbox"/>	<input type="checkbox"/>
<b>46. Security, Ransomware Prevention and Privacy Measures</b>			
a.	Do you use multifactor authentication for all remote access to the Company's network?	<input type="checkbox"/>	<input type="checkbox"/>
b.	Do you use multifactor authentication to protect privileged accounts?	<input type="checkbox"/>	<input type="checkbox"/>
c.	Do you use endpoint detection and response tools designed to identify and flag unusual user behavior?	<input type="checkbox"/>	<input type="checkbox"/>
d.	Backups:		
i.	Are backups encrypted?	<input type="checkbox"/>	<input type="checkbox"/>
ii.	Are your backups disconnected from and inaccessible through the organizations network?	<input type="checkbox"/>	<input type="checkbox"/>
iii.	Do you back up key server configurations and data daily?	<input type="checkbox"/>	<input type="checkbox"/>
iv.	Are system backup and recovery procedures documented and tested for all critical systems?	<input type="checkbox"/>	<input type="checkbox"/>
e.	Are the following utilized:		
i.	firewall and router technology?	<input type="checkbox"/>	<input type="checkbox"/>
ii.	intrusion detection or prevention systems?	<input type="checkbox"/>	<input type="checkbox"/>
iii.	antivirus software?	<input type="checkbox"/>	<input type="checkbox"/>
iv.	filters or scans of incoming emails that flag malicious attachments or links?	<input type="checkbox"/>	<input type="checkbox"/>
f.	Do you have established procedures for rapidly applying critical security patches across servers, laptops, desktops and mobile devices?	<input type="checkbox"/>	<input type="checkbox"/>
g.	Are internet browsers and plug-ins kept updated and patched?	<input type="checkbox"/>	<input type="checkbox"/>
h.	Does your cybersecurity awareness program include phishing training and testing for all employees?	<input type="checkbox"/>	<input type="checkbox"/>
i.	Are passwords utilized to authenticate users for Company networks (including wireless networks)?	<input type="checkbox"/>	<input type="checkbox"/>
j.	<b>If Yes</b> , what is the required number of characters for passwords? _____		
k.	Is all confidential information which is transmitted to/from, or stored within your networks (including wireless networks) encrypted?	<input type="checkbox"/>	<input type="checkbox"/>
l.	Are wireless transmissions protected using WPA/WPA2, IPSEC, or SSL?	<input type="checkbox"/>	<input type="checkbox"/>
m.	Are computer systems, applications and servers that collect confidential information segregated from the rest of the network?	<input type="checkbox"/>	<input type="checkbox"/>
n.	Are all System Administrative accounts limited to only essential personnel?	<input type="checkbox"/>	<input type="checkbox"/>
o.	Has an independent network security assessment or audit been conducted within the 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
p.	<b>If Yes</b> , have all vulnerabilities identified in the audit been remediated?	<input type="checkbox"/>	<input type="checkbox"/>

**Cyber Liability Continued**

	Yes	No
q. Does the bank maintain:		
i. a written information security policy?	<input type="checkbox"/>	<input type="checkbox"/>
ii. a written privacy policy?	<input type="checkbox"/>	<input type="checkbox"/>
iii. a written breach incident response plan?	<input type="checkbox"/>	<input type="checkbox"/>
iv. a written disaster recovery/business continuity policy?	<input type="checkbox"/>	<input type="checkbox"/>
v. a written records retention and destruction policy?	<input type="checkbox"/>	<input type="checkbox"/>
vi. a security policy designed to prohibit and track unauthorized access to your network, computer systems and data centers?	<input type="checkbox"/>	<input type="checkbox"/>
r. Is a formal process in place to ensure that network privileges and physical access to the building are revoked in a timely manner following an employee's termination or resignation?	<input type="checkbox"/>	<input type="checkbox"/>
s. Is the bank currently compliant with the following regulations?		
i. Gramm-Leach Bliley Act of 1999	<input type="checkbox"/>	<input type="checkbox"/>
ii. Identity Theft Red Flags under the Fair and Accurate Credit Transactions Act of 2003	<input type="checkbox"/>	<input type="checkbox"/>
iii. Payment Card Industry (PCI) Data Security Safeguard	<input type="checkbox"/>	<input type="checkbox"/>
t. Does the bank have a Chief Information Security Officer?	<input type="checkbox"/>	<input type="checkbox"/>
<b>47. Cyber Publishing</b>		
a. Do you have a process to screen content prior to posting on the Applicant's website and social media accounts?	<input type="checkbox"/>	<input type="checkbox"/>
b. Do you screen content for intellectual property infringement, disparagement issues, and privacy violations?	<input type="checkbox"/>	<input type="checkbox"/>
c. Do you audit the use of software licenses?	<input type="checkbox"/>	<input type="checkbox"/>
<b>48. Does the Applicant</b>		
a. build or sell information technology products or services ( <i>software, mobile applications, data storage, data processing, etc.</i> ) on behalf of or to third parties?	<input type="checkbox"/>	<input type="checkbox"/>
b. partner with any technology company to build or sell information technology products or services ( <i>software, mobile applications, data storage, data processing, etc.</i> ) on behalf of or to third parties?	<input type="checkbox"/>	<input type="checkbox"/>
c. capture or store any biometric information?	<input type="checkbox"/>	<input type="checkbox"/>
d. obtain signed waivers from all individuals for whom biometric data is captured or stored?	<input type="checkbox"/>	<input type="checkbox"/>
e. review all biometric data programs and policies with legal counsel prior to implementation?	<input type="checkbox"/>	<input type="checkbox"/>

## Financial Institution Bond

Complete this section only if coverage is desired.

## 49. Audit Function

- a. The internal audit function is performed by: ☐ Employee(s) ☐ External Firm ☐ Not Performed
- b. Internal audits are performed: ☐ Monthly ☐ Quarterly ☐ Annually ☐ Other \_\_\_\_\_

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| c. Is the Audit Committee comprised only of outside directors?  | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Audit reports submitted directly to the: <input type="checkbox"/> Board of Directors <input type="checkbox"/> Audit Committee <input type="checkbox"/> Not Submitted |                          |                          |
| e. External audits are: <input type="checkbox"/> Full-scope <input type="checkbox"/> Directors-scope <input type="checkbox"/> No Audit Date of Last Audit _____         |                          |                          |
| f. The external audit is performed: <input type="checkbox"/> Annually <input type="checkbox"/> Every other year <input type="checkbox"/> Other                          |                          |                          |
| g. Was the most recent audit opinion unqualified ( <i>favorable</i> )? <input type="checkbox"/> N/A   | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Were any material weaknesses noted in the most recent Management Letter? <input type="checkbox"/> N/A  | <input type="checkbox"/> | <input type="checkbox"/> |

Attach a copy of the most recent Audit Report, Management Letter and Applicant's response.

## 50. Segregation of Duties

- a. Does the Applicant utilize any real time or equivalent banking platforms (*systems that immediately post transactions to the general ledger with a nightly batch process*)? ☐ ☐
- b. If Yes, does the Applicant have compensating controls in place to prevent or identify acts of employee dishonesty? ☐ ☐
- Please explain:

- c. Excluding real time banking platforms addressed above, is there a formal program requiring the segregation of duties in all operational areas, so that no single transaction can be controlled from origination to posting by one employee? ☐ ☐
- d. If No, is there a formal program requiring the rotation of duties without prior notice thereof? ☐ ☐

## 51. Other Internal Controls

- a. Are all loans prepared and disbursed by someone other than the officer approving the loan? ☐ ☐
- b. Are all employees required to take vacations each year, and are they prohibited from accessing their work stations, either on bank premises or from a remote location, during the vacation period? ☐ ☐
- If Yes, vacations are required for a period of: ☐ At least two consecutive weeks ☐ At least one consecutive week
- c. Check kite suspect reports are reviewed: ☐ Daily ☐ Weekly ☐ Other \_\_\_\_\_ ☐ Not Reviewed
- d. Are all currency shipments prepared, received and counted under dual control? ☐ ☐
- e. Are employees' accounts segregated and reviewed for unusual activity at least monthly? ☐ ☐
- f. Are dormant accounts flagged, segregated and maintained under dual control? ☐ ☐
- g. Are all accounts (*including suspense accounts*) reconciled at least monthly by individuals who have no authority to post transactions to the accounts? ☐ ☐

If any of the answers to Question 51 are No, provide details by attachment.

## Losses, Pending Litigation And Claims History

Yes

No

## New Applicants Only

52. During the past 3 years:

- a. Have there been any Financial Institution Bond losses in excess of \$5,000, whether reimbursed or not? ☐ Yes ☐ No
- b. Have there been or are there now any lawsuits, administrative proceedings (*EEOC, NLRB, etc.*), employee grievances or settlements involving the Applicant, any subsidiary, or any past or present director, trustee, officer or employee? ☐ Yes ☐ No
- c. Has there been any actual or attempted system breach, cyber extortion threat, or similar incident with respect to any bank owned or operated computer system, or with respect to any third-party vendor computer system? ☐ Yes ☐ No
- d. Has there been any actual or potential data breach or similar incident with respect to data under the custody or control of the Applicant or any of its third-party vendors? ☐ Yes ☐ No

53. Does any director or officer have knowledge of any fact, circumstance or situation involving the Applicant, its Subsidiaries, or any past or present director, officer or employee, which could reasonably be expected to give rise to a future claim? ☐ Yes ☐ No

54. Has any carrier declined, cancelled or non-renewed any policy similar to the coverage herein applied for? *(Do not answer if the applicant resides in Missouri.)* ☐ Yes ☐ No

## All Applicants

55. During the past 3 years, have there been or are there now any lawsuits, administrative charges or demands involving the Applicant, any subsidiary, or any past or present director, trustee, officer or employee? ☐ Yes ☐ No

56. Is the Applicant, any subsidiary or any past or present director, officer or employee a defendant in any lawsuit which could materially affect the financial condition of the Applicant or any subsidiary? ☐ Yes ☐ No

57. Are there any claims or potential claims that have not been reported to the Insurer involving the Applicant, any subsidiary or any past or present director, trustee, officer or employee? ☐ Yes ☐ No

**If any of the answers to questions 52-57 are Yes, provide details by attachment.**

**New Applicants:** it is understood and agreed that any claim arising from any prior or pending litigation or written or oral demand shall be excluded from coverage. It is further understood and agreed that if knowledge of any fact, circumstance or situation which could reasonably be expected to give rise to a claim exists, any claim or action subsequently arising therefrom shall be excluded from coverage.

**Renewal Applicants:** it is understood and agreed that if the undersigned or any insured has knowledge of any fact, circumstance or situation which could reasonably be expected to give rise to a future claim, then any increased limit of liability or coverage enhancement shall not apply to any claim arising from or in any way involving such facts, circumstances or situations. In addition, any increased limit of liability or coverage enhancement shall not apply to any claim, facts, circumstances or situations for which the insurer has already received notice.

## Representation Statement

The undersigned declare that, to the best of their knowledge and belief, the statements in this application, any prior applications, any additional material submitted, and any publicly available information published or filed by or with a recognized source, agency or institution regarding business information for the Applicant for the 3 years preceding the Bond/Policy's inception, and any amendments thereto [hereinafter called "Application"] are true, accurate and complete, and that reasonable efforts have been made to obtain sufficient information from each and every individual or entity proposed for this insurance. It is further agreed by the Applicant that the statements in this Application are their representations, they are material and that the Bond/Policy is issued in reliance upon the truth of such representations.

The signing of this Application does not bind the undersigned to purchase the insurance and accepting this Application does not bind the Insurer to complete the insurance or to issue any particular Bond/Policy. If a Bond/Policy is issued, it is understood and agreed that the Insurer relied upon this Application in issuing each such Bond/Policy and any Endorsements thereto. The undersigned further agrees that if the statements in this Application change before the effective date of any proposed Bond/Policy, which would render this Application inaccurate or incomplete, notice of such change will be reported in writing to the Insurer immediately.

## Fraud Warnings

**ALABAMA, ARKANSAS, LOUISIANA, MARYLAND, NEW JERSEY, NEW MEXICO and WEST VIRGINIA:** 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. In Alabama, Arkansas, Louisiana and Maryland, that person may be subject to fines, imprisonment or both. In New Mexico, that person may be subject to civil fines and criminal penalties. In West Virginia, penalties may include imprisonment, fines and denial of insurance benefits.

**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 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.

**DISTRICT OF COLUMBIA 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 includes 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.

**KANSAS:** Any person who commits an act, 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 act.

**KENTUCKY:** 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 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.

**FLORIDA and OKLAHOMA:** Any person who knowingly and with intent to injure, defraud or deceive the Insurer, files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony. In Florida, it is a felony to the third degree.

**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 may include imprisonment, fines and/or denial of insurance benefits.

**Fraud Warnings Continued**

**OHIO:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against the Insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**OREGON:** Any person who knowingly and with intent to defraud any insurance company or another 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, may be committing a fraudulent insurance act, which may be a crime and may subject the person to criminal and civil penalties.

**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.

**By signing below with an electronic signature, you understand and agree that you are conducting this transaction electronically and signing this application electronically. You understand that the use of a key pad, mouse or other device to sign this document constitutes your signature, acknowledgment, acceptance, and agreement of the terms of this application as if actually signed by you in writing and has the same force and effect as a signature affixed by hand.**

**Chief Executive Officer, President or Chairman of the Board**

**Print Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

**Title** \_\_\_\_\_ **Date** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**Chief Financial Officer or Equivalent Officer**

**Print Name** \_\_\_\_\_ **Signature** \_\_\_\_\_

**Title** \_\_\_\_\_ **Date** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**A bond/policy cannot be issued unless the application is signed/dated by two individuals.**

**Agent Name** \_\_\_\_\_ **License Number** \_\_\_\_\_

**Agent Signature** \_\_\_\_\_

**Submit Application to:**

ABA Insurance Services Inc.

3401 Tuttle Road, Suite 300 • Shaker Heights, OH 44122

Telephone (800) 274-5222 • Fax (800) 456-6590 • [www.abais.com](http://www.abais.com)