



# Standard Form Number 14 (Canada) Application for a Financial Institution Bond

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## Instructions for Completing this Application

This is a fillable PDF Document.

This Application must be completed for each new bond and at each premium anniversary. Please answer all questions fully. If necessary, please provide additional responses in a supplemental document on your letterhead attached to this Application.

Upon completion the Application must be signed and dated by an authorized representative of the Applicant.

## NOTICES

Please note that CNA will not be liable for any amounts after the exhaustion of the applicable bond limit.

Providing information about a claim, loss, damage or potential claim in response to any question in any part of this Application does not create coverage for such claim or potential claim. The Applicant's failure to report to its current insurance company any claim made against it during the current bond period, or to report any act, omission, or circumstance of which the Applicant is aware that may give rise to a claim, loss or damages before expiration of the current bond, may create a lack of coverage.

Please note that the submission of a completed, signed Application does not result in an obligation to purchase insurance or an obligation by the insurance company to bind insurance.

As used in this Application, "Applicant" means the first named Insured and all organizations and funds applying for coverage under the bond.

## I. APPLICANT INFORMATION

The Applicant to be named in Item 1. of Declarations: \_\_\_\_\_

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

City: \_\_\_\_\_ State/Province: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_

Website(s): \_\_\_\_\_ Telephone Number: \_\_\_\_\_

Officer designated to receive correspondence and notices from the Insurer:

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Email: \_\_\_\_\_

a. Date the Applicant was established: \_\_\_\_\_

b. Industry Type (check all that apply) :

☐ Registered Investment Adviser

☐ Hedge Fund

☐ Broker/Dealer

☐ Investment Banker

☐ Commodity Broker

☐ Real Estate Investment Management Firms

☐ Private Equity/Venture Capital

☐ Registered Investment Company (Mutual Fund)

☐ Other

c. Are there any subsidiaries for which coverage is being sought under the bond?

☐ Yes ☐ No

If you answered "Yes" above, please attach details.

## II. GENERAL INFORMATION

1. Please include a list of all insureds including the Employee Benefit Plans to be covered (if additional space is needed, please attach separately):

\_\_\_\_\_

2. Please complete the following for the coverages that are desired:

Requested Coverage	Requested Limit	Requested Deductible	Expiring Limit	Expiring Deductible	Current Carrier
Fidelity	\$ _____	\$ _____	\$ _____	\$ _____	_____
Client Capital	\$ _____	\$ _____	\$ _____	\$ _____	_____
On Premises	\$ _____	\$ _____	\$ _____	\$ _____	_____
In Transit	\$ _____	\$ _____	\$ _____	\$ _____	_____
Forgery or Alteration	\$ _____	\$ _____	\$ _____	\$ _____	_____
Securities	\$ _____	\$ _____	\$ _____	\$ _____	_____
Counterfeit Currency	\$ _____	\$ _____	\$ _____	\$ _____	_____
Cyber Crime:					
1. Computer to Computer Systems Fraud – Misappropriated Access Credential	\$ _____	\$ _____	\$ _____	\$ _____	_____
2. Computer to Computer Systems Fraud – Hacker or Interloper or Virus	\$ _____	\$ _____	\$ _____	\$ _____	_____
3. Fraudulent Transfer Instructions – Funds Transfer Fraud	\$ _____	\$ _____	\$ _____	\$ _____	_____

4. Data or Computer Programs –  
Destruction or Theft

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

Social Engineering Fraud

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

3. Has the insurer for any of the coverage listed above, indicated an intent to not offer renewal terms? ☐ Yes ☐ No

If you answered "Yes" above, please provide complete details (if additional space is needed, please attach separately):

\_\_\_\_\_

4. In the next 12 months (or during the last 18 months) has there been any change of control, purchase, or acquisition of subsidiaries? ☐ Yes ☐ No

If you answered "Yes" above, please provide complete details (if additional space is needed, please attach separately):

\_\_\_\_\_

5. Within the last 12 months has there been any change to senior management? ☐ Yes ☐ No

If you answered "Yes" above, please provide complete details (if additional space is needed, please attach separately):

\_\_\_\_\_

### III. EXPOSURE INFORMATION

1. Provide the total number of:

a. Full time salaried employees (including officers), part time employees, persons provided by employment contractors and retained lawyers located in Canada, United States, Puerto Rico and Virgin Islands \_\_\_\_\_

b. Full time salaried employees (including officers), part time employees, persons provided by employment contractors and retained lawyers located outside Canada, United States, Puerto Rico and Virgin Islands \_\_\_\_\_

c. Locations (other than the Home Office) of the Applicant in Canada, United States, Puerto Rico, and Virgin Islands \_\_\_\_\_

d. Locations outside of Canada, United States, Puerto Rico and Virgin Islands \_\_\_\_\_

e. Revenue at the most recent year end \$ \_\_\_\_\_

f. Assets Under Management (AUM) at the most recent year end \$ \_\_\_\_\_

g. Assets Under Advisement (AUA) at the most recent year end \$ \_\_\_\_\_

2. Does the Applicant have a Broker/Dealer Subsidiary subject to IIROC Rule 4456? ☐ Yes ☐ No

If you answered "Yes" above, please answer the following:

a. The name of the Subsidiary: \_\_\_\_\_

b. Total number of IIROC Registered Representatives: \_\_\_\_\_

c. Total number of Non-Employee IIROC Registered Representatives included in 1.b. above: \_\_\_\_\_

d. Total number of locations, including branch offices and other locations, where FINRA Registered Representatives work: \_\_\_\_\_

- e. Required limit and deductible per IIROC Rule 4456 in the space below:

Limit: \$ \_\_\_\_\_ Deductible: \$ \_\_\_\_\_

- f. If assets are held in a custodial capacity, please describe the nature of custodial services (if additional space is needed, please attach separately):

\_\_\_\_\_

- g. What percentage of total assets under management are held in a custodial capacity? \_\_\_\_\_%

#### IV. SERVICE PROVIDERS

1. Please provide a list of service providers in the boxes below (if additional space is needed, please attach separately):

Service Provider	Name(s)	Years Engaged	Affiliated with the Applicant (Yes/No)
Auditor	_____	_____	_____
Custodian	_____	_____	_____
Prime Broker	_____	_____	_____
IT Security	_____	_____	_____
IT Infrastructure	_____	_____	_____

2. Does the Applicant review these third party service providers on an annual basis to ensure they adhere to the Applicants corporate governance standards? ☐ Yes ☐ No

#### V. AUDIT

1. External Audit:

- a. Does the outside auditor review internal controls on an annual basis and furnish a written report to senior management? ☐ Yes ☐ No
- b. Is each corporate location subject to periodic external audits? ☐ Yes ☐ No
- c. Have any material weaknesses or significant deficiencies been reported in the most recent management letter? ☐ Yes ☐ No

If you answered "Yes" above, please attach a copy of the management letter and management's response.

2. Internal Audit:

- a. Does the Applicant have an internal audit function? ☐ Yes ☐ No

If you answered "Yes" above, please answer the following:

- i. Who performs this function?

Employees: ☐ Number of such employees: \_\_\_\_\_

Third Party: ☐ Name of such third party: \_\_\_\_\_

ii. Is a written report furnished to senior management? ☐ Yes ☐ No

iii. Does the internal audit schedule include a physical visit to all locations of subsidiaries and joint ventures at least every three years? ☐ Yes ☐ No

b. Does the Applicant maintain a hotline or other mechanism to allow for the anonymous reporting of tips on suspect financial transactions? ☐ Yes ☐ No

3. Regulatory Audit:

Provide the date of the last regulatory exam and indicate what authority performed the exam:

Date: \_\_\_\_\_ Authority: \_\_\_\_\_

If the last exam was performed within the previous 3 years, please attach a copy of the regulator's letter and management's response.

## VI. HUMAN RESOURCE CONTROLS

1. Does the Applicant have a dedicated person responsible for employment and payroll administration? ☐ Yes ☐ No

If you answered "Yes" above, are additions to the payroll system automatically reported to this dedicated person? ☐ Yes ☐ No

2. Does the Applicant conduct the following pre-employment screenings prior to hiring:

a. Pre-employment verification? ☐ Yes ☐ No

b. Criminal background check? ☐ Yes ☐ No

c. Credit check? ☐ Yes ☐ No

d. Education verification? ☐ Yes ☐ No

3. Does the Applicant require all employees to receive anti-fraud training including but not limited to detection of social engineering, phishing, or other scams? ☐ Yes ☐ No

## VII. INTERNAL CONTROLS

1. Does the Applicant require all employees to take vacation time for at least 5 consecutive days each year? ☐ Yes ☐ No

2. Are check signing authorities and dual control requirements established in writing? ☐ Yes ☐ No

3. Are all employees authorized to reconcile the Applicant's bank accounts prohibited from authorizing payments and making deposits or withdrawals? ☐ Yes ☐ No

4. Are countersignatures required for all checks? ☐ Yes ☐ No

If you answered "No" above, at what dollar threshold are countersignatures required? \$ \_\_\_\_\_

5. Does the Applicant use Positive Pay or Reverse Positive Pay for all checks issued? ☐ Yes ☐ No

6. Are attempts by employees to access information for which they are not authorized reported and reviewed by management? ☐ Yes ☐ No

## VIII. INTERNAL FUNDS TRANSFER CONTROLS

1. Does the Applicant accept funds transfer instructions from your employees, officers or owners over the telephone, email or some other electronic communication method? ☐ Yes ☐ No

If you answered "Yes" above, please describe your procedures to authenticate the instructions (if additional space is needed, please attach separately):

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2. Does the Applicant require dual authorization and the approval of the authorized employee's supervisor for:

a. Internal payment requests that are sent to an account outside of Canada? ☐ Yes ☐ No

b. Internal payment requests that are over a certain amount? ☐ Yes ☐ No

If you answered "Yes" above, what is the amount? \$ \_\_\_\_\_

## IX. VENDOR CONTROLS

1. Does the Applicant maintain a master list of all approved vendors? ☐ Yes ☐ No

2. Does the Applicant have procedures in place to verify the receipt of inventory, supplies, goods or services against an invoice prior to making payment to a vendor? ☐ Yes ☐ No

3. Does the Applicant confirm all change requests regarding vendor account information (including all bank account information, invoice changes, telephone numbers and contact information) by a direct call to the vendor using only a number previously provided by the vendor before the change request was received? ☐ Yes ☐ No

If answered "Yes" above, please answer questions to a. through c. below. If "No" above, please attach a description of the out of band verification process used instead of a callback (if additional space is needed, please attach separately):

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a. Does the Applicant refrain from implementing any change requests until after the vendor has responded to the inquiry regarding change request authenticity? ☐ Yes ☐ No

b. Does the Applicant confirm the changes requested by the vendor with someone at the vendor other than the individual who requested the change? ☐ Yes ☐ No

c. Do you require the review of all change requests to the vendor records by a supervisor or next-level approver before any change to the record is processed? ☐ Yes ☐ No

4. Does the Applicant run exception reports showing all changes to vendor data? ☐ Yes ☐ No

If "Yes" above

a. How often are the exception reports run? \_\_\_\_\_

b. Who is in charge of reviewing these exception reports? \_\_\_\_\_

**X. WIRE TRANSFER CONTROLS FOR CUSTOMER ACCOUNTS**

1. What is the average daily number and value of fund transfers performed on behalf of customers by the Applicant?

a. Canada: Number: \_\_\_\_\_ Value: \$ \_\_\_\_\_

b. United States: Number: \_\_\_\_\_ Value: \$ \_\_\_\_\_

c. Foreign: Number: \_\_\_\_\_ Value: \$ \_\_\_\_\_

2. Does the Applicant accept funds transfer instructions from customers over the telephone, fax, email, or some other electronic communications method? ☐ Yes ☐ No

If you answered "Yes" above, please describe your procedures to authenticate the instructions (if additional space is needed, please attach separately):

\_\_\_\_\_

3. Does the Applicant maintain written procedures that clearly define levels of authority for approvals authorizations and verifications for wire transfers made on behalf of customers? ☐ Yes ☐ No

If you answered "Yes" above, please answer if the guidelines address the following:

- a. Do the procedures establish list of employees authorized to initiate a wire transfer? ☐ Yes ☐ No
- b. Do the procedures require a separation of duties between initiating, receiving, processing and reconciling wire transfers? ☐ Yes ☐ No
- c. Do the procedures require dual authorization at a specific threshold? ☐ Yes ☐ No

If you answered "Yes" above, what is the threshold? \_\_\_\_\_

- d. Do the procedures require verification through a call-back or other out-of-band process at a specific threshold? ☐ Yes ☐ No

If "you answered Yes" above, what is the threshold and process (if additional space is needed, please attach separately):

\_\_\_\_\_

- e. Are the procedures performed consistently across all subsidiaries, business units and locations? ☐ Yes ☐ No

4. Does the Applicant require wire transfers to an account outside the United States to be reviewed and approved by a supervisor? ☐ Yes ☐ No

**XI. COMPUTER CONTROLS**

1. Does the Applicant maintain computer system controls that include the following:

- a. Passwords that are required to be alpha/numeric and 6-9 characters in length? ☐ Yes ☐ No
- b. Firewalls which are maintained to restrict inbound/outbound traffic to prevent unauthorized access to networks? ☐ Yes ☐ No
- c. Virus Prevention/Anti-Malware solutions on all computers? ☐ Yes ☐ No
- d. Intrusion detection solution that detects and alerts individual responsible for monitoring potential malicious activity occurring on the Applicant's network? ☐ Yes ☐ No

- e. Multifactor authentication for remote network access originating from outside the company's network by employees and third parties? ☐ Yes ☐ No
- f. Procedures to update (e.g. patch) commercial software for known security vulnerabilities? ☐ Yes ☐ No
- g. A encryption solution to protect all mobile devices (e.g. laptops, smartphones and tablets)? ☐ Yes ☐ No
- h. Procedures to revoke User IDs immediately upon termination of employment? ☐ Yes ☐ No
2. Does the Applicant maintain a written information security policy? ☐ Yes ☐ No
3. Does the Applicant regularly identify and assess new threats to your network and public website through the use of a penetration test? ☐ Yes ☐ No
4. Does the Applicant restrict system administrator rights on all computers so that users of the network are prevented from assessing such functions? ☐ Yes ☐ No
5. Does the Applicant require service providers who have access to their networks or computer systems to demonstrate that they have adequate security controls in place? ☐ Yes ☐ No

## XII. LOSS EXPERIENCE

Whether or not covered by Insurance, has the Applicant sustained a loss during the past 5 years for coverage which the Applicant has applied for on this Application: ☐ Yes ☐ No

If you answered "Yes" above, please complete the following:

Loss/Damage Discovery Date	Loss/Damage Amount	Amount Recovered from Insurance	Claim Circumstances and Corrective Actions
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

## APPLICANT REPRESENTATION

Representations to be made part of this policy:

The employees of the Applicant have all, to the best of the Applicant's knowledge, always performed their duties honestly. The Applicant has no knowledge, except as stated herein of any information that any employees have committed dishonest acts either prior to or during their employment by the Applicant. Such knowledge by a director or officer that is signing for the Applicant, of their own personal dishonest acts which are unknown to any other directors and officers of the Applicant, is not imputable to the Applicant.

Further, the Applicant understands and acknowledges that:

- Completion of this Application and any supplemental applications or forms does not bind the CNA Company ("Company") to issue a policy;
- If a policy is issued, the Company has relied upon, as representations, this Application, any supplemental application, and other statements furnished to the Company in conjunction with this Application;
- All supplemental applications, statements, and other materials furnished to the Company in conjunction with this Application are hereby incorporated by reference into this Application and made a part hereof;
- This Application will be the basis of the contract and will be incorporated by references into and made a part of such policy;



- e. If a policy is issued, the limit of liability contained in the policy will be reduced and may be completely exhausted by the payment of loss, costs and/or damages costs. In such event the Company will not be liable for loss, costs, or damages to the extent that such loss, costs or damages exceed the applicable limit of liability of this policy;
- f. the Applicant's failure to report to its current insurance company:
  - i. any claim made against it during the current policy term; or
  - ii. any act, omission, or circumstances which the Applicant is aware of that may give rise to a claim; before expiration of the current policy may create a lack of coverage.

## FRAUD NOTICE

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false or incomplete information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and may be subject to civil fines and criminal penalties.

The Applicant, through the undersigned authorized representative, hereby acknowledges that the aforementioned statements and answers are accurate and complete. Applicant further understands that any inaccurate or incomplete statements may result in an exclusion or denial of insurance coverage. Applicant further authorizes CNA Insurance Companies to release the information on this Application and associated underwriting information.

## APPLICANT

By: \_\_\_\_\_  
Signature and Title\* Printed Name of Authorized Representative

Date: \_\_\_\_\_

**\* This Application must be signed by the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel or Risk Manager of the Applicant acting as the authorized representatives of the person(s) and entity(ies) proposed for this insurance. Please print and sign this application.**

Note: For purposes of the Insurance Companies Act (Canada), this document was made in the course of Continental Casualty Company's insurance business in Canada.