

Vendors & Contractors Manual

driver•alliant | INSURANCE SERVICES

May 2004

September 27, 2004

RE: Vendors Contractors Program

Dear :

We are pleased to present our Vendors Contractors Program manual for review. This program is a vehicle by which insurance coverage can be offered to assure that there is insurance in place when entering into a contract with a vendor or contractor.

The program is divided into two sections; General Liability and Employee Dishonesty.

If after your review of the enclosed materials you are interested in participating in this program, complete and return the enclosed application. I will return a supply of General Liability binder request forms. If you would like these items e-mailed to you, for use on your computer, please advise.

Sincerely,

DRIVER ALLIANT INSURANCE SERVICES

Penny De Witt
Account Administrator

HOW TO ENROLL YOUR ENTITY

Complete the enclosed application and return to:

Vendors Contractors Program
Driver Alliant Insurance Services
P. O. Box 6450
Newport Beach, CA 92658-6450

When the completed application is received, we will send an acknowledgment letter, along with binder request forms. At that point, follow the guidelines for proper rating procedures which are included in the manual.

If you have any questions about the program or enrolling, contact Driver Alliant Insurance Services, (800) 821-9283 or (949) 660-8163 Direct.

VENDORS CONTRACTORS APPLICATION

1. Name of Public Entity: _____

2. Mailing Address: _____

3. Risk Manager: _____

Phone No.: _____ Fax No.: _____

Email Address: _____

4. Main Contact (if different from above): _____

Phone No.: _____ Fax No.: _____

Email Address: _____

5. Desired Effective Date: _____

6. Any losses in the past five years? _____

If yes, please provide the following information:

<u>Date of Loss</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Amount Reserved</u>
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Applicant's Signature: _____

Title: _____ Date: _____

VENDOR/CONTRACTORS INSURANCE PROGRAM

INTRODUCTION

This manual affords an overview of the Vendor/Contractors Insurance Program for May 1, 2004 to May 1, 2005.

This Vendor/Contractor was developed to meet the needs of the Public Entity Sector in assuring that there is insurance in place when entering into a contract with a contractor or vendor. Coverage can be provided for General Liability, General Liability and Professional Liability combined and Employee Dishonesty for the dishonest acts of the vendor's employees. This will enable Public Entities to contract with qualified bidders who could not previously participate because their level of insurance could not meet the Entity's minimum insurance requirements.

Should you have any questions or require assistance, please contact Penny De Witt at (800) 821-9283 or (949) 660-8163 at Driver Alliant Insurance Services.

SPECIAL EVENTS/VENDORS PROGRAMS

PO Box 28323 Santa Ana, California 92799-8323 • (949) 660-8163 • Fax (949) 251-1663
Lic #0C36861 • www.driveralliant.com

VENDOR/CONTRACTORS PROGRAM

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**VENDORS/CONTRACTORS GENERAL LIABILITY PROGRAM
PROGRAM ADVANTAGES**

TO THE PUBLIC ENTITY:

- DEDICATED LIMITS FOR EACH CONTRACT
- SATISFIES CONTRACT MINIMUM GENERAL LIABILITY REQUIREMENTS
- PROGRAM HAS MANY PRE-APPROVED CLASSES - EXPEDITES CONTRACT ISSUANCE
- PUBLIC ENTITY AND ALL DEPARTMENTS, AGENCIES, DIRECTORS, OFFICERS AND EMPLOYEES ARE ADDED AS ADDITIONAL INSURED
- SIMPLE ENROLLMENT PROCESS - NO DEPOSIT REQUIRED TO IMPLEMENT
- NO CROSS LIABILITY EXCLUSION

TO THE VENDOR/CONTRACTOR:

- PROGRAM HAS MANY PRE-APPROVED CLASSES - EXPEDITES CONTRACT ISSUANCE
- LOW PREMIUMS, LOW DEDUCTIBLES, NO ADDITIONAL PAPERWORK
- INCLUDES GENERAL CONTRACTORS AS INSURED (IF NEEDED)
- NO PRIOR INSURANCE REQUIRED - NO NEED TO ALTER CURRENT INSURANCE PROGRAM, IF ANY
- INCREASED LIMITS AND NON-OWNED AND HIRED AUTOMOBILE LIABILITY AVAILABLE (AT AN ADDITIONAL COST)

NOTE: COVERAGE IS AVAILABLE ONLY FOR SPECIFIC CONTRACTS WITH A PUBLIC ENTITY AND DOES NOT EXTEND TO OTHER WORK PERFORMED BY THE VENDOR/CONTRACTOR.

Policy Term: May 1, 2004 to May 1, 2005

**VENDORS/CONTRACTORS LIABILITY PROGRAM
PROGRAM OUTLINE**

- INSURANCE COMPANY:** Colony National Insurance Company
- BEST'S GUIDE RATING:** A (Reinsured) Excellent, Financial Size Category VIII
(\$100,000,000 to \$250,000,000)
- CALIFORNIA STATUS:** Non-Admitted
- POLICY TERM:** May 1, 2004 to May 1, 2005
- LIMITS:**
- \$ 1,000,000 General Aggregate
 - \$ 1,000,000 Occurrence
 - \$ 1,000,000 Personal and Advertising Injury
 - \$ 1,000,000 Products/Completed Operations
 - \$ 50,000 Fire Damage (any one fire)
 - \$ 5,000 Medical Payments (each person)
- All aggregates apply separately to each project**
- COVERAGE:** Combined Single Limit of Liability for Bodily Injury and Property Damage Per Occurrence and Aggregate as shown above. Coverage includes:
- Contractor or Vendor as Named Insured
 - Public Entity as Additional Insured
 - General Contractor as Additional Insured if needed
 - Premises and Products/Completed Operations
 - Personal and Advertising Injury
 - Fire Damage and Medical Payments
 - Coverage is primary and non-contributory
 - **Includes 30 Notice of Cancellation to Public Entity**
- MAJOR EXCLUSIONS:
(including but not limited to)**
- Professional Liability
 - Automobile Liability
 - Workers' Compensation
 - Liquor Liability
 - Pollution
 - Nuclear
 - Damage to entity property, or property of others in the care, custody or control of the named insured
 - Employment Practices Liability

Policy Term: May 1, 2004 to May 1, 2005

EXCLUDED CONTRACTS: Classes not listed in the Hazard Schedules are excluded unless approved by Underwriter

DEDUCTIBLE: \$1,000 Per Occurrence – Bodily Injury
\$1,000 Per Occurrence – Property Damage

HAZARD SCHEDULES/RATES: See Attached

DEPOSIT PREMIUM: None to implement the program. Full premium for each contract is due immediately and is to include all applicable taxes and fees, plus a \$50 Certificate Fee per enrolled contract.

Hazard I: \$625 Minimum Premium
Hazard II: \$750 Minimum Premium
Taxes and Fees are in addition to Minimums

SUBJECT TO POLICY TERMS, CONDITIONS AND EXCLUSIONS



Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations.

Insurance brokerages such as Driver Alliant typically rely upon rating agencies for this type of market analysis. Both *A.M. Best and **Standard and Poor have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com

For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.insure.com/ratings/profiles

To learn more about companies doing business in California, visit the California Department of Insurance website at www.insurance.ca.gov

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PROCEDURE FOR PROGRAM USE

SUBMISSIONS WILL REQUIRE FIVE TO TEN DAYS FOR QUOTATION

TO ENROLL A SPECIFIC VENDOR/CONTRACTOR:

1. Secure the details and scope of work from the contract. Coverage is contract specific.
2. Classify the contract in accordance with the schedule of Hazard classes
3. Based on the value of the contract, calculate the premium using the rate schedule. **Please be sure to add taxes, fees and certificate fee.**
4. Fax the “Request to Bind Coverage” to Driver Alliant Insurance Services at 949-251-1663.
5. Driver Alliant Insurance Services will confirm premium and eligibility. Application will be forwarded to the underwriter for approval and a certificate of insurance to be issued.
6. Public Entity collects premium and provides a copy of the “Request to Bind to Coverage” to the contractor.
7. Public Entity remits premium payment to Driver Alliant Insurance Services no later than ten days following the receipt of the invoice. Remit Payment to:

Driver Alliant Insurance Services
PO Box 28323
Santa Ana, CA 92799
8. Certificate of Insurance is issued by the insurance company and mailed to the contractor and the Public Entity upon receipt of the payment.

Note: Coverage cannot become effective until Driver Alliant Insurance Services receives a completed certificate of insurance from the underwriter and premium is paid by the vendor/contractor to the public entity.

Policy Term: May 1, 2004 to May 1, 2005

VENDORS/CONTRACTORS REQUEST TO BIND COVERAGE

Indicate which coverage is being requested

General Liability **General and Professional Liability**

*Complete top section and return to Driver Alliant Insurance Services to Bind.
Attention: Penny De Witt, Account Administrator*

(COVERAGE NOT IN FORCE UNTIL BINDER RECEIVED FROM COMPANY)

Date: ____/____/____

Public Entity: _____ Fax: _____ Contact: _____

Vendor/Contractor: _____

Vendor/Contractor Mailing Address: _____

Description of Contract: _____ Contract Value: _____

Scope of Work: _____

Term of Contract: From: _____ To: _____ Hazard: _____ Rate: _____

Please bind the above account effective ____/____/____

S A M P L E	Total Policy Premium:	\$ _____
	State Tax (3%):	\$ _____
	Stamping Fee (.125%)	\$ _____
	Certificate Fee:	\$ 50.00
	Total Amount Due:	\$ _____

PLEASE SUBMIT A COPY OF THE CONTRACT AND SCOPE OF BUSINESS

**** For Consultants who are required to have Professional Liability. See section for General and Professional Liability coverage is required. If Professional Liability is already in place please provide copy of the declaration page.**

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VENDORS/CONTRACTORS LIABILITY PROGRAM

HAZARD I CLASSES

Providers of goods and services that are, by their nature, considered to have minimal exposure. They are providers of products manufactured by others and on premises services to the entity in a low impact setting as follows:

- Auctioneers (See General and Professional Liability Section-Submit for approval) Not Livestock
- Bingo Games
- Computer Software including training (Submit for approval)
- Consultants (Must have professional liability-Submit for approval)
- Distributors (Submit for approval)
- Draftsmen (Submit for approval)
- Electronic Data Processing
- Express Companies
- Freight Forwarders
- Laundries
- Mailing/Addressing Companies
- Office Machine Service/Repair
- Paper Products Distributors
- Photographers
- Photo Copy Services
- Printers
- Temporary Employment Agencies (Submit for approval)
- Rental Companies (not contractor's equipment) (Submit for approval)
- Uniform Suppliers
- Vending Machine Operations

**** For Consultants who are required to have Professional Liability. See application in manual if coverage is required. If Professional Liability is already in place please provide copy of the declaration page.**

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VENDORS/CONTRACTORS LIABILITY PROGRAM

HAZARD II CLASSES

Low to medium hazard artisan contractors involving specific tasks considered primary and not subcontracted to others as follows:

- Appliances and accessories-installation/service/repair
- Automobile Service or Repair (excluding emergency and transit-Submit for approval)
- Bookbinding
- Cable Installers within buildings (Submit for approval)
- Carpentry (Submit for approval)
- Carpet Cleaning/Installation
- Caterers
- Ceiling or wall installation-metal
- Chimney cleaning
- Communications Equipment Installation
- Concrete construction- no foundation work
- Conduit Construction within buildings (Submit for approval)
- Debris Removal
- Decorating
- Door, window or assembled millwork installation - metal
- Drywall or wall board installation
- Electrical apparatus installation/service/repair
- Electrical Work in buildings (Submit for approval)
- Engraving
- Fence erection contractors (Submit for approval)
- Fire Extinguisher Service (Submit for approval)
- Floor Covering Installation
- Furniture/Fixture Installation/Repair
- Glass Installation (No window installation - Submit for approval)
- Graffiti Removal
- Greenhouse erection (Submit for approval)
- Handyman (Submit for approval)
- Heating and Air Conditioning Installation/Service/Repair
- Janitorial Service
- Landscaping/Lawn Mowing/Tree Trimming/Gardening
- Locksmiths
- Metal Erection - Artistic/Decorative
- Masonry Work (Submit for approval)
- Modular Building Erection (Submit for approval)
- Painting (interior and exterior with exterior not to exceed three stories)
- Paperhanging

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- Parking Lot Sweeping (No Automobile Liability)
- Plumbing (Submit for approval)
- Powerwashing
- Sheet Metal Work (Submit for approval)
- Siding installation
- Sign Painting and Lettering (under two stories)
- Street Sweepers - No Auto Liability
- Telephone Cable Installation
- Tile, Stone, Marble Installation
- Window Cleaning (Exterior not to exceed three stories)
- Window decorating (Submit for approval)

NOTE: SOME HAZARD CLASSIFICATIONS REQUIRE SUBMIT FOR APPROVAL. THESE HAVE BEEN NOTED ABOVE.

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VENDORS/CONTRACTORS LIABILITY PROGRAM

INELIGIBLE CLASSIFICATIONS

- Alarm Installation/Service or repair
- Architects & Engineers(no actual construction)
- Cement & Concrete Flat Work
- Child Mental Health Services
- Demolition (under two stories, no explosives or wrecking ball used)
- Emergency Medical Services Assistants
- Emergency Preparedness Planning
- Environmental Health Program Consultant
- Excavation
- Fire Suppression Systems, Installation/Service/Repair
- Grading of Land
- Lie Detector Technician
- Medical Related consultants with or without professional liability
- Pest Control- in buildings and related areas
- Residential construction
- Security Guards- Unarmed/no rock concerts
- Surveillance/Investigation
- Tow Truck Companies

VENDORS/CONTRACTORS LIABILITY PROGRAM

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RATE SCHEDULE

HAZARD I CLASSES:

Contract Value Under \$50,000	1.5% of Contract Value Subject to a \$625 Minimum Premium
Contract Value \$50,000 to \$100,000	Submit for approval

HAZARD II CLASSES:

Contract Value Under \$50,000	2.0% of Contract Value Subject to a \$750 Minimum Premium
Contract Value \$50,000 to \$100,000	Submit for approval

ADDITIONAL CHARGES:

Surplus Lines Taxes and Fee:	3.125% of premium is charged on all contracts
Certificate Fee	\$50.00 flat charge per contract

NOTE:

- **TAXES AND FEES MUST BE ADDED TO EACH CONTRACT**
- **NO BINDING WITHOUT PRIOR APPROVAL**

RATING EXAMPLE:

\$25,000 Contract for Carpet Cleaning
Carpet Cleaning listed as Hazard II Class
Rate is 2.0% of \$25,000, subject to \$750 minimum premium
Total Cost is: \$ 750.00 Minimum Premium
 23.44 Surplus Lines Taxes and Fees
 50.00 Certificate Fee
 \$ 823.44 Total

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GENERAL AND PROFESSIONAL LIABILITY COMBINED

Minimum Premium: \$1,500 plus taxes and fees
Minimum Deductible: \$1,000
Value of Contract up to: \$100,000

ELIGIBILITY LIST

NOTE: ALL RISKS ARE SUBMIT ONLY

Accountants
Advertising agencies
Auctioneers Not Livestock
Collection agencies
Computer Technology-consulting/software development
Consultants
Employment agencies
Event planners
Mailing Services
Multiple Listing Services
Process Services
Polygraph Examiners
Telephone Answering Services
Transcribers

NOTE: Any types of business not shown above will not fit into the Vendor/Contractors Program.

NOTE: Consultants---Please be as descriptive as possible on what the insured does/will be doing.

VENDORS/CONTRACTORS EMPLOYEE DISHONESTY

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PROGRAM OUTLINE

***** Coverage can be provided for employees of a vendor/contractor but not for an individual vendor/contractor under the bond program**

INSURANCE COMPANY:	National Union Fire Insurance Company
BEST'S GUIDE RATING:	A++, Superior, FSC XV, Financial Size Category \$2,000,000,000 or more
CALIFORNIA STATUS:	Admitted
POLICY TERM:	Annual from selected effective date
COVERAGE:	<p>Employee Dishonesty coverage, protects the public entity from loss by the dishonest acts of its vendors' or contractors' employees.</p> <ul style="list-style-type: none">• Public entity as named insured with direct right of recovery.• Covers employees of scheduled vendors or contractors only.• Claims Made Form with 60 day automatic extended reporting.• Coverage is primary and non-contributory.
MAJOR EXCLUSIONS: (including but not limited to)	<ul style="list-style-type: none">• Acts committed by the public entity or principal/owner of the scheduled vendor. Coverage may be amended to include owner or a sole proprietorship with underwriter review and approval.• Seizure or destruction of property by order of a government authority• Indirect loss or inability to realize income• Legal Expenses• Nuclear• War and similar actions• Vendor Employee Cancelled under prior insurance• Inventory Shortages

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LIMITS:

As needed - up to \$50,000,000
Limits apply per occurrence, no aggregate

DEDUCTIBLE:

First dollar coverage is available with underwriter approval

TO OBTAIN A QUOTATION AND IMPLEMENT COVERAGE
Complete application and submit to Driver Alliant Insurance Services
along with a copy of the contract.

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The Company issuing this policy is indicated by an "X" in the box to the left of the Company's name.

NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA
(A Stock Insurance Company, herein called the Company)

AMERICAN HOME ASSURANCE COMPANY
(A Stock Insurance Company, herein called the Company)

Executive Offices: 70 Pine Street
New York, NY 10270

CRIME INSURANCE - APPLICATION

GENERAL INFORMATION

Name of Applicant: _____

Principal Address: _____

Type of Organization: Partnership Corporation Proprietorship

Date Business Established: _____

Annual Revenues: _____

ADDITIONAL INFORMATION

Present Coverage: _____

Carrier: _____

Limit: _____ Deductible _____

Annual Premium: _____

Expiration Date: _____

Coverage Requested: _____

Insuring Agreements: _____

Limit: _____ Deductible _____

Attach a list of all welfare & pension plans and subsidiaries to covered _____

Claims History (last six years)

Date of Loss	Description	Gross Amount	Date Paid	Corrective Measures

UNDERWRITING INFORMATION

1. Describe your principal business activity _____
2. Total number of employees US _____ Canadian _____ Foreign _____

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EMPLOYEES LOCATED IN THE UNITED STATES, ITS POSSESSIONS AND CANADA:

(Please list Canadian Personnel in column provided)

	Numb. U.S.	Canada		Numb. U.S.	Canada		Numb. U.S.	Canada
Chairman of the Board			Assistant Sales Managers			Payroll Clerks		
President			Branch Sale Manager			Directors		
Vice President			Purchasing Agents			Office Messenger		
Treasurer			Buyers			General Superintendent		
Asst. Treasurer			Plant Superintendent			Factory Superintendent		
Secretary			Assistant			Timekeepers		
Asst. Secretary			Salesmen			Paymasters		
Comptroller			Outside & Collecting			Traffic Managers		
Assistant Comptroller			Salesman			Receiving Clerks		
Advertising Managers			Outside & No Collecting			Shipping Clerks		
Office Manager			Cashiers			Watchmen		
Department Managers			Accountants & Auditors			Gatemen & Guards		
Branch Managers			Bookkeeper			Drivers (Collections)		
Assistant Branch Managers			Credit Managers			Drivers (No Collections)		
Sales Managers			Cash Handling Clerk					
TOTAL			TOTAL			TOTAL		

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OTHER EMPLOYEES

Office clerks, Secretaries, Stenographers, Typists, Telephone Operators, Inside Salesmen, Inside Messengers, Business Machine Operators, Porters & other Like Personnel.

	U.S.A.	CANADA	FOREIGN	GRAND TOTAL
TOTAL				

3. Total numbers of locations U.S. _____ Canadian _____ Foreign _____
4. Total number of retail locations _____
5. Total number of non-retail locations _____
6. Do you have cash or precious metal exposure that exceeds the largest request for a whole amount? _____
7. Is your organization involved in the trading of stocks, bonds, commodities or currency? Yes No
(If yes, please complete the International Trade Questionnaire)

AUDIT/INTERNAL CONTROL PROCEDURES

1. How often and by whom are audits of each of your accounts performed? _____
2. How often and by whom are inventory audits conducted? _____
3. How often are foreign locations audited? _____
4. Are bank reconciliations done by someone not authorized to deposit or withdraw there from at all locations? Yes No
5. Is countersignature on checks required at all locations? Yes No (If not, describe the system in effect to prevent the unauthorized issuance of checks) If there a CPA letter to management relating to internal control weaknesses? Yes No (If so, please provide a copy)
6. Is there an internal audit department? Yes No
7. Are all locations audited by the internal audit staff? How often? If no, please explain Yes No
8. Do the above controls differ for foreign locations? Yes No (If yes, please explain) _____
9. Are employees building access cards denied immediately upon termination? Yes No
10. Are background checks performed on all new hires? Yes No
11. Are mid-employment screenings performed when employees are promoted to sensitive positions? Yes No
12. Are newly hired employees provided with a copy of your organization's fraud policy identifying and explaining conflicts of interest and other prohibited behavior? Yes No
13. Are employees required to complete conflict of interest disclosure forms annually? Yes No
14. Are employees required to complete annual Suspicious or Questionable Activity Disclosure Forms? Yes No
15. Is there a system in place that allows for the reporting of such activity confidentially? Yes No

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VENDOR INFORMATION

1. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them? Yes No
2. Is an authorized vendor list utilized and updated annually for all annual purchases, with competitive bidding required over stated amounts? Yes No
3. Are requisitions and purchase orders issued only after the approval of specified personnel and within specified limits? Yes No
4. Is each cash disbursement based on a recognized liability, accurately prepared and appropriately authorized, including comparisons to authorized vendor lists and receiving reports? Yes No
5. Are perpetual inventories maintained of materials and supplies and periodically verified by physical count? Yes No
6. Are vendors provided with a statement of your conflict of interest and gifts (including prohibiting gifts of any significant value) Yes No
7. Are vendors asked to disclose any gifts or favors received or requested or other questionable behavior by employees? Yes No
8. Do the same controls apply to locations outside the United States? Yes No No, please explain) _____

FUNDS TRANSFER

1. What is your average number of wire transfers per day? _____
2. What is the average dollar amount of the transfers received daily? _____
3. What is the average amount that may be transferred? _____
4. Is there a current procedure manual for wire transfer? Yes No
5. Who has authority to make wire transfers? _____
6. Does your financial institution call an employee other than the one who requested the transfer before acting on the request? Yes No
7. Have any of these procedures been modified? Yes No Explain _____
8. Does the receiving financial institution immediately verify the completion of the transfer of funds? Yes No
9. If so, does such verification go to an employee other than the one who initiated the transfer? Yes No
10. Do you receive hard copy confirmation of all wire transfers? Yes No
11. Are they sent directly to a department not authorized to initiate transfer? Yes No
12. Is reconciliation done on the same day as the confirmation is received? Yes No
13. Do these same procedures apply to all their foreign locations? Yes No

COMPUTER SYSTEMS

1. Are the duties of programmers and operators kept separate? Yes No
2. Is the output reconciled by persons who do not prepare the input or process? Yes No
3. Does the auditor run his "Test Deck" to detect changes made without him being advised? Yes No

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4. Are systems in place to detect fraudulent usage by employees and non-employees? Yes No
5. Are access codes and passwords changed regularly? Yes No
6. Are access codes terminated immediately upon employee termination? Yes No
7. Do any non-employees have access to the computer systems? Yes No (If yes, please explain)

The Insured represents that the information furnished in this application is complete, true and correct. Any misrepresentation, omission, concealment or incorrect statement of a material fact, in this application or otherwise, shall be grounds for the rescission of any bond or policy issued.

Dated at _____ this _____ day of _____, 19 _____

_____ By _____
 (Insured) (Name and Title)

NOTICE TO ARKANSAS APPLICANTS: ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINE AND CONFINEMENT IN PRISON.

NOTICE TO COLORADO APPLICANTS: 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, FINE, 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 AUTHORITIES."

NOTICE TO FLORIDA APPLICANTS: "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 IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE

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PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.”

NOTICE TO MAINE APPLICANTS: “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 OR A DENIAL OF INSURANCE BENEFITS.”

NOTICE TO NEW JERSEY APPLICANTS: “ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.”

NOTICE TO NEW MEXICO APPLICANTS: “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 AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.”

NOTICE TO NEW YORK APPLICANTS: “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, CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR WHICH THE MISREPRESENTATION OCCURRED.”

NOTICE TO OHIO APPLICANTS: “ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD TO GAIN AS AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.”

NOTICE TO PENNSYLVANIA APPLICANTS: “ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION OR CLAIM CONTAINING ANY MATERIALLY INCOMPLETE OR MISLEADING INFORMATION SHALL UPON CONVICTION BE SUBJECT TO IMPRISONMENT FOR UP TO SEVEN YEARS AND PAYMENT OF A FINE OF UP TO \$15,000.”

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