

# Securities Dealer Blanket Bond

FINRA-sponsored Insurance Program ♦ c/o Seabury & Smith, Inc.  
12421 Meredith Drive ♦ P.O. Box 14521 ♦ Urbandale, IA 50398 ♦ Toll-Free 1-800-978-6273  
www.seaburyandsmith.com

## Most Broker-Dealers rely on the Securities Dealer Blanket Bond to protect their assets. Here's why:

- Seabury & Smith originated the Securities Dealer Blanket Bond, one of the most comprehensive Fidelity Bonds in the marketplace offered by National Union Fire Insurance Company of Pittsburgh, Pa.
- Online Enrollment—In just a few minutes you can apply for, purchase and have your bond issued online at [www.seaburyandsmith.com](http://www.seaburyandsmith.com) (for limits up to \$500,000). Everything can be handled conveniently online—from initial quoting to immediate coverage and 24/7 access to your account for renewals.
- Discounts available for new clients and for two-year prepaid bonds (for limits up to \$500,000).
- Limit applies to each and every loss (*unlike the Standard Form 14 in which coverage ceases to exist after the aggregate losses meet the bond limit*).
- Includes coverage for Registered Representatives.
- Defense cost for covered losses is in addition to the limit of liability.
- The Fidelity Bond can provide coverage for your in-house pension and profit sharing plan at no additional cost to your firm.
- Seabury & Smith, Inc., annually reviews the product to ensure competitive pricing and quality coverage.
- We are proud to consistently present firms with stable or reduced rates.
- We are committed to customer service excellence—serving firms of all sizes.
- Financial Services Industry Experts: Our underwriting team has more than 100 years combined experience in administering insurance products for broker-dealers, and we understand the unique nature of the Securities Industry.

### **FINRA is a registered trademark of the Financial Industry Regulatory Authority, Inc.**

Seabury & Smith, FINRA's insurance program administrator, is a third-party provider of insurance products. It is in no way owned or managed by FINRA. FINRA seeks to assist firms' compliance efforts by finding, reviewing and making third-party tools and services available at discounted prices or with additional features. These tools and services are provided as a convenience to firms, and do not represent an endorsement by FINRA. Firms are not obligated to use them, and their use does not ensure compliance with FINRA rules or other regulations or laws.

## Answers to the most frequently asked questions:

**Q. What is a Fidelity Bond, and why does my firm need one?**

**A.** A Fidelity Bond insures your firm against intentional fraudulent and dishonest acts committed by your employees and registered representatives under certain specified circumstances. In cases of theft of customer funds, a Fidelity Bond generally will indemnify your firm for covered losses sustained in the handling of customers' accounts. Besides being an SEC requirement, having a Fidelity Bond just makes good business sense.

**Q. How do I determine what minimum limit of liability I need to carry?**

**A.** According to Rule 4360 of the FINRA Manual, if your required net capital under SEC Rule 15c3-1 is less than \$250,000, then you are required to carry a Fidelity Bond in the amount of 120 percent of your required net capital or \$100,000, whichever is greater. If your required net capital is \$250,000 or greater, please refer to the chart in Question 5 of the attached application.

**Q. Does this policy satisfy the ERISA Fidelity Bond requirements for my in-house pension and profit sharing plans?**

**A.** National Union's Fidelity Bond allows you to add these plans at no additional cost, subject to the limit of your firm's Fidelity Bond. If your firm's limit falls short in satisfying your ERISA requirements, you will still need to carry a separate ERISA Bond for those plans unless you choose to increase your firm's Fidelity Bond to the limit of your ERISA requirement. If you require a separate ERISA Bond, Seabury & Smith also offers this product.

**Q. What other products are available to broker-dealer firms?**

**A.** Seabury & Smith offers several insurance products in addition to the Fidelity Bond, including Errors & Omissions Liability, Directors & Officers Liability, Employment Practices Liability, Business Owner's Property and Liability and many more. For more information on these or other products, please contact us at 1-800-978-6273 or visit our Web site at [www.seaburyandsmith.com](http://www.seaburyandsmith.com).

## Features of the Securities Dealer Blanket Bond

- ❖ Protection for your firm against intentional and dishonest acts committed by your employees and registered representatives.
- ❖ **Limit applies to Each and Every Loss** as opposed to the Standard Form 14 coverage, which ceases to exist for the remainder of the policy term after the aggregate losses meet the bond limit.
- ❖ **Defense cost for covered losses is available in addition to the limit of liability.**
- ❖ **Option to purchase a one-year discovery period upon bond cancellation** affording an additional 12 months to discover losses that were sustained during the bond period.

## Additional Automatic Coverages:\*

- ❖ **Computer Systems Fraud** — Covers loss from a fraudulent entry, or change of electronic data or computer program. Applicable to any computer system operated by the insured.
- ❖ **Computer Virus** — Covers loss due to a computer virus that causes the insured to transfer, pay or deliver funds or property, establish credit or give any value as the direct result of malicious damage or destruction to the insured's computer system.
- ❖ **Telefacsimile Transfer Fraud** — Covers loss resulting directly from the insured having in good faith, transferred funds, certificated securities or uncertificated securities through a computer system covered under the terms of the Computer System Fraud insurance agreement due to their reliance on a fraudulent instruction received through a "Telefacsimile Device."
- ❖ **Voice-Initiated Transfer Fraud** — Covers loss resulting directly from the insured having in good faith, transferred funds from a customer's account through a computer system covered under the terms of the Computer System Fraud insurance agreement due to their reliance on a fraudulent instruction transmitted by telephone.
- ❖ **Audit Expense** — (Aggregate Limit \$25,000; Subject to \$5,000 Deductible) Covers expenses incurred by the insured for the costs of audits or examinations required by any governmental regulatory authority for reason of discovery of a loss sustained by a dishonest or fraudulent act of an employee.
- ❖ **Unauthorized Signatures** — (Aggregate Limit \$25,000; Subject to \$5,000 Deductible) Covers loss resulting from the insured having accepted, paid or cashed any check or withdrawal order made or drawn on a customer's account which bears the signature of one other than a person whose name and signature is on file with the insured as a signatory on such account.
- ❖ **Uncollectible Items of Deposit** — (\$25,000 Occurrence Limit; \$100,000 Aggregate Limit; \$5,000 Deductible) Loss resulting from payments of dividends or funds shares, or withdrawals from a customer's account as a direct result of items of deposit that are not paid for any reason.
- ❖ **Credit Card Forgery** — Covers loss which the Insured shall sustain through forgery or alteration of, on or in, any written instrument required in conjunction with any business credit card issued to the Insured or to any partner, officer or employee of the Insured.

\*Additional conditions of coverage apply and are detailed in applicable riders.

## Coverage options available for additional premium:\*

- ❖ **Registered Representative Amendatory Endorsement (RRAE)** — Broadens the scope of coverage by defining who is a customer and customer property which basically broadens the coverage for the firm from the "selling away" activities of Registered Representatives.
- ❖ **Corporate Identity Protection (CIP)** — Responds to a data breach involving personal, identifiable information. Coverage may be available for 1) defense costs in response to any claim, suit or administrative action; and 2) notification costs, crisis expenses and post event services, such as credit monitoring to affected individuals. Additional premium charges apply. See pricing below required information in the application.
- ❖ **Personal Identity Coverage (PIC)** — Responds to one of the fastest growing crimes in America, by offering expert assistance and financial relief should a covered individual become a victim of identity theft. Additional premium charges apply. See pricing below required information in the application.

\*Subject to underwriting.

---

## NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

---

Name of insurance company to which Application is made (the "Insurer")

# Securities Dealer Blanket Bond Application

## Eligibility Requirements

- No claims made under your Fidelity Bond in the past three (3) years.
- Home office is domiciled within the United States

## Applicant Information

Broker-Dealer Name

\_\_\_\_\_  
*(List all insureds, including Employee Benefit Plans.)*

Joint Insureds

\_\_\_\_\_  
*(List all operating subsidiaries and your in-house pension and profit sharing plans. Clearing brokers can not be considered as additional insureds.)*

*The Broker-Dealer and Joint Insured(s) are referred to herein individually and collectively as "you" or "Applicant".*

Contact Person \_\_\_\_\_ BD# \_\_\_\_\_

Street

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_ Web site \_\_\_\_\_

## Underwriting Information

1. Desired Effective Date \_\_\_\_\_

2. Number of Registered Representatives \_\_\_\_\_

Number of Employees (not counted above) \_\_\_\_\_

3. Total number of branches (excluding main office) \_\_\_\_\_

*A "branch office" is defined as an office which is owned or controlled by a member firm, and which is engaged in the investment banking or securities business.*

4. Highest Net Capital Requirement during the preceding 12-month period.

\_\_\_\_\_  
*The "preceding 12- month period" includes the 12-month period that ends 60 days before the yearly anniversary date of your Fidelity Bond.*

5. Minimum Required Bond Amount\* \_\_\_\_\_

\*Per FINRA Rule 4360, the following chart stipulates minimum required limits of liability

Net Capital Requirement	Minimum Required Bond Amount
Under \$250,000	Greater of A) 120% of firms required net capital or B) \$100,000
\$250,000 - \$300,000	\$600,000
\$300,001 - \$500,000	\$700,000
\$500,001 - \$1,000,000	\$800,000
\$1,000,001 - \$2,000,000	\$1,000,000
\$2,000,001 - \$3,000,000	\$1,500,000
\$3,000,001 - \$4,000,000	\$2,000,000
\$4,000,001 - \$6,000,000	\$3,000,000
\$6,000,001 - \$12,000,000	\$4,000,000
\$12,000,001 +	\$5,000,000

6. Desired Bond Limit \_\_\_\_\_

Choose desired deductible amount of:

\$5,000 (Limits from \$100,000 - \$250,000) \_\_\_\_\_ 10% of Bond Limit \_\_\_\_\_  
 \$10,000 (Limits from \$100,000 - \$2,000,000) \_\_\_\_\_ 25%\* of Bond Limit \_\_\_\_\_

\* FINRA Rule 4360 stipulates any deductible amount that is greater than 10% of the limit purchased, the firm must deduct from its net worth in the calculation of its net capital for purposes of Exchange Act Rule 15c3-1.

7. Exchanges of which you are a member, (please check all that apply):

- Boston Stock Exchange
- Chicago Stock Exchange
- Pacific Stock Exchange
- Stock Clearing Corp of Philadelphia
- Midwest Stock Exchange
- Chicago Board of Options Exchange
- American Stock Exchange

8. Are you registered to do business in the state of Arkansas? \_\_\_\_\_

9. If you are fully disclosed, please list your clearing broker \_\_\_\_\_

10. During the past five years, were any of your firm's current or past registered representatives fined, penalized or suspended while with your firm?  Yes  No

If "Yes," please provide a complete Form U-4 including DRP for each incident:

# of incidents \_\_\_\_\_

Date of such incidents \_\_\_\_\_

Amount (\$) of each incident \_\_\_\_\_

Cause of each incident \_\_\_\_\_

11. Year Broker-Dealer Established \_\_\_\_\_

12. Has any insurance been declined or cancelled during the past three years?  Yes  No  
 (Missouri applicants need not reply)

If "Yes," please provided details of such declination or cancellation: \_\_\_\_\_

13. List all losses sustained during the past three years, whether reimbursed or not. If none please state "no losses"

Date of Loss	Type of Loss	Amount of Loss	Corrective Action

## Additional Coverage Options

You may add the following valuable coverage options to the bond for an additional premium (subject to underwriting). If you are interested in any of the following enhancements to your bond, please fill out the required information below each option.

**Registered Representative Amendatory Enhancement (RRAE)** – This rider broadens the scope of coverage by defining who is a customer and customer property which basically broadens the coverage for the firm from the “selling away” activities of Registered Representatives. Additional premium charges will apply.

### **RRAE Required Information:**

During the past five years, have any of your firm’s current or past Registered Representatives responded ‘yes’ to any or all parts of the following questions:

1. ‘Criminal Disclosure’ Questions 14A or 14B of Form U-4 or,  Yes  No
2. ‘Customer Complaint/Arbitration/Civil Litigation Disclosure’ Question 14I of Form U-4.  Yes  No

If “yes” to either, please provide a complete Form U-4 including Disclosure Reporting Page (DRP) for each ‘yes’ answer. Any “yes” response requires underwriting approval prior to adding.

**Corporate Identity Protection/Privacy Coverage (CIP)** – This valuable coverage enhancement responds to a data breach involving personal, identifiable information. Coverage may be available for 1) defense costs in response to any claim, suit or administrative action; and 2) notification costs, crisis expenses and post event services, such as credit monitoring to affected individuals. Additional premium charges will apply.

*Please note: Amounts incurred for defense costs, administrative expenses, notification costs, crisis expenses, and post event services expenses shall reduce the amount of insurance available to pay judgments or settlements and shall be subject to the applicable deductible.*

### **I. CIP Required Information:**

Short Description of Business:

---

---

---

Corporate Structure:  Non-profit  Private  Public  Private with public debt

State of Incorporation: \_\_\_\_\_ or  N/A

Year Established: \_\_\_\_\_ Number of Employees: \_\_\_\_\_

Projected Annual Revenue: \$ \_\_\_\_\_ Year-end Assets \$ \_\_\_\_\_

Are you requesting this additional coverage for any subsidiaries?  Yes  No

Please so, list those subsidiaries here\*:

---

\*Regardless of the list of subsidiaries, there shall be no coverage for any subsidiary unless specifically endorsed to the proposed bond. Information provided in this application must incorporate subsidiaries for which coverage is requested.

## II. CIP Application Activities:

1. Industry NAIC Code and Title: \_\_\_\_\_
2. Retail Sales:
  - a. What percentage of annual sales are retail sales or services, meaning sales or services direct to individual consumers?  
 Less than 5%     More than 5% and less than 50%     More than 50%
  - b. If applicable, are you in compliance with requirements provided to you by a financial institution in connection with an agreement to accept credit card transactions including CISP; the PCI Data Security Standard; or, any other requirements provided to you?     Yes     No
3. Does Applicant have EACH of the following in place:
  - a. a person or group responsible for information security     Yes     No
  - b. a virus protection program     Yes     No
  - c. a firewall     Yes     No
  - d. a software update process, including updating patches and anti-virus software     Yes     No
  - e. a complete network scan of external ports completed once every 90 days     Yes     No
  - f. a user awareness training program for privacy and information security issues     Yes     No
4. Does Applicant have a current Information Security Policy which documents security procedures, responsibilities, and testing?     Yes     No

If yes, give details:

---

5. Does the Applicant have a current Information Security Incident Response Plan covering unintended release, theft or loss of personal information?     Yes     No

If yes, give details:

---

6. Does Applicant encrypt all sensitive and Personally Identifiable Information?     Yes     No

If yes, give details:

---

## III. CIP Prior Coverage and Loss Information

1. Has Applicant had an application for identity theft, cyber-liability or other insurance policy or bond providing same or similar coverage as the insurance sought declined or has a policy or bond issued to Applicant been cancelled or non-renewed by the insurance carrier in the past 3 years?     Yes     No (Missouri applicants need not reply)

If yes, give details: \_\_\_\_\_

- 
2. Has Applicant experienced any loss that would be covered under this bond in the past 3 years?     Yes     No

If yes, include date, type and amount of loss:

---

---

3. Has the Applicant had a theft of or unintended release of personal information in the past 3 years?  
 Yes     No

If yes, did Applicant notify the individuals whose information was stolen or released?     Yes     No

If yes, please describe the nature and size of the release and any corrective action taken: \_\_\_\_\_

4. Has Applicant been the subject of an administrative investigation, hearing or disciplinary action conducted by a Federal, State, or Local Regulator that involved identity theft or a privacy violation of any nature in the past 3 years?  
\_\_\_\_ Yes \_\_\_\_ No

If yes, describe and include any corrective action taken: \_\_\_\_\_

5. Has Applicant been named in a civil or criminal proceeding that involves identity theft or a privacy violation of any nature?  
\_\_\_\_ Yes \_\_\_\_ No If yes, describe the outcome and include any corrective action taken: \_\_\_\_\_

#### IV. CIP Desired Terms

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

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

	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6
<b>Aggregate Bond Limit:</b>	<b>\$ 50,000</b>	<b>\$100,000</b>	<b>\$250,000</b>	<b>\$500,000</b>	<b>\$750,000</b>	<b>\$1,000,000</b>
Personal Identity Liability Sub-limit:	\$ 50,000	\$100,000	\$250,000	\$500,000	\$750,000	\$1,000,000
Administrative Action Sub-limit:	\$ 50,000	\$100,000	\$250,000	\$250,000	\$250,000	\$ 250,000
Identity Event Services Sub-limit:	\$ 50,000	\$100,000	\$250,000	\$250,000	\$250,000	\$ 250,000
Deductible:	\$ 1,000	\$ 2,500	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000

**Personal Identity Coverage (PIC)** –This valuable coverage enhancement responds to one of the fastest growing crimes in America, by offering expert assistance and financial relief should a covered individual become a victim of identity theft. Additional premium charges will apply.

#### I. PIC Required Information:

1. Do you currently have an identity theft insurance program in place? \_\_\_\_ Yes \_\_\_\_ No  
If yes, please attach policy or bond.
2. Have you ever had an application for identity theft insurance declined or has a policy or bond issued to you been cancelled or non-renewed by the insurance carrier? \_\_\_\_ Yes \_\_\_\_ No If yes, please give details. (Missouri Applicants need not reply.)

---

3. Have you had any identity theft losses over the past three years (whether or not covered by insurance)? \_\_\_\_Yes  
\_\_\_\_No  
If yes, include date, type and amount of loss.

---

4. Have you had any theft of customer/member/employee information over the past three years (whether or not covered by insurance)? \_\_\_\_Yes \_\_\_\_No If yes, include date, type and amount of loss.

---

5. Do you train employees on privacy, information security and related issues annually or more frequently?  
\_\_\_\_Yes \_\_\_\_No  
If yes, please provide information about the training provided.

---

6. How many employees do you have that reside in the State of New York? \_\_\_\_\_

## II. PIC Desired Terms

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

Coverage Type (*Indicate total number of employees for one of the following categories*):

Employee Only \_\_\_\_\_

Employee Plus Spouse \_\_\_\_\_

Employee Plus Spouse and Children Ages 18-23 \_\_\_\_\_

Employee Plus Spouse and Children Ages 0-23 \_\_\_\_\_

Bond Limit: \$ \_\_\_\_\_ (\$10,000 or \$25,000)

**NOTICE TO 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 OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO ARKANSAS, NEW MEXICO AND WEST VIRGINIA 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 FINES 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, 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 AUTHORITIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** 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 INCLUDE 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.

**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 OF THE THIRD DEGREE.

**NOTICE TO KANSAS APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARED WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER, BROKER OR ANY AGENT THEREOF, ANY WRITTEN 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 MATERIAL 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.

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

**NOTICE TO LOUISIANA 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 FINES AND CONFINEMENT IN PRISON.

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

**NOTICE TO MINNESOTA APPLICANTS:** A PERSON WHO FILES A CLAIM WITH INTENT TO DEFRAUD OR HELPS COMMIT A FRAUD AGAINST AN INSURER IS GUILTY OF A CRIME.

**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 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, OR 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 EACH SUCH VIOLATION.

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

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: 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 (365:15-1-10, 36 §3613.1).

**NOTICE TO OREGON 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 OR, CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT, WHICH MAY BE A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO PENNSYLVANIA 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 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.

**NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON 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 INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO VERMONT APPLICANTS:** 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.

## Transparency & Disclosure Information

In this transaction, Seabury & Smith, Inc. is acting as the insurance agent and program manager for National Union Fire Insurance Company of Pittsburgh, PA., for this type of coverage, and not as your insurance broker. Alternative insurance products may be available in the insurance market place. Marsh is only offering this selected insurer quote proposal.

In accordance to industry custom, we are compensated through commissions that are calculated as a percentage of the insurance premiums charged by insurers. We may also receive additional monetary and non-monetary compensation from insurers, or from other insurance intermediaries, which may be contingent upon volume, profitability, or other factors. This compensation may include payment from insurers for marketing related expenses or investments in technology. Our compensation may vary depending on the type of insurance purchased and the insurer selected. We will produce additional information about our compensation and information regarding alternative quotes, upon your request.

You may obtain this information by logging on to [www.personal-plans.com/disclosure](http://www.personal-plans.com/disclosure) and entering the code o4805332.

## Applicant Warranty

The undersigned is a duly authorized representative of the Applicant and he/she understands and acknowledges that Applicant satisfies the Eligibility Requirements as described on this application and represents that the information furnished in this application is complete, true and accurate. Any intentional misrepresentation, omission, concealment or incorrect statement of a material fact, on this application or otherwise, shall be grounds for rescission of any bond issued in reliance upon such information.

If CIP is being purchased, the undersigned hereby acknowledges that he/she is aware that the Limit of Liability contained in this bond shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the Limit of Liability of this bond, and the undersigned further acknowledges that legal defense costs that are incurred shall be applied against the deductible amount.

All written statements and materials furnished to the underwriting insurance company by or on behalf of the Applicant in conjunction with this application are incorporated by reference into this application and made part of it.

The insurance for which you are applying is subject to approval by the underwriting insurance company. Receipt of a completed application and/or premium payment does not bind the insurance company to issue coverage to you

The undersigned also understands and acknowledges the Seabury & Smith, Inc. Transparency & Disclosure Information stated on this application and my signature is acceptance of these terms.

Sign \_\_\_\_\_

Name (please print) \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Á  
Á

Brokerage/Agency \_\_\_\_\_

Á

Name \_\_\_\_\_

Á

Broker Address \_\_\_\_\_

Á

Broker License #: \_\_\_\_\_

Á

Broker Phone \_\_\_\_\_

Á

Broker e-mail \_\_\_\_\_

Please return this form with your check payable to:

Seabury & Smith, Inc.

Attn: PF1 FIN

PO Box 310293

Des Moines, IA 50331-0293

.....  
I authorize Seabury & Smith to charge my:

Visa     Mastercard    Amount \$ \_\_\_\_\_

Credit Card Number: \_\_\_\_\_

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

Authorized Signature: \_\_\_\_\_

\*Print name exactly

as it appears on card: \_\_\_\_\_

\*If the cardholder is not the insured or the authorized representative, please provide the state and zip code of the cardholder:

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Please return this form with your credit card information to:

Seabury & Smith, Inc.

Attn: PF1 FIN

PO Box 14521

Des Moines, IA 50306-3521

**SEABURY & SMITH**

Toll Free: 1-800-978-6273 Fax: (515) 365-3005

[www.seaburyandsmith.com](http://www.seaburyandsmith.com)

Email: [plsdsteam@marshpm.com](mailto:plsdsteam@marshpm.com)

# QUESTIONNAIRE

1. Please indicate how you acquired this application:

- Direct Mailer  Conference  Web site  Requested  Provided by a broker or consultant  
 Other:

2. Prior Insurance Carrier:                      Expiration Date:                      Annual Premium

3. Do you currently have any of the following products?

Errors & Omissions Liability Insurance:  Yes  No (Expiration Date:                      )

Directors & Officers Liability Insurance:  Yes  No (Expiration Date:                      )

Fiduciary Liability Insurance:  Yes  No (Expiration Date:                      )

Employment Practices Liability Insurance:  Yes  No (Expiration Date:                      )

ERISA Bond:  Yes  No (Expiration Date:                      )

Signature Guarantee Medallion Bond:  Yes  No (Expiration Date:                      )

Business Owners, Workers Comp, Business Auto, Excess Liability:  Yes  No (Expiration Date:                      )

If you do not currently have these coverages with Seabury & Smith, may we contact you to discuss our product line and obtain additional information to provide you with a quotation of those coverages you have an interest in?  Yes  No

If "Yes," please provide contact information:

Contact Name:                      Phone #:

Email:

Would you like to receive email updates regarding Seabury & Smith insurance products and offers?\*  Yes  No

\* If yes, please include email address above.

Call	Web	Fax	Mail	Email
1-800-978-6273	<a href="http://www.seaburyandsmith.com">www.seaburyandsmith.com</a>	1-515-365-3005	Seabury & Smith, Inc. P.O. Box 14521 Attn: PF1 FIN Urbandale, IA 50398	<a href="mailto:plsdsteam@marshpm.com">plsdsteam@marshpm.com</a>