SURETY ONE

ERISA FIDELITY BOND APPLICATION

(FOR LABOR UNIONS, ESOPS AND LIMITS IN EXCESS OF U.S. $1M)

Email: Underwriting@SuretyOne.org | Facsimile: 919-834-7039 | Mail: P.O. Box 37284, Raleigh, NC 27627

The term **Applicant** means the Plan Sponsor and any Employee Benefit Plan proposed for this insurance.

I. SPONSOR INFORMATION

Name of Plan Sponsor (Business Name): _____

Sponsor Address: _____ City: _____ State: ___ ZIP: _____

Sponsor Email: _____ Sponsor Phone #: _____

II. COVERAGE/RATING INFORMATION

1. Proposed Policy Period*: From 12:01 a.m. on _____ to _____

   ** Proposed effective date should be within 90 days of the date this Supplemental Application is completed.*

2. Has the Sponsor or have any of the **Applicant's** plans experienced any prior or pending fidelity loss? ☐ Yes ☐ No
   (If yes, please forward details to your underwriter.)

3. Has the Sponsor or have any of the **Applicant's** plans been declined coverage by another insurance company? *(Not applicable to Missouri **Applicants**.)* ☐ Yes ☐ No

COMPLETE THE APPLICABLE SECTION(S) III. THROUGH VI. BELOW:

III. UNION PLAN QUESTIONS

1. Please complete the following table (*attach a separate sheet, if necessary):*

Plan Name	# of Fiduciaries	# of Employees providing Plan Administration	Total Assets	Limit Desired*
			$	$
			$	$
			$	$
			$	$
Total			$	$

* *It is the **Applicant's** responsibility to determine what coverage limit is necessary. ERISA may require a plan's coverage limit to exceed $500,000 or $1,000,000, depending on a number of factors. Expression of an **Applicant's** need or desire to carry a specific limit does not bind the Company to provide such a limit.*

2. Does the Union self-administer the benefit plans? ☐ Yes ☐ No

   If yes, does this activity include:

   a. Management of investments? ☐ Yes ☐ No

   b. Administration of beneficiary enrollment? ☐ Yes ☐ No

   c. Payment of benefits? ☐ Yes ☐ No

   If the answer to any of items 2.a-c above is no, please indicate the party that provides these services:

   _____

   _____

3. Are plan assets invested in accordance with a formal written investment plan? ☐ Yes ☐ No
(If no, please explain.)

_____

4. Are all plans audited annually by an independent CPA, and providing an unqualified auditor's opinion? ☐ Yes ☐ No
(If no, please explain.)

_____

5. Are all bank account statements reconciled at least monthly? ☐ Yes ☐ No

6. Does someone other than the person responsible for reconciling bank accounts:

   a. Make deposits? ☐ Yes ☐ No

   b. Make withdrawals? ☐ Yes ☐ No

   c. Sign checks? ☐ Yes ☐ No

7. Is countersignature of checks required? ☐ Yes ☐ No

   If yes, what is threshold requirement for dual signing? $_____

8. Is segregation of duties practiced in the following areas:

   a. Cash receipts? ☐ Yes ☐ No

   b. Vendor approval? ☐ Yes ☐ No

   c. Oversight of blank check stock and check-writing apparatus? ☐ Yes ☐ No

   d. Purchase order approval and payment? ☐ Yes ☐ No

   e. Benefit enrollments and benefit payments? ☐ Yes ☐ No

IV. NON-QUALIFYING ASSET QUESTIONS

1. Has the **Applicant** requested an Employee Benefit Plan Audit Waiver from the Department of Labor? ☐ Yes ☐ No

   (If yes, has the Audit Waiver been granted?) ☐ Yes ☐ No

2. Do any of the **Applicant's** plans hold non-qualifying assets? ☐ Yes ☐ No

3. How many beneficiaries are in the plan? _____

4. Indicate the amount of non-qualifying assets at the end of the most recent plan reporting year? $_____

5. What is the percentage of non-qualifying assets in relation to total plan assets? _____%

6. Please describe the non-qualifying assets. *(Attach a separate page if necessary.)*

_____

_____

7. How often are non-qualifying assets evaluated to determine their market value? _____

8. How is the market value of non-qualifying assets determined? *(Attach a separate page if necessary.)*

_____

_____

9. Are any non-qualifying assets held in custody by any Fiduciary who is a plan participant? ☐ Yes ☐ No
(If yes, please explain.)

_____

_____

10. Are non-qualifying investments originated or managed by a third party manager or custodian? ☐ Yes ☐ No

11. What percentage interest as participants in the plan assets do Fiduciaries hold in the plan? _____%

V. EMPLOYER SECUR ITIES QUESTIONS

1. Please complete the following table (*attach a separate sheet, if necessary*):

Plan Name	Total Assets	Amount of Employer Securities	Limit Desired*
	$	$	$
	$	$	$
	$	$	$
	$	$	$
Total	$	$	$

* *It is the **Applicant's** responsibility to determine what coverage limit is necessary. ERISA may require a plan's coverage limit to exceed $500,000 or $1,000,000, depending on a number of factors. Expression of an **Applicant's** need or desire to carry a specific limit does not bind the Company to provide such a limit.*

2. Please indicate the number of fiduciaries/trustees for all plans _____
(Please do not include any third party administrators, professional investment advisors or any other independent service providers.)

3. Are all plans audited annually by an independent CPA, and providing an unqualified auditor's opinion? ☐ Yes ☐ No

(If no, please explain.)

_____

4. Did the most recent CPA audit indicate any material findings regarding the financial condition or internal control conditions impacting, or potentially impacting, the financial statements of the plan? ☐ Yes ☐ No

5. Are the employer securities publicly traded? ☐ Yes ☐ No

(If yes, what is the ticker symbol?) _____

6. Are there any outstanding or delinquent plan contributions or plan loans, leases or debt obligations that are in default or classified as uncollectible? ☐ Yes ☐ No

(If yes, please explain.)

_____

VI. ENHANCED LIMIT QUESTIONS

1. Please complete the following table (*attach a separate sheet, if necessary*):

Plan Name	# of Fiduciaries	Total Assets	Limit Desired*
		$	$
		$	$
		$	$
		$	$
Total		$	$

* *It is the **Applicant's** responsibility to determine what coverage limit is necessary. ERISA may require a plan's coverage limit to exceed $500,000 or $1,000,000, depending on a number of factors. Expression of an **Applicant's** need or desire to carry a specific limit does not bind the Company to provide such a limit.*

2. Please explain the plan's desire to carry an enhanced limit beyond the limit required by ERISA *(Attach a separate page if necessary.)*

_____

_____

VIII. FRAUD WARNINGS

Attention: Insureds in Alabama, Arkansas, D.C., Maryland, New Mexico, and Rhode Island
Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Attention: Insureds in 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.

Attention: Insureds in Florida
Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Attention: Insureds in Kentucky, New Jersey, New York, Ohio, and Pennsylvania
Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. (In New York, the civil penalty is not to exceed five thousand dollars ($5,000) and the stated value of the claim for each such violation.)

Attention: Insureds in Louisiana, 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 include imprisonment, fines, and denial of insurance benefits.

Attention: Insureds in Oregon
Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

Attention: Insureds in Puerto Rico
Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years; if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

IX. SIGNATURE SECTION

THE UNDERSIGNED OFFICER OF THE APPLICANT (AUTHORIZED REPRESENTATIVE) DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE AND BELIEF, THE STATEMENTS SET FORTH IN THIS APPLICATION FOR INSURANCE AND MATERIAL SUBMITTED THEREWITH ARE TRUE AND COMPLETE. SUCH APPLICATION AND MATERIALS WILL BE RELIED ON BY THE INSURANCE COMPANY AND BE THE BASIS OF THE INSURANCE. IN NORTH CAROLINA, IF THE BOND APPLIED FOR STATES THAT THE APPLICATION CONSTITUTES PART OF THE BOND, SUCH STATEMENT SHALL NOT APPLY TO THIS APPLICATION. IF ANY INFORMATION IN THIS APPLICATION CHANGES PRIOR TO THE INCEPTION DATE OF THE BOND, THE APPLICANT WILL NOTIFY THE INSURER OF SUCH CHANGES AND THE INSURER MAY MODIFY OR WITHDRAW ANY OUTSTANDING QUOTATION. THE INSURER AND/OR ITS AGENT(S), PRODUCER(S), AND/OR SUBPRODUCER(S) IS/ARE AUTHORIZED TO MAKE INQUIRIES IN CONNECTION WITH THIS APPLICATION. THE SIGNING OF THIS APPLICATION DOES NOT BIND AN INSURER TO OFFER, NOR THE APPLICANT TO PURCHASE, THE INSURANCE.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.

Signature*: Officer of **Applicant** (Authorized Representative)	Name (Printed)
Title	Date