

BY COMPLETING THIS SUPPLEMENTAL APPLICATION THE APPLICANT IS APPLYING FOR COVERAGE WITH FEDERAL INSURANCE COMPANY (THE "COMPANY")

NOTICE: THE LIABILITY COVERAGE PARTS OF FOREFRONT PORTFOLIO 3.0SM PROVIDE CLAIMS-MADE COVERAGE, WHICH APPLIES ONLY TO "CLAIMS" FIRST MADE DURING THE "POLICY PERIOD", OR ANY APPLICABLE EXTENDED REPORTING PERIOD. SOLELY WITH RESPECT TO SUCH LIABILITY COVERAGE PARTS: (1) THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY "DEFENSE COSTS", AND "DEFENSE COSTS" WILL BE APPLIED AGAINST THE RETENTION AMOUNT AND; (2) IN NO EVENT WILL THE COMPANY BE LIABLE FOR "DEFENSE COSTS" OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. READ THE ENTIRE SUPPLEMENTAL APPLICATION CAREFULLY BEFORE SIGNING.

CRIME SUPPLEMENTAL APPLICATION INSTRUCTIONS:

1. Whenever used in this Supplemental Application, the term "**Applicant**" shall mean "the Parent Organization and all subsidiaries".
2. Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.
3. Please complete this application if you are applying for Warehouse coverage.

I. NAME, ADDRESS AND CONTACT INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
City: _____ State: _____ Zip Code: _____ Telephone: _____

II. SPECIFIC INFORMATION:

1. How many warehouses are there?
2. Warehouse inventory values:
 - (a) Average Value: \$ _____
 - (b) Maximum Value: \$ _____
3. How often are complete physical inventories made of each location? _____ ; and by whom? _____
4. Are any surprise internal inventory audits conducted? Yes No
If "Yes", how often? _____ ; and by whom? _____

5. Are inventory counts made in the presence of those responsible for the inventory on hand? Yes No
6. Who is responsible for signing, issuing and canceling warehouse receipts at each warehouse?

7. Are receiving, storage, and shipping duties separated among three individuals at each warehouse? Yes No
8. Does the Insured issue warehouse receipts? Yes No
If "Yes", please answer the following questions:
 - (a) Are the warehouse receipts:
 - i. Negotiable? Yes No
 - ii. Serially numbered? Yes No
 - (b) Are unissued receipts controlled by someone not authorized to issue the receipts? Yes No
 - (c) How often are receipts counted? _____ ; and by whom? _____

- (d) What is the average dollar value of the warehouse receipts issued? \$ _____
- (e) What is the maximum dollar value of the warehouse receipts issued? \$ _____
- (f) Where are the warehouse receipts kept for safekeeping? _____
- (g) For what type of merchandise are warehouse receipts issued? _____
- (h) What is the Insured's system for verifying warehouse receipts procedures and accuracy?

III. MATERIAL CHANGE:

If there is any material change in the answers to the questions in this Supplemental Crime Application before the policy inception date, the **Applicant** must immediately notify the Company in writing, and any outstanding quotation may be modified or withdrawn.

IV. DECLARATIONS, FRAUD WARNINGS AND SIGNATURES:

The **Applicant's** submission of this Supplemental Crime Application does not obligate the Company to issue, or the **Applicant** to purchase, a policy. The **Applicant** will be advised if the Supplemental Crime Application for coverage is accepted. The **Applicant** hereby authorizes the Company to make any inquiry in connection with this Supplemental Crime Application.

The undersigned authorized agents of the person(s) and entity(ies) proposed for this insurance declare that to the best of their knowledge and belief, after reasonable inquiry, the statements made in this Supplemental Crime Application and in any attachments or other documents submitted with this Supplemental Crime Application are true and complete. The undersigned agree that this Supplemental Crime Application and such attachments and other documents shall be the basis of the insurance policy should a policy providing the requested coverage be issued; that all such materials shall be deemed to be attached to and shall form a part of any such policy; and that the Company will have relied on all such materials in issuing any such policy.

The information requested in this Supplemental Crime Application is for underwriting purposes only and does not constitute notice to the Company under any policy of a Claim or potential Claim.

Notice to Arkansas, New Mexico and Ohio Applicants: Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false, fraudulent or deceptive statement is, or may be found to be, guilty of insurance fraud, which is a crime, and may be subject to civil fines and criminal penalties.

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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder 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.

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 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 and Rhode Island 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, 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 may include imprisonment, fines or a denial of insurance benefits.

Notice to Alabama and Maryland Applicants: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or 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 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 Oklahoma Applicants: Any person who, knowingly and with intent to injure, defraud or deceive any employer or employee, insurance company, or self-insured program, files a statement of claim containing any false or misleading information is guilty of a felony.

Notice to Oregon and Texas Applicants: Any person who makes an intentional misstatement that is material to the risk may be found guilty of insurance fraud by a court of law.

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 Puerto Rico Applicants: 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 (5,000) dollars and not more than ten thousand (10,000) dollars, or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances are 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.

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.

Date

Signature*

Title

*This Supplemental Crime Application must be signed by an authorized representative of the parent organization.

Produced By:

Agent (Print & Sign): _____

Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address: _____

City: _____ State: _____ Zip: _____

Submitted By:

Agency: _____

Agency Taxpayer ID or SS No.: _____ Agent License No.: _____

Address: _____

City: _____ State: _____ Zip: _____