



# Title Industry Protector

## FIDELITY CRIME COVERAGE

1. Name of Applicant: \_\_\_\_\_

Include Additional Named Insureds or DBAs \_\_\_\_\_

Contact \_\_\_\_\_ Title \_\_\_\_\_ Phone \_\_\_\_\_ E-mail \_\_\_\_\_

By providing an email, you agree to receive future emails from Merriam Insurance

Street Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_ Zip \_\_\_\_\_

Web Site \_\_\_\_\_ Date Established \_\_\_\_/\_\_\_\_/\_\_\_\_ Number of locations \_\_\_\_

Number of additional entities or DBAs \_\_\_\_ **If more than one location or entity please provide all details on a separate sheet.**

2. Description of Applicant's Operations: \_\_\_\_\_

3. Has the name or ownership of the Applicant ever changed or has any other entity been acquired, merged or consolidated with the Applicant? Yes No

**If yes, please provide complete details on a separate sheet listing each entity name.**

4. Is the Applicant controlled, owned, affiliated or associated with any other organization or title agency? Yes No

If yes, please provide: Name of Organization \_\_\_\_\_ Type of business \_\_\_\_\_

Full details of the relationship \_\_\_\_\_

Use separate sheet for additional information (ownership, any services provided to this organization, and percentage of your business from this organization).

If no services are provided to this entity check here \_\_\_\_ **No services provided.**

5. Are any of the principals or key personnel actively involved in any business or profession other than Title Agent, Escrow Agent, Abstractor, etc. or is any other type of business or profession conducted? Yes No

**If yes, please explain:** \_\_\_\_\_

6. Staff (including owners) Number of employees \_\_\_\_

Please list names of staff, other than clerical and assign activity codes and years of experience to each.

*Activity codes: Owner Partner Officer O; Title Agent T; Abstractor/ Searcher A; Escrow Agent E; Closer C.*

Name	Activity Code	Years of experience	
_____	_____	_____	(Use Separate Sheet if Needed)
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	
_____	_____	_____	

7. Do you perform any of the following on candidates for employment?

Verification of Prior Employment	Yes	No	Drug Testing	Yes	No
Education Verification	Yes	No	Credit History	Yes	No
Criminal History	Yes	No			

8. Are all of your operations located in the U.S., its territories, or Canada? Yes No
9. Is the Applicant a subsidiary of foreign parent company? Yes No
10. Has your operation experienced any crime related losses in the past 5 years? Yes No
11. Do you have access to your client's funds/property (including money, securities, inventory, high value property, banking systems, wire transfer systems, computer systems, sensitive computer data, etc.)? Yes No
12. What is the maximum amount of cash, checks, money orders and credit card receipts on hand? \_\_\_\_\_
13. What is the maximum amount of cash, checks, money orders and credit card receipts that are brought off the premises?  
\_\_\_\_\_
14. How many employees handle, have access to, or maintain records of money, securities, or other property (including, but not limited to, directors, officers, trustees, and any person handling or having access to employee welfare or benefit plan assets)?  
\_\_\_\_\_
15. Does someone *other than* the person responsible for reconciling bank accounts:
- |                |     |    |              |     |    |              |     |    |
|----------------|-----|----|--------------|-----|----|--------------|-----|----|
| Make deposits? | Yes | No | Withdrawals? | Yes | No | Sign Checks? | Yes | No |
|----------------|-----|----|--------------|-----|----|--------------|-----|----|
16. Are dual signatures required for checks written from the operating account or is an owner required to sign checks? Yes No  
If No, explain how the Applicant protects their business against employee check writing fraud.
17. Is segregation of duties practiced in the following areas?
- |                                   |     |    |                               |     |     |    |
|-----------------------------------|-----|----|-------------------------------|-----|-----|----|
| Wire Transfer Receipts & Payments | Yes | No | Cash Receipts                 | N/A | Yes | No |
| Oversight of Blank Check Stock    | Yes | No | Checks & Credit Card Receipts | N/A | Yes | No |
18. Are all incoming checks stamped "for deposit only" immediately upon receipt? N/A Yes No
19. Is there a formal, planned program requiring separation of duties so that a single transaction cannot be fully controlled from initiation to recording by one person? Yes No
20. Do you require written instructions for every escrow/closing? Yes No
21. Do you require a cashier's check or "good funds" for each escrow/closing? Yes No
22. Do you require initials or signatures on any changes to an escrow/closing? Yes No
23. Do you ever close without title insurance or a title opinion? Yes No
24. During the past two years, have you handled disbursement of funds as construction progressed, or have you handled any periodic disbursement type escrows? Yes No
25. If yes, please provide explanation, including percentage of gross revenue emanating from these clients:  
\_\_\_\_\_
26. What is the average amount of time money is held in escrow? \_\_\_\_\_
27. What is the average amount of money held in escrow? \_\_\_\_\_
28. What is the average number of monthly escrow transactions? \_\_\_\_\_
29. What is the average escrow transaction size? \_\_\_\_\_
30. Who performs your audit? \_\_\_\_\_
31. Have the outside auditors stated there are material weaknesses in the Applicant's systems of internal controls? **If yes**, attach explanation. Yes No
32. Has the Applicant implemented all material recommendations of the auditor? **If no**, attach explanation. Yes No
33. Has the auditor issued a going concern opinion for the Applicant or any of its subsidiaries' Financial statements during the past 3 years? **If yes**, attach explanation. Yes No
34. Have you changed outside auditors in the past 3 years? If yes, attach explanation Yes No

35. Was your net worth or fund balance positive as of the last fiscal year end?

Yes No

36.

Please indicate the following as it relates to the applicants fiscal year end (FYE)	Most Recent FYE (Month/Year) ____/____	Prior FYE (Month/Year) ____/____
1. Current Assets		
2. Total Assets		
3. Current Liabilities		
4. Long Term Debt		
5. Retained Earnings/Fund Balance (Accumulated Deficit/Fund Deficit)		
6. Net Equity/New Assets (Deficit Equity)		
7. Revenues		
8. Net Income (Net Loss)		
9. Is the Applicant currently, or has it been in the past 24 months, in violation or has it amended any debt covenant? If yes, explain.	Yes No	

**35. Current Coverage:**

**Requested Coverage (if different)**

Insuring Agreement	Limit	Deductible	Limit	Deductible
Employee Theft	\$	\$	\$	\$
Forgery or Alteration	\$	\$	\$	\$
Theft of Money & Securities	\$	\$	\$	\$
Robbery or Safe Burglary	\$	\$	\$	\$
Outside the Premises	\$	\$	\$	\$
Computer and Funds Transfer Fraud	\$	\$	\$	\$
Money Orders & Counterfeit Money	\$	\$	\$	\$
Other:	\$	\$	\$	\$

Expiring Annual Premium: \_\_\_\_\_ Expiration Date of Current Coverage: \_\_\_\_\_

Name of Current Carrier: \_\_\_\_\_

## **FRAUD WARNING STATEMENT**

**Fraud Warning:** Any person who knowingly and with the 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 purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects the person to criminal and civil penalties.

**Notice to Arkansas Applicants:** Any person who knowingly presents a false or fraudulent claim for payment for 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 insurance 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.

**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:** A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that 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 materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**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 denial of insurance benefits.

**Notice to 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 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 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, 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 the 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.

**Notice to Oregon Applicants:** Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

**Notice to 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.

**Notice to 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 Tennessee 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 Virginia 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 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 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.

**THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED. ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE COMPANY IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.**

Signed: \_\_\_\_\_  
President, Vice-President, Owner or Partner only

Printed Name & Position: \_\_\_\_\_ Date: \_\_\_\_\_



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