

Application

FINANCIAL INSTITUTION BOND QUESTIONNAIRE (SUPPLEMENTARY APPLICATION)

FL- 033 BOND 23 Q



SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.

DATED: _____

FOR AND ON BEHALF OF _____
(Applicants name)

SIGNED: _____ TITLE OF OFFICER: _____

PLEASE ATTACH LATEST ANNUAL REPORT, FULL YEAR AND QUARTERLY FINANCIALS STATEMENTS (AUDITER OR NOT)

GENERAL INFORMATION

1. NAME OF APPLICANT AND PRINCIPAL LOCATION: _____

2. NATURE OF OPERATIONS: _____

3. ANNUAL TURNOVER: _____ NUMBER OF LOCATIONS: _____

4. NUMBER OF EMPLOYEES: _____

EXTERNAL AUDIT

1. A) NAME OF EXTERNAL AUDITORS. _____

B) DO THEY AUDIT ALL OPERATIONS? _____

NOTE: IF ANY RECOMMENDATIONS HAVE BEEN MADE ABOUT INTERNAL SYSTEMS, PLEASE PROVIDE COPY ALONG WITH MANAGEMENT'S RESPONSE.

INTERNAL AUDIT DEPARTMENT

1. IS THERE AN INTERNAL AUDIT DEPARTMENT? YES [] NO []

DO THEY:

A) HAVE AN ESTABLISHED AUDIT CYCLE FOR ALL OPERATIONS? YES [] NO []

B) AUDIT ALL PREMISES ON A REGULAR BASIS? YES [] NO []

C) AUDIT COMPUTER RECORDS IN STORAGE? YES [] NO []

D) AUDIT ALL EDP FUNCTIONS? YES [] NO []

E) APPROVE ALL AMENDMENTS TO COMPUTER PROGRAMS BEFORE THEY ARE RELEASED TO USERS? YES [] NO []

F) RUN A "TEST CHECK" TO DETECT CHANGES MADE WITHOUT AUTHORIZATION? YES [] NO []

G) CARRY OUT REGULAR, RANDOM AND SURPRISE CHECKS ON STOCKS OF RAW MATERIALS, WORK IN PROGRESS AND FINISHED GOODS?
YES [] NO []

RECRUITMENT PROCEDURES

1. WHAT PROCEDURES ARE USED FOR RECRUITING STAFF AND ASSESSING THEIR SUITABILITY FOR POSITIONS OF TRUST? _____

2. WHEN RECRUITING OR PROMOTING EMPLOYEES TO POSITIONS OF TRUST INVOLVING HANDLING OF STOCK, MONEY, FINANCIAL

OR TREASURY FUNCTIONS, DO YOU:

A. OBTAIN WRITTEN REFERENCES COVERING, AT LEAST, THEIR PREVIOUS 3 YEARS EMPLOYMENT HISTORY? YES [] NO []

B. UNDERGO A PROCESS TO ENSURE THEIR SUITABILITY FOR THE POSITION? YES [] NO []

EMPLOYEE CONTROLS

1. IS ALL STAFF REQUIRED TO TAKE TWO WEEKS UNINTERRUPTED HOLIDAYS EACH YEAR?

2. ARE WAGES/SALARIES INDEPENDENTLY CHECKED AGAINST PERSONNEL RECORDS?

3. ARE DUTIES OF EMPLOYEES SEGREGATED SO THAT NO INDIVIDUAL CAN CONTROL ANY OF THE FOLLOWING TRANSACTIONS FROM COMMENCEMENT TO COMPLETION?

- A) SIGNING CHECKS ABOVE US\$5,000.00. YES [] NO []
- B) ISSUING FUNDS TRANSFER INSTRUCTIONS? YES [] NO []
- C) ISSUING AMENDMENTS TO FUNDS TRANSFER PROCEDURES? YES [] NO []
- D) INVESTMENT IN AND CUSTODY OF SECURITIES OR OTHER VALUABLES (INCLUDING BLANK CHECKS, TRAVELERS CHECKS, BILLS OF EXCHANGE, ETC.)? YES [] NO []
- E) AUTHORIZING CAPITAL EXPENDITURE? YES [] NO []

4. ARE MONTHLY STATEMENTS OF ACCOUNT SENT TO CUSTOMERS INDEPENDENTLY OF EMPLOYEES RECEIVING PAYMENT?

5. IS RECONCILIATION OF BANK STATEMENTS AND CLIENT ACCOUNTS CARRIED OUT BY PERSONS NOT AUTHORIZED TO DEPOSIT/WITHDRAW FUNDS, ISSUED FUNDS TRANSFER INSTRUCTIONS OR DISPATCH ACCOUNTS TO CLIENTS?

COMPUTER SYSTEM CONTROLS

1. A) DOES YOUR COMPUTER SYSTEM OFFER A DIAL UP FACILITY? _____
 B) IF SO, IS THIS RESTRICTED SOLELY TO PROVIDING INFORMATION OR TO PROVIDING AN ELECTRONIC MAIL FUNCTION?

2. A) ARE PASSWORDS USED TO AFFORD VARYING LEVELS OF ENTRY TO THE COMPUTER SYSTEM DEPENDING ON THE NEED AND AUTHORIZATION OF THE USER? _____

B) ARE PASSWORDS REGULARLY CHANGED WHEN THERE IS ANY TURNOVER IN KNOWLEDGEABLE PERSONNEL?

C) IF PASSWORDS ARE NOT USED, DESCRIBE THE ALTERNATIVE METHOD USED. _____

D) ARE ALL SOURCE DOCUMENTS SECURED TO PREVENT UNAUTHORIZED MODIFICATIONS OR USE OF DATA BEFORE ENTERING THE COMPUTER SYSTEM? _____

E) IS THERE AN ERROR AND EXCEPTION LOG WHICH IS REGULARLY REVIEWED AND WHICH IDENTIFIES TERMINALS AND USER IDENTIFICATION NUMBER? _____

F) IS THE USE OF TERMINALS RESTRICTED ONLY TO AUTHORIZED PERSONNEL? _____

G) ARE UNIQUE PASSWORDS USED TO IDENTIFY EACH TERMINAL? _____

3. WHAT IS THE ANNUAL VOLUME OF FUNDS TRANSFER INSTRUCTIONS GIVEN TO FINANCIAL INSTITUTIONS?

4. A) WHAT PROCEDURE IS USED TO ISSUE AND AUTHORIZE SUCH INSTRUCTIONS? _____

B) ARE THESE ALL ON A PRE-FORMATTED BASIS? _____

C) ARE THE BANKS REQUIRED TO AUTHENTICATE ANY INSTRUCTIONS BEFORE PAYMENT? _____

D) ARE ALL INSTRUCTIONS CONFIRMED IN WRITING WITHIN 24 HOURS? _____

STOCK AND PHYSICAL SECURITY

1. WHAT IS THE MAXIMUM VALUE OF MONEY, SECURITIES, PRECIOUS METALS AND/OR JEWELRY ON PREMISES AND AT ANY ONE LOCATION?

A) DURING BUSINESS HOURS? _____

B) AFTER BUSINESS HOURS? _____

2. THERE ARE CONTROLLED ACCESSES TO ALL LOCATION? YES [] NO []

3. ARE ALL PREMISES CONTAINING STOCK, MONEY, SECURITIES, PRECIOUS METALS ETC. CONNECTED TO AN INTRUDER ALARM WHICH IS CONNECTED TO A CENTRAL STATION OR POLICE STATION AND ARE SUCH INTRUDER ALARMS MAINTAINED IN PROPER WORKING ORDER? YES [] NO []

4. WHAT IS THE MAXIMUM VALUE OF STOCK HELD AT ANY ONE LOCATION? _____

5. IS AN INDEPENDENT PHYSICAL COUNT OF STOCK, RAW MATERIALS, WORK IN PROGRESS AND FINISHED GOODS UNDERTAKEN AT LEAST QUARTERLY AND IS THIS COUNT RECONCILED AGAINST STOCK RECORDS? _____

6. IS THE TRANSFER OF MONEY AND SECURITIES VALUED ABOVE _____

7. WHAT PHYSICAL PROTECTION METHODS ARE USED TO SAFEGUARD PROPERTY? (I.E. LOCKS ON DOORS AND WINDOWS, SECURITY CAGES, CLOSED CIRCUIT TELEVISION, METAL SHUTTERS, ETC.). _____

8. IS ACCESS TO ALL BUSINESS PREMISES CONTROLLED? _____

9. ARE PREMISES OCCUPIED AFTER BUSINESS HOURS? _____

10. ARE ALL PREMISES FITTED WITH ALARMS, WHICH ARE MAINTAINED IN PROPER WORKING ORDER AND CONNECTED AT ALL TIMES AFTER BUSINESS HOURS? _____

11. ARE THESE CONNECTED TO:
A) CENTRAL STATION? _____
B) POLICE STATION? _____

12. HAVE ANY SECURITY SURVEYS BEEN CARRIED OUT IN THE LAST THREE YEARS WHOSE RECOMMENDATIONS HAVE NOT BEEN TAKEN UP?
If yes, please provide copy. _____

13. WHAT WERE THEY AND WHY WERE THEY NOT TAKEN UP? _____

14. IS TRANSFER OF MONEY AND NEGOTIABLE SECURITIES USUALLY MADE BY ARMORED VEHICLE? _____
If not, please describe transit procedure in full. _____

15. PLEASE PROVIDE BRIEF DETAILS OF ANY LOSSES SUSTAINED DURING THE PAST FIVE YEARS BEFORE APPLICATION OF ANY DEDUCTIBLE AND WHETHER INSURED OR NOT

DATE DISCOVERED	LOCATION	NATURE OF LOSS	AMOUNT

16. PLEASE ATTACH FULL DETAILS OF THE CIRCUMSTANCES OF ANY SUBSTANTIAL LOSS AND THE CORRECTIVE MEASURES TAKEN TO AVOID RECURRENCE

NOTICE: ANY PERSON WHO KNOWINGLY AND WITH THE INTENT TO FRAUD PROVIDES FALSE INFORMATION IN AN INSURANCE APPLICATION, OR PRESENTS, ASSISTS, OR MAKES A FRAUDULENT CLAIM FOR THE PAYMENT OF A LOSS OR OTHER BENEFIT, OR PRESENTS MORE THAN ONE CLAIM FOR THE SAME INCIDENT OF DAMAGE OR LOSS, WILL COMMIT A FELONY AND IF CONVICTED WILL BE SENTENCED FOR EACH VIOLATION WITH A FINE OF NO LESS THAN FIVE THOUSAND (\$5,000) DOLLARS AND NOT EXCEEDING TEN THOUSAND (\$10,000) DOLLARS, OR BE SENTENCED TO IMPRISONMENT FOR A THREE (3) YEAR TERM, OR BOTH PENALTIES. IN THE EVENT OF AGGRAVATING CIRCUMSTANCES, THE TERM COULD BE INCREASED TO A MAXIMUM OF FIVE (5) YEARS; IN THE EVENT OF INTERVENING EXTENUATING CIRCUMSTANCES IT COULD BE REDUCED UP TO A MINIMUM OF TWO (2) YEARS.

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DATE _____ FOR AND ON BEHALF OF _____ (Applicants name)

SIGNED: _____ TITLE OF OFFICER: _____

PLEASE ATTACH LATEST ANNUAL REPORT

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