



## FOR INVESTMENT ADVISORS WHO HANDLE FUNDS REQUIRING BONDING COVERAGE

Agency Name: \_\_\_\_\_ Agency Code No: \_\_\_\_\_ Branch Office: \_\_\_\_\_

ADVISOR NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

Policy Period: From \_\_\_\_\_ To \_\_\_\_\_

1. Date Established? \_\_\_\_\_

2. Number of Employees? \_\_\_\_\_

3. Are your services provided on a fixed fee basis? Yes  No   
If no, how do you charge for your services? \_\_\_\_\_

4. Does someone, other than the person authorized to provide investment advice for clients, review statements of account activity? Yes  No   
Who reviews these statements? \_\_\_\_\_

5. What percentage of account transactions is discretionary? \_\_\_\_\_ %

6. Does every client sign an agreement or contract specifying types of investments to be purchased for his/her account? Yes  No   
If no, describe further. \_\_\_\_\_

7. Who maintains custody over clients' investment assets? \_\_\_\_\_

8. Are investment advisers allowed to execute trades with clients' investment assets? Yes  No   
If yes, what limits are imposed over their trading authority? \_\_\_\_\_

9. Do you ever take physical possession of any of your clients' investment assets? Yes  No   
If yes, describe the circumstances and types of assets. \_\_\_\_\_  
\_\_\_\_\_

10. Do you have an associated or affiliated department or company which takes custody of the assets of clients for whom you provide investment advice? Yes  No   
If yes, identify and describe the circumstances. \_\_\_\_\_

11. Do you ever appoint the custodian who holds the assets? Yes  No   
If yes, describe the conditions. \_\_\_\_\_

12. Do your clients approve the selection of the custodian for assets? Yes  No

13. Do you limit the amount of client assets (multiple clients or assets of one client) which you will place with any one custodian? Yes  No   
If no, describe the reasoning. \_\_\_\_\_  
\_\_\_\_\_

14. Who furnishes clients with a summary/statement of account activity? \_\_\_\_\_  
\_\_\_\_\_

How frequently? Monthly  Quarterly  Semi-annually  Annually

15. Does the custodian provide you with a copy of the client's statement of investment account activity which was made in response to your instructions? Yes  No   
If yes, how often? \_\_\_\_\_

16. Does the custodian for the client's investment assets charge the client directly for their fee? Yes  No

17. Does your firm currently have Employee Dishonesty Coverage in effect? Yes  No   
If yes, indicate:

<u>Carrier</u>	<u>Policy No.</u>	<u>Limit</u>	<u>Deductible</u>	<u>Eff/Exp Dates</u>
_____	_____	\$ _____	\$ _____	_____

18. Has your firm had any employee dishonesty losses in the past 6 years? Yes  No   
If yes, please complete the following:

<u>Date Discovered</u>	<u>Amount of Loss</u>	<u>Employee's Position</u>	<u>Nature of Loss</u>	<u>Corrective Measures Taken</u>
_____	\$ _____	_____	_____	_____

19. Is there any prior fidelity coverage to be superseded? Yes  No

<u>Form of Policy</u>	<u>Exp/Canc Date</u>	<u>Max Amt of Cov per Plan</u>	<u>No. of Plans Covered</u>	<u>Name of Insurer</u>
_____	_____	\$ _____	_____	_____

20. Have you ever committed or have you been charged with SEC disciplinary violations? Yes  No   
If yes, please attach a statement providing full details of the incident(s).

**\*Furnish complete copies of your most recent year end CPA audit report.**

**\*Furnish a sample copy of the contract which you enter into with your clients.**

**\*On a separate form, list each ERISA plan to be insured, including the full plan name, the plan type, address, amount of assets and amount of coverage requested.**

**APPLICABLE IN NEW YORK STATE:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of a claim containing any 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..

Signed, sealed and dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Applicant)

BY: \_\_\_\_\_

DATE: \_\_\_\_\_ TITLE: \_\_\_\_\_