

## Cannabis Crime Application

First Named Insured: \_\_\_\_\_  
*(Please attach list of any additional insureds to be included for coverage)*

Address: \_\_\_\_\_

Effective Date: \_\_\_\_\_ Effective Date: \_\_\_\_\_

INSURING AGREEMENT	LIMIT OF INSURANCE	DEDUCTIBLE
1. Employee Theft		
2. Forgery or Alteration — Credit, Debit, of Charge Cards		
3. Inside the Premises — Theft of Money and Securities		
4. Inside the Premises — Robbery and Safe Burglary		
5. Outside the Premises		
6. Computer and Funds Transfer Fraud		
7. Money Orders and Counterfeit Money		

**PRIOR INSURANCE:**

1. Has any similar insurance been declined or canceled during the past three years? Yes  No
2. Current Crime Coverage: Check here if none:

EFFECTIVE	EXPIRATION	LIMIT	CARRIER	PREMIUM

**BUSINESS DESCRIPTION:**

1. Legal Entity:  Proprietorship  Partnership  Corporation  Other \_\_\_\_\_
2. Date of Establishment: \_\_\_\_\_
3. Website: \_\_\_\_\_
4. Description of Operations: \_\_\_\_\_
5. Has there been any change in ownership or management within the past three years? Yes  No
6. Have any of the principals engaged in this or similar enterprises under a different name? Yes  No   
 If "Yes", please list entity and operations:  
 \_\_\_\_\_  
 \_\_\_\_\_
7. Are all operations fully licensed in compliance with local state regulations? Yes  No
8. Do you handle, store, or use for manufacturing, any products in addition to cannabis? Yes  No   
 If "Yes", what type? \_\_\_\_\_ How many locations? \_\_\_\_\_  
 Average Exposure: \_\_\_\_\_ Maximum Exposure: \_\_\_\_\_

9. Provide the business financial information and total employees for last 2 years and estimates for next year:

YEAR	SALES	TOTAL EMPLOYEES	TOTAL LOCATIONS
Previous Year			
This Year			
Next Year			

**LOSS HISTORY:**

Enter all claims or occurrences that may give rise to claims for the past five years. Check here if none:

DATE OF OCCURRENCE	TYPE/DESCRIPTION OF OCCURRENCE OR CLAIM	AMOUNT OF LOSS	AMOUNT PAID	CLAIM STATUS (OPEN OR CLOSED)

Comments/Corrective Action taken:

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**OPENING AND CLOSING PROCEDURES:**

1. Describe your opening and closing procedures:

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2. How many people are involved with opening and closing? \_\_\_\_\_

3. Are there any armed personnel at opening and closing each day? \_\_\_\_\_

4. Are there armed personnel on premises during open times? \_\_\_\_\_

**PREMISES EXPOSURE AND CONTROLS:**

	Max amount of cash held at any one location:	Max amount of inventory held at any one location:	Average cash & inventory held at one location overnight:
Exposure (\$)			

1. Is money and inventory stored in a safe or vault overnight? Yes  No

2. If yes, describe safe or vault used below:

MANUFACTURER	LABEL UL/SMNA	CLASS	DOOR TYPE		COMBINATION LOCKS			THICKNESS	
			Round	Square	Outer	Inner	Chest	Door	Wall

3. What type of alarm(s) is/are at each premises?  Hold-up Alarm  Premise Alarm  Safe Alarm  Local Gong  
 Central Station Alarm  Police Connected Alarm

4. If alarms vary from location to location, please explain: \_\_\_\_\_

5. Is safe/vault protection partial or complete? \_\_\_\_\_
6. Name of installation and service company for alarms: \_\_\_\_\_
7. Specify number of guards and/or watchpersons on duty each shift: \_\_\_\_\_
8. Description of any additional protection (e.g., fences, floodlights, etc.): \_\_\_\_\_

**EXTERNAL EXPOSURE AND CONTROLS:**

	YES	NO
1. Do you utilize a third-party armored car service for ALL cash transportation?		
2. Do you utilize a third-party armored car service for ALL inventory transportation?		
3. If not, do you use a courier service for such transportation?		
4. Do you ever transport cash and/or inventory in company-owned or personal vehicles?		
5. If not using a third-party, please explain how often, the values carried, and the physical protection utilized for all transportation of cash and inventory: _____ _____		
6. What is the frequency & average amount of your cash deposits? _____		
7. What is the frequency & average amount of your inventory transports? _____		

**INTERNAL CONTROLS:**

<b>AUDIT CONTROLS:</b>	YES	NO
1. Are financial statements audited by an outside auditing firm?		
2. Does it include all locations on an annual basis?		
3. Is there a full-time professional staff auditor?		
4. Is there a formal audit program?		
5. Are surprise audits used as part of the audit program?		
6. Are wire transfer procedures audited?		
<b>BANK ACCOUNT CONTROLS:</b>		
1. Are bank accounts reconciled monthly?		
2. Are bank accounts reconciled by someone not authorized to deposit, withdraw, or write checks?		
3. Is countersignature of all checks required? Above what amount? _____ If not, who has authority to sign checks? _____		
4. Do all vouchers or other supporting records accompany all checks to be signed?		
5. Are systems designed to prevent one employee from controlling a transaction from beginning to end (e.g., approve a voucher, request, and sign a check)?		
<b>VENDOR SHIPPING AND RECEIVING CONTROLS:</b>		
1. Are background checks performed on vendors in order to determine ownership and financial capability prior to doing business with them?		

2. Is an authorized vendor list utilized and updated annually?		
3. Are requisitions and purchase orders issued only with approval by specified personnel above specified limits?		
4. Are perpetual inventories of materials and supplies and maintained periodically verified by physical count?		
5. Are all persons engaged in purchase or sales activities prohibited from taking part in shipping and receiving?		
6. Are all shipping and receiving activities reconciled to all applicable sale or purchase orders?		
7. Does any employee have access to the purchasing system and also the accounts payable system?		
8. Is all purchasing centralized out of the main office?		
9. Do you have a system in place to detect payment to fictitious suppliers?		
<b>PAYROLL CONTROLS:</b>	<b>YES</b>	<b>NO</b>
1. Do you screen your employees for prior acts of dishonesty?		
2. Is payroll made up of persons other than those who distribute it to employees?		
3. Are all persons authorized to hire and/or terminate employees prohibited from distributing the payroll?		
<b>SUPERVISION BY OWNER:</b>	<b>YES</b>	<b>NO</b>
1. Is there personal supervision of business activities on a daily basis by an Owner, Partner, or Director?		
2. Does that person:		
- Deposit all cash receipts?		
- Sign or countersign all checks?		
- Check petty cash periodically?		
- Verify accounts receivable periodically?		
- Reconcile all bank accounts?		
- Verify shipping and receiving activities?		
- Review journal entries?		
<b>INTERNET SECURITY:</b>	<b>YES</b>	<b>NO</b>
1. Do you buy or sell goods via the Internet?		
2. Do you have a Firewall?		
3. Do you have an Intrusion Detection System that identifies unauthorized access?		
4. Has your computer system ever been invaded by a Hacker or Virus?		
If "Yes" to question 4, please explain when and what controls have been implemented to prevent further incidences?		

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

Applicant's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

ALASKA	A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.
ARIZONA	For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.
ARKANSAS	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.
CALIFORNIA	For your protection, California law requires that you be made aware of the following: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.
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.
DISTRICT OF COLUMBIA	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.
HAWAII	For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.
IDAHO	Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.
INDIANA	Any person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.
LOUISIANA	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.

MAINE	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.
MINNESOTA	Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.
NEW HAMPSHIRE	Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to Prosecution and punishment for insurance fraud, as provided in RSA 638:20.
NEW MEXICO	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.
NEW YORK	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.
OHIO	Any person who, with 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.
OKLAHOMA	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.
OREGON	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.
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.
TENNESSEE	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.
VIRGINIA	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.
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.