

FRAUDULENT INSTRUCTIONS RIDER QUESTIONNAIRE

Name of Applicant: _____

The Fraudulent Instructions Rider provides coverage for misdirected funds when a fraudulent party provides false instructions. The availability of the coverage is dependent on acceptable answers regarding precautionary measures the applicant agrees or disagrees to follow.

1. a. Will the applicant verify original funding instructions and any changes to funding instructions? **Yes** **No**
 - b. If yes, as part of the verification for original and changes to funding instructions, will you adhere to the following call back procedure?
 - i. Make an answered outbound telephone call using a phone number obtained from an independent source, such as the Internet or original sales contract to confirm the identity of the person who requested the change in funding instructions? **Yes** **No**
 - ii. Document the following details of the phone conversation: **Yes** **No**
 1. Phone number and independent source used
 2. Date and time of phone call
 3. Name of person who verified the funding instructions
2. Will you provide regular training to staff members on fraudulent funding instructions including how they can avoid these types of losses through following a proper call back procedure? **Yes** **No**
3. Will you agree to have the applicant's **entire staff**, including principals and part time employees, sign off on the statement below as soon as practical but no later than 30 days from the date this questionnaire is signed?
 Yes **No**

I understand that funding instructions not received in person may be fraudulent. I agree to verify all such instructions by following a call back procedure.

"Sign off" can be completed by providing this statement to your entire staff and obtaining confirmation that they have read and agree to the statement.

4. Do you agree to include the following warning just below the signature line and above any advertising or disclaimer language in all of your email correspondence for internal and external use?
 Yes **No**

WARNING – FRAUDULENT FUNDING INSTRUCTIONS

Email hacking and fraud are on the rise to fraudulently misdirect funds. Please call your escrow officer immediately using contact information found from an independent source, such as the sales contract or internet, to verify any funding instructions received. We are not responsible for any wires sent by you to an incorrect bank account.

FOR RISKS LOCATED IN ALL STATES EXCEPT KENTUCKY:

The undersigned represents and warrants on behalf of the Named Insured and all persons/entities for whom this insurance is being purchased, that to the best of your knowledge and belief, the statements set forth herein and attached hereto are true and accurate and that there has been no attempt at suppression or misstatement of any material facts known or that should be known. We will rely upon this application and all such attachments in issuing the policy.

FOR RISKS LOCATED IN KENTUCKY:

The undersigned represents on behalf of the Named Insured and all persons/entities for whom this insurance is being purchased, that to the best of your knowledge and belief, the statements set forth herein and attached hereto are true and accurate and that there has been no attempt at suppression or misstatement of any material facts known or that should be known. We will rely upon this application and all such attachments in issuing the polic(ies).

Date: _____ Signature: _____ Title: _____

Print Name: _____
(President, CEO or Principal Owner)

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 act, which is a crime (KRS304.14020 & KRS304.14-120)

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