

Covers factoring companies and invoice finance lenders — recourse and non-recourse factoring, freight factoring, medical and government receivables, purchase order and supply chain finance, receivables-based lending, and merchant cash advance. Banks use CWCO-SUP-BANK. Complete with ACORD 125. Attach the standard factoring agreement, underwriting and verification procedures, and the latest financial statements.

1 APPLICANT / BUSINESS INFORMATION

LEGAL BUSINESS NAME	DBA	FEIN	YEARS IN BUSINESS
BUSINESS ADDRESS	CITY / STATE / ZIP	WEBSITE	

Entity type:
☐ LLC ☐ Corporation ☐ Partnership ☐ Fund / LP ☐ Other

PRIMARY CONTACT / TITLE	PHONE	EMAIL

LENDING / FINANCE LICENSES (IF ANY)	SOURCE OF FUNDS (BANK LINE / FUND / EQUITY)

2 OPERATIONS

Products (check all):
☐ Recourse factoring ☐ Non-recourse factoring ☐ Freight / trucking factoring ☐ Medical receivables ☐ Government receivables
☐ Purchase order finance ☐ Asset-based lending ☐ Merchant cash advance

CLIENT INDUSTRY	% OF PORTFOLIO

Portfolio:
 Active clients Funds employed (\$) Annual purchases (\$) Largest client exposure (\$)
 Largest debtor exposure (\$) Employees

3 EXPOSURE & RISK QUESTIONS — INVOICE FRAUD & VERIFICATION

Two brothers pleaded guilty in a scheme that sold fabricated invoices to at least four factoring companies for losses over \$2 million.

3-1 Is every invoice verified directly with the debtor before funding?	☐ Yes ☐ No
IF YES, EXPLAIN	
3-2 Are debtor payments sent directly to a lockbox or account the applicant controls?	☐ Yes ☐ No
IF YES, EXPLAIN	
3-3 Are UCC searches done and the applicant's lien filed before the first funding?	☐ Yes ☐ No
IF YES, EXPLAIN	
3-4 Are new clients' owners background checked and site visited?	☐ Yes ☐ No
IF YES, EXPLAIN	
3-5 Has the applicant funded invoices that turned out to be fake, duplicated, or pledged to another lender?	☐ Yes ☐ No
IF YES, EXPLAIN	
3-6 Are changes to a client's or debtor's bank account confirmed by phone before paying?	☐ Yes ☐ No
IF YES, EXPLAIN	

3-7 Has an employee or client insider been involved in a fraud against the applicant? ☐ Yes ☐ No
IF YES, EXPLAIN

4 EXPOSURE & RISK QUESTIONS — COLLECTIONS, CREDIT & LENDER LIABILITY

A bank sued a major company in 2025 alleging an employee submitted fraudulent invoices to its factoring provider; \$4.4 million was at issue.

4-1 Does the applicant use outside collection agencies or attorneys to collect from debtors? ☐ Yes ☐ No
IF YES, EXPLAIN

4-2 Has a debtor or client complained about collection practices? ☐ Yes ☐ No
IF YES, EXPLAIN

4-3 Does the applicant buy credit insurance on non-recourse debtors? ☐ Yes ☐ No
IF YES, EXPLAIN

4-4 Has a client claimed the applicant caused its business to fail or breached the agreement? ☐ Yes ☐ No
IF YES, EXPLAIN

4-5 Has a state regulator reviewed the applicant's products or disclosures? ☐ Yes ☐ No
IF YES, EXPLAIN

4-6 Are personal guarantees taken from client owners? ☐ Yes ☐ No
IF YES, EXPLAIN

4-7 Does any one client or debtor exceed 20% of funds employed? ☐ Yes ☐ No
IF YES, EXPLAIN

5 PAYROLL, SALES & REVENUE

TOTAL ANNUAL PAYROLL (\$, ILLUSTRATIVE)	NUMBER OF EMPLOYEES	BROKERS / REFERRAL PARTNERS PAID
ANNUAL FEE / DISCOUNT INCOME (\$, ILLUSTRATIVE)	PRIOR YEAR INCOME (\$, ILLUSTRATIVE)	CREDIT / FRAUD LOSSES WRITTEN OFF (\$)

6 PRIOR INSURANCE & LOSS HISTORY

Attach currently-valued loss runs for the last 5 years.

CURRENT CRIME / E&O CARRIER	LIMIT / RETENTION	EXPIRATION DATE

6-1 Has any carrier declined, cancelled, or non-renewed coverage for this business in the last 5 years? ☐ Yes ☐ No
IF YES, EXPLAIN

6-2 Has the applicant suffered a fraud loss over \$50,000 in the last 5 years? ☐ Yes ☐ No
IF YES, EXPLAIN

DATE OF LOSS	DESCRIPTION	TOTAL INCURRED (\$, ILLUSTRATIVE)	OPEN / CLOSED

6-3 Is the applicant aware of any incident, complaint, or circumstance not yet resulting in a claim that could reasonably give rise to one? ☐ Yes ☐ No
IF YES, EXPLAIN

7 RISK MANAGEMENT

7-1

Is there a written underwriting and verification policy followed for every funding?

☐ Yes ☐ No

IF YES, EXPLAIN

7-2

Do fundings above a set amount require a second approver?

☐ Yes ☐ No

IF YES, EXPLAIN

7-3

Are audits of client books done at least annually for larger clients?

☐ Yes ☐ No

IF YES, EXPLAIN

8 SIGNATURE & FRAUD WARNING

The undersigned declares that the statements and answers given in this supplemental are true, complete and correct to the best of their knowledge, and that no material fact has been withheld or misstated. The applicant agrees that this supplemental, together with all ACORD applications and attachments, forms the basis of any submission to insurers and may be relied upon by them. Signing this supplemental does not bind coverage. This supplemental is an intake document prepared by Cory Washington & Co. LLC to support carrier submission; it does not itself provide coverage.

FRAUD NOTICE: 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 and subjects such person to criminal and civil penalties. (State-specific fraud warnings apply; see state amendatory notice.)

APPLICANT / AUTHORIZED SIGNATURE (TYPE FULL NAME)	TITLE	DATE
PRODUCER — CORY WASHINGTON & CO. LLC	PRODUCER SIGNATURE (TYPE FULL NAME)	DATE