



# Commercial Crime Insurance

## Proposal form

### Completing the Proposal form

1. This application must be completed in full including all required attachments.
2. If more space is needed to answer a question, please attach a separate sheet with details.
3. The terms Proposer, whenever used in this proposal form shall mean the Policyholder listed below and all Subsidiary companies of the Policyholder for which coverage is proposed under this proposal.
4. The terms Policyholder and Subsidiaries have the same meaning in this proposal form as in the policy.

### Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty at common law to disclose to us every matter you know, or could reasonably be expected to know that a prudent insurer would want to take into account in deciding whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however, does not require disclosure of a matter:

- that diminishes the risk to be insured;
- that is of common knowledge;
- that we know or in the ordinary course of our business we ought to know; or
- that we indicate to you that we do not want to know.

### Non-disclosure or misrepresentation

If you make a material misrepresentation to us, or if you do not comply with your duty of disclosure, we may treat your policy as if it never existed.

### False statement and Fraudulent acts

Your policy is based on the information supplied to us by you or on your behalf. All statements made by you or on your behalf on the proposal and/or questionnaire, in support of this policy, on any claim form or in support of any claim must be true and correct. If you take any action or make any statement in connection with this policy or any claim made under it, which is fraudulent in any way or which is supported by untrue or incorrect information, we are entitled to avoid this policy and all benefits under it will be forfeited.

### Privacy Act 2020

Zurich respects your privacy. The following is brought to your attention. However this does not apply to companies.

- (a) This Proposal collects personal information about you;
- (b) The information is collected by Zurich to evaluate the insurance being sought;
- (c) The intended recipient of the information is Zurich;
- (d) The information is being collected and held by Zurich;
- (e) The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory;
- (f) The failure to provide this information may result in your application for insurance being declined, or your insurance being void from the beginning;
- (g) You have rights to access, and correct this information subject to the provisions of the Privacy Act 2020.

### Data sharing consent

In order to provide a seamless insurance service globally, Zurich may transfer any data Zurich has received from and any data it holds on the policyholder to other units of Zurich Insurance Group Ltd, such as branches, subsidiaries, or affiliates within Zurich Insurance Group Ltd, cooperative partners of Zurich Insurance Group Ltd, coinsurance and reinsurance companies located in the country of the policyholder or abroad.

Zurich as well as such recipients may use, process and store the data, in particular for the purpose of risk evaluation, policy execution, premium setting, premium collection, claims assessment, claims processing, claims payment, statistical evaluation or to otherwise ensure Zurich's global insurance service delivery.

If a broker or agent is acting on behalf of the policyholder, Zurich is authorised to use, process and store data of the policyholder received from such broker or agent, and to forward to such broker or agent data of the policyholder relating to the execution of the policy and the collection of premiums and payment of claims.

Zurich may procure data from government offices and third parties relating to the policyholder to assess a claim in the event of loss or damage.

All questions in this proposal form must be answered

**1 Particulars of Proposer**

(a) Name of the Proposer including all subsidiary and associated companies for which cover is requested

.....

(b) Principal address of the proposer City Postcode

(c) Please describe your activities

.....

.....

(d) Number of employees (e) Number of locations

(f) Number of (i) employees handling money or securities (ii) other employees

(g) Number of (i) blue collar employees (ii) white collar employees

.....

**2 Employee controls**

(a) Do you have established formal procedures for recruiting all employees and assessing their suitability for positions of trust? Yes  No

(b) Are all employees required to take an uninterrupted holiday of at least two weeks or half their annual entitlement (whichever is the lesser) in each calendar year during which they perform no duties and are required to stay away from your premises? Yes  No

(c) Are wages/salaries independently checked against personnel records? Yes  No

(d) Is there a separation as to the employees involved, in respect to adding new employees to the payroll list and those reconciling salary payments made? Yes  No

**3 Internal controls**

(a) Are the duties of any employees segregated so that no one employee can control any of the following transactions from commencement to completion:

(i) Signing cheques above \$5,000? Yes  No

(ii) Issuing funds transfer instructions? Yes  No

(iii) Issuing amendments to funds transfer procedures? Yes  No

(iv) Authorising capital expenditure above \$5,000? Yes  No

(v) Investments? Yes  No

(b) Are statements of account sent to customers/vendors regularly and, at a minimum, monthly? Yes  No

(c) Are statements of account sent to customers/vendors independently of employees receiving payment? Yes  No

(d) Is reconciliation of bank statements and client/vendor accounts carried out by employees not authorised to deposit/withdraw funds, issue fund transfer instructions or dispatch accounts to clients/vendors? Yes  No

(e) In addition to any work carried out by the Internal Audit, is a complete inventory made with physical checks to stock and equipment? Yes  No

If 'Yes', how often?

**4 Computer security**

(a) Does your computer system offer a remote access facility? Yes  No   
If 'Yes', is this restricted solely to providing information or to providing an electronic mail function? Yes  No

(b) Are passwords used to afford varying levels of entry to the computer system depending on the need and authorisation of the user? Yes  No

(c) Are passwords regularly changed when there is any turnover in knowledgeable personnel? Yes  No

(d) Does the system force regular changes to user passwords? Yes  No   
If 'Yes', how often?

(e) Are all source documents secured to prevent unauthorised modifications or use of data before entering the computer system? Yes  No

**5 Electronic fund transfer procedures**

- (a) Are electronic fund transfers made independently of transfers made on your behalf by your treasury department? Yes  No   
If 'Yes', please go to question (b), if 'No', go to question (g).
- (b) What is the annual volume (currency) of funds transfer instructions given to financial institutions?  
.....
- (c) How are fund transfer instructions issued;
- |                                                 |                           |                          |
|-------------------------------------------------|---------------------------|--------------------------|
| (i) by letter                                   | Yes <input type="radio"/> | No <input type="radio"/> |
| (ii) on voice instructions                      | Yes <input type="radio"/> | No <input type="radio"/> |
| (iii) via facsimile                             | Yes <input type="radio"/> | No <input type="radio"/> |
| (iv) via telex                                  | Yes <input type="radio"/> | No <input type="radio"/> |
| (v) via computer link to cash management system | Yes <input type="radio"/> | No <input type="radio"/> |
| (vi) via electronic mail link                   | Yes <input type="radio"/> | No <input type="radio"/> |
| (vii) other (please give details)               |                           |                          |
- (d) Are banks required, by formal agreement, to authenticate any instructions received from you, before payment? Yes  No
- (e) If transfer instructions are made by voice instructions, please provide full details of the authentication process (use of code words, passwords etc).  
.....  
.....
- (f) If transfer instructions are made by facsimile or telex are these tested? Yes  No
- (g) If instructions are given to your own treasury department please provide full details of how these instructions are issued.  
.....  
.....

**6 Audit**

1. Is there an internal audit department? Yes  No
- (a) Is there an audit and control procedures manual? Yes  No
- (b) How many people are employed in the internal audit department?  
.....
- (c) Please describe how the audit plan is developed and agreed  
.....  
.....
- (d) Are audits made on a surprise basis? Yes  No
- (e) Are auditors forbidden to originate entries? Yes  No
- (f) Does the audit plan include random and surprise checks on raw materials, work in progress, finished goods and stocks? Yes  No
- (g) What is the minimum audit frequency for any location/operation?  
Please describe the activities carried out at this operation/location.  
.....  
.....
- (h) What is the maximum audit frequency for any location/operation?  
Please describe the activities carried out at this operation/location.  
.....  
.....
- (i) Please describe your procedures for follow up and monitoring of audit recommendations to ensure full implementation.  
.....  
.....

**6 Audit (continued)**

2. State the name of the independent firm of Chartered Accountant or professional auditors or other competent Authority who fully audit your accounts annually.

.....  
(a) What is the frequency of audit?

.....  
(b) Are all premises, including computer centre and facilities included in the audit? Yes  No

.....  
(c) Do they regularly review the system of internal control and furnish written reports on such to the Board of Directors? Yes  No

.....  
(d) Have all control and procedural recommendations made been adopted or resolved? Yes  No   
If 'No', please provide details.

**7 Physical exposure and credit cards**

(a) Do you issue credit/charge cards to employees? Yes  No  If 'Yes'

.....  
(i) What is the maximum credit limit?

.....  
(ii) Are employees directly responsible to the credit card company for settling monthly statements? Yes  No

.....  
(iii) When an employee leave the company is the credit/charge card issuer immediately advised that the card should be cancelled and that the employee is responsible for all outstanding debts? Yes  No

(b) What is the maximum value of money, securities, precious metals and/or Jewellery on any of your premises?

.....  
(i) During business hours?

.....  
(ii) Outside of business hours?

(c) What is the maximum value of stock held at any one location?

.....  
(d) Is access to all business premises controlled? Yes  No

.....  
(e) Are premises occupied outside business hours? Yes  No

.....  
(f) Are all premises fitted with alarms which are maintained in proper working order. Yes  No

If 'Yes', are these connected to:

.....  
(i) Back to base monitoring services? Yes  No

.....  
(ii) Police station? Yes  No

(g) Have any security surveys been carried out in the last three years whose recommendations have not been taken up? Yes  No

If 'Yes', please describe those recommendations.  
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.....

**8 Outsourcing**

Do you outsource services to third party companies (e.g. payroll, computing or accountancy services) under a written contract? Yes  No

If 'Yes', do you:

.....  
(i) carry out checks to satisfy yourself as to the honesty, competence and financial stability of those companies? Yes  No

.....  
(ii) retain the right to audit those services? Yes  No

**9 Fraudulent Impersonation Extension**

Crime Insurance Optional Extension of Cover – Fraudulent Impersonation

Do you wish to apply for the Fraudulent Impersonation Optional Extension to the Crime Insurance policy? Yes  No

If 'Yes', please answer the following, if 'No' go to Question 10

**Internal controls – vendors**

(a) Do you have procedures to verify the identity and authenticity of new vendors before entering into transactions with them? Yes  No

If 'Yes', do you follow any of the following procedures?

(i) Investigate new vendors through a credit reporting agency? Yes  No

(ii) Verify and confirm the vendor's bank account information (account numbers, routing numbers, bank name and address) by calling the vendor's bank directly? Yes  No

Please provide details of any other procedures not listed above that you have in place to verify the identity and authenticity of new vendors

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.....  
.....

If 'No' to any of the above, explain the reason for not following these procedures

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.....  
.....

(b) Do you accept requests for funds transfer, payment, delivery or change in method, destination or bank account information instructions from vendors:

(i) over the telephone? Yes  No

(ii) by telefacsimile? Yes  No

(iii) by electronic mail? Yes  No

(iv) by text message? Yes  No

(v) by other methods? Yes  No

If 'Yes' to (v), please provide details of those other methods

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.....  
.....

(c) Do you have procedures to verify the authenticity of invoices or other form of payment requests received from a vendor? Yes  No   
If 'Yes', do you follow any of the following procedures?

(i) Verify invoices or other form of payment requests against inventory, supplies, goods or services rendered by vendor prior to making payment to a vendor? Yes  No

(ii) Maintain a record of such requests and verification on file? Yes  No

Please provide details of any other procedures to verify the authenticity of invoices or other form of payment requests received from a vendor

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.....  
.....

If 'No' to any of the above, explain the reason for not following these procedures

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.....  
.....  
.....

**9 Fraudulent Impersonation Extension (continued)**

(d) Do you have procedures in place to verify and authenticate any request for funds transfer, payment, delivery or change of a vendor's bank account information or methods or destinations of payment? Yes  No

If 'Yes', do you follow any of the following procedures?

- (i) Call the vendor at a telephone number previously provided by the vendor to verify and authenticate the request? Yes  No
- (ii) Send an email to a pre-determined address and require response from vendor to verify and authenticate the request? Yes  No
- (iii) Send notice of receipt of the request to a person at the vendor, other than the person who sent the request, and receiving confirmation of request for change before making the requested change? Yes  No
- (iv) Require review and approval of any changes of the vendor's bank account information by a supervisor and with an individual at the vendor other than the individual sending request before the change is made in your records? Yes  No
- (v) Run exception reports showing all changes to vendor or supplier details? Yes  No
- (vi) Maintain a record of such requests, verification and authentication on file? Yes  No

Please provide details of any other procedures not listed above that you have in place to verify the authenticity of such instructions

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.....  
.....

If 'No' to any of the above, explain the reason for not following these procedures

.....  
.....  
.....

**Internal controls – employees**

(e) Is there a written policy regarding fund or securities transfers? Yes  No

(f) Who within the organisation has the ability and authority to initiate a payment, funds or securities transfer?

(g) Can funds or securities transfer authority be delegated to anyone verbally or in writing? Yes  No

(h) Do you accept requests for payment, funds transfer, delivery or change in method, destination or bank account information instructions from authorised employees:

- (i) over the telephone? Yes  No
- (ii) by telefacsimile? Yes  No
- (iii) by electronic mail? Yes  No
- (iv) by text message? Yes  No
- (v) by other methods? Yes  No

If 'Yes' to (v), please provide details of those other methods

.....  
.....

(i) Once a request is initiated, to whom does it go for verification, authentication and processing?

(j) Whose signatures of approval are needed to release the funds or securities?

(k) Please provide details of the dollar amount and the level of approval needed to release the funds or securities

(l) Is there segregation of duties between the person(s) who is/are authorised to receive payment or funds/securities transfer requests and the individuals(s) authorised to process the requests? Yes  No

(m) What is the average length of the entire funds transfer process from the receipt of instruction until the funds or securities are disbursed?

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**9 Fraudulent Impersonation Extension (continued)**

(n) If online banking software is used to perform funds transfer functions, is access to the portal restricted to specific users and terminals? Yes  No

(o) Do the procedures for international funds transfers differs in any way from the domestic procedures? Yes  No   
 If 'Yes', please advise in what way(s) they differ and how many international funds transfers are processed each month

.....

(p) Do those employees responsible for executing payment, funds or securities transfers receive training on social engineering scams? Yes  No

If 'Yes',

(i) how often is this training updated?

.....

(ii) do you test employees randomly with simulated bait e-mails, calls, telefacsimile, or other means that are generated by you or a third party contracted to perform such testing? Yes  No

(iii) how are employees subsequently trained to be aware of suspicious e-mails, calls, or telefacsimile that were subject of testing?

.....

(iv) Is there an internal department or person to whom employees can direct suspicious e-mails, calls, or telefacsimile to maintain a record of and further investigate? Yes  No

If 'Yes' to (iv), please provide details

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**Loss experience**

List all social engineering/fraudulent impersonation losses discovered by the Proposer in the last six (6) years

Tick if none:

Date of Loss	Description of Loss	Total Amount of Loss	Amount paid by insurance	Date Paid
		\$	\$	
		\$	\$	
		\$	\$	
		\$	\$	

Please attach a description of the corrective measures taken to mitigate future losses of this type

**10 Claims experience**

(a) Please give brief details of any loss or losses you have sustained (whether insured or uninsured), during the past **five years** which would have impacted upon the coverage you are now seeking had it have been in force at the time of such loss or losses.

Nature of loss	Date of discovery	Location	Amount, Actual or Estimated (prior to application of any deductible)
			\$
			\$
			\$
			\$
			\$

Unless the information has already been provided, please attach full details of the circumstances surrounding each loss and the corrective measures taken to prevent reoccurrence.

(b) Has any proposal for insurance of this nature been declined by any insurance company or has any policy been cancelled or renewal thereof refused? Yes  No

Signing this proposal does not bind the proposer to complete this insurance.

**11 Declaration**

We declare that the statements and particulars in this proposal are true and that no material facts have been mis-stated or suppressed after enquiry. We agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. We undertake to inform Insurers of any material alteration of those facts occurring before completion of the contract of insurance.

A material fact is one which would influence the acceptance or assessment of the risk.

For and on behalf of all Insureds:

Signed	Date
X	/ /

Title ..... Company .....

**Please enclose with this Proposal Form**

Your latest Annual Report & Accounts or audited Financial Statement.

Any other attachments which support you answers in this Proposal.

If you have answered 'No' to any question please provide details of what alternative control procedure you have in place. If the question is not applicable please indicate such and do not leave the answer blank.