



**Chubb Insurance Company of Australia Limited**  
**A.B.N. 69 003 710 647 A.F.S. Licence No: 239778**  
Locked Bag No 13, Australia Square, 1215  
Level 36, Tower Building, Australia Square, 264-278 George Street,  
Sydney, NSW, 2000

## PROPOSAL FORM FOR CRIME INSURANCE

### Completing the Proposal Form

- Please read the "Statutory Notice" before completing this proposal form.
- Please answer all questions in full leaving no blank spaces.
- If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.

*PLEASE READ THE POLICY CAREFULLY*

### 1. GENERAL INFORMATION

**Principal Organisation:** \_\_\_\_\_

Unless otherwise requested, this policy shall cover the **Principal Organisation** and its **Subsidiaries**. The proposal should be completed to reflect the practices of all entities for which coverage is sought.

Principal address: \_\_\_\_\_

Nature of business (of all entities to be covered): \_\_\_\_\_

\_\_\_\_\_ Year established: \_\_\_\_\_

Total assets (consolidated): \_\_\_\_\_ Total sales/revenues: \_\_\_\_\_

Total number of all locations: Domestic \_\_\_\_\_ Foreign \_\_\_\_\_ Total \_\_\_\_\_

Name and percentage of any shareholder owning 50% or more of share capital \_\_\_\_\_

Has the **Principal Organisation** been acquired by merged with or acquired any other business or entity during the past five years?  Yes  No. If yes, please provide, on a separate sheet, full details.

Has the **Principal Organisation** publicly revealed that it has under consideration at the present time any acquisitions or mergers?  Yes  No

2. **PRIOR INSURANCE**

Please state the inception date of the **Principal Organisation's** first fidelity or bond policy: \_\_\_\_\_

Has the **Principal Organisation** maintained continuous coverage from the date of inception?  Yes  No.

If no, please state the period of which continuous cover was maintained under such policy \_\_\_\_\_

\_\_\_\_\_

Details of previous insurance for the last two years:

	<b>Insurer</b>	<b>Limits</b>	<b>Period</b>	<b>Deductibles</b>
Expiring:	_____	\$ _____	_____	\$ _____
Previous:	_____	\$ _____	_____	\$ _____
Previous:	_____	\$ _____	_____	\$ _____

3. **AUDIT**

- Are the books audited by an independent registered company auditor?  Yes  No

If yes, by whom? \_\_\_\_\_ How often?

Are these audits complete and unqualified?  Yes  No

If no, describe the limitations: \_\_\_\_\_

\_\_\_\_\_

Are these audits made for each entity to be covered?  Yes  No

If no, explain: \_\_\_\_\_

- Is there an auditor's letter to management relating to internal control weaknesses?  Yes  No

(If yes, please attach a copy).

Has management prepared a reply?  Yes  No.

(If yes, please attach a copy).

- If an independent registered company auditor is not required, who is responsible for auditing the books?

\_\_\_\_\_

Briefly explain the scope and limitations of such audit: \_\_\_\_\_

\_\_\_\_\_

Does the audit include all locations?  Yes  No

- Are internal audits performed in addition to or in place of the outside audits?  Yes  No

If yes, how often? \_\_\_\_\_

**4. INVENTORY CONTROL**

Is a complete inventory made with physical check of stock and equipment?  Yes  No

If yes, by whom? \_\_\_\_\_ How often? \_\_\_\_\_

Is there separation of duties with respect to:

- Shipping and receiving?  Yes  No

If yes, describe \_\_\_\_\_

If no, why not \_\_\_\_\_

- Inventory and audit?  Yes  No

If yes, describe \_\_\_\_\_

If no, why not \_\_\_\_\_

**5. BANK ACCOUNT CONTROL**

Do the **Employees** who reconcile the monthly bank statements also either:

- sign cheques?  Yes  No
- handle deposits?  Yes  No
- have access to cheque signing machines or signature plates?  Yes  No

Do the **Employees** who prepare the cheque requisitions also have cheque signing authority?  Yes  No.

(It is not advisable that the reconciliation be done by an employee who also signs cheques, handles deposits or who has access to cheque signing machines or signature plates. It is also not advisable that **Employees** who prepare the cheques have cheque signing authority. Under such circumstances losses may be concealed.)

If any answer above is Yes, will you correct this weakness?  Yes  No  
(Please attach a separate sheet if necessary).

Is countersignature of cheques required?  Yes  No

If yes, at what amount is dual signature required?

If the answer to any of the above questions are no, what alternative controls are in place? (Attach a separate sheet if necessary.)

Does the company bank direct transfer or wire funds?  Yes  No

If so, on the basis of what authorisation? \_\_\_\_\_

Who is authorised to direct the bank? \_\_\_\_\_

What are the limits of their authority? \_\_\_\_\_

**6. SECURITIES**

State the value of negotiable securities owned or held: \$ \_\_\_\_\_

Where are the securities kept? \_\_\_\_\_

\_\_\_\_\_

If safe deposit boxes are used, has the bank been instructed to require that two individuals be present before entry to any box is permitted?  Yes  No

If no, identify by name and position those having access \_\_\_\_\_

\_\_\_\_\_

**7. PRECIOUS METALS**

Is there an exposure of precious metals or stones (i.e., gold, silver, platinum, industrial diamonds or similar high-value material?)  Yes  No

If yes, please attach a copy of any procedural manual and a separate listing of such exposures by location, stating a maximum value at each such location and the controls over their use (who has access, what inventory protection exists, etc.) and what form the materials are in (bar, powder, etc.).

**8. COMPUTER CONTROLS**

- Are computers used to handle wire transfers?  Yes  No

If yes, attach a copy of procedures.

Are these procedures adhered to?  Yes  No

Are security controls in place?  Yes  No

If yes, describe, or attach a copy of manual \_\_\_\_\_

\_\_\_\_\_

- Do persons other than **Employees** have physical or electronic access to **Principal Organisation's** facilities?  Yes  No

If yes, describe circumstances and controls in effect \_\_\_\_\_

\_\_\_\_\_

- Is **Principal Organisation's** engaged in time sharing activities?  Yes  No

If yes, explain with whom, type of data, whose facility used \_\_\_\_\_

\_\_\_\_\_

- Are programmers and operators rotated periodically to minimise possibility of machines being used improperly?  Yes  No

- Are the duties of programmers and operators separated?  Yes  No

- Is the output reconciled by persons who do not prepare or process the input?  Yes  No
- Are pre-authorisation controls maintained for all programmers and operators?  Yes  No
- Do audit practises include "tests" to detect unauthorised programming changes?  Yes  No

If yes, please provide details \_\_\_\_\_  
 \_\_\_\_\_

- Are computerised cheque writing operations segregated from departments that authorise cheques?  Yes  No

**9. SUPERANNUATION AND EMPLOYEE BENEFIT PLANS**

Are Superannuation and Employee Benefit Plans to be included?  Yes  No

If yes, describe below.

Name of plans:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**10. PERSONNEL CENSUS**

Class One **Employees** are directors, executive officers, **Employees** handling money, securities, stock and equipment.

**Domestic Employees**

Class One **Employees** \_\_\_\_\_ All other **Employees** \_\_\_\_\_ Total domestic **Employees** \_\_\_\_\_

**Foreign Employees** (Attach a separate sheet if necessary)

Country	Class One Employees	All other Employees	Type of operation(s)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Total foreign **Employees** \_\_\_\_\_

**Grand total all Employees** (add total domestic and total foreign **Employees**) \_\_\_\_\_

Do you check prior employment records of all new **Employees**?  Yes  No

**11. MAXIMUM CASH AND CHEQUE EXPOSURE**

Please state the largest estimated amount held on any one day and in any one location of:

Cash \$ \_\_\_\_\_ Cash payroll \$ \_\_\_\_\_  
 Cheques \$ \_\_\_\_\_ Inventory \$ \_\_\_\_\_

**12. COVERAGE REQUESTED                      LIMIT REQUESTED                      DEDUCTIBLE**

**Employee Theft** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Premises** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Transit** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Depositors Forgery** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Computer Theft and Funds Transfer** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Investigative Costs** coverage \$ \_\_\_\_\_ \$ \_\_\_\_\_  
**Other coverages** desired \_\_\_\_\_

**13. LOSS EXPERIENCE**

List all employee dishonesty, burglary, robbery, disappearance, destruction and forgery losses discovered by the **Principal Organisation** in the last six (6) years, itemizing each loss separately, whether or not covered or claimed on an insurance or bond:

If none, please state \_\_\_\_\_

Date of Loss	Amount	Description	Precautions taken to prevent repetition

(if necessary please attach a separate list).

**14.** Has the **Principal Organisation** ever been refused this type of cover or had a similar policy cancelled?  Yes  No

If yes, please attach an explanation of circumstances.

**15. STAMP DUTY**

Please state the total number of employees located in the following states and overseas:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	O/S



## STATUTORY NOTICE

### **A YOUR DUTY OF DISCLOSURE - CONTRACTS OF GENERAL INSURANCE**

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

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

Your duty however does not require disclosure of any matter:-

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows or, in the ordinary course of their business, ought to know;
- as to which compliance with your duty is waived by the Insurer.

### **NON DISCLOSURE**

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

### **B UTMOST GOOD FAITH**

Every insurance contract is subject to the doctrine of utmost good faith which requires that parties to the contract should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by the Insurer.

### **C NOT A RENEWABLE CONTRACT**

Cover under this policy will terminate at expiry of the Period of Insurance specified in your policy document. If you wish to effect similar insurance for a subsequent period, it will be necessary for you to complete a new proposal form prior to the termination of the current policy so that terms of insurance and quotation/s can then be developed for your consideration.

### **D CHANGE OF RISK OR CIRCUMSTANCES**

It is vital that you should advise us of any departure from your "normal" form of business (i.e. that which has already been conveyed to the Insurer). For example, acquisitions, changes in location or new overseas activities.

### **E SUBROGATION**

You may prejudice your rights with regard to a claim if, without prior agreement from the Insurer, you make agreement with a third party that will prevent the Insurer from recovering the loss from that, or another party.

Your policy contains provisions that either exclude the Insurer from liability, or reduce their liability, if you have entered into any agreements that exclude your rights to recover damages from another party in relation to any loss, damage or destruction which would allow you to sustain a claim under this policy.