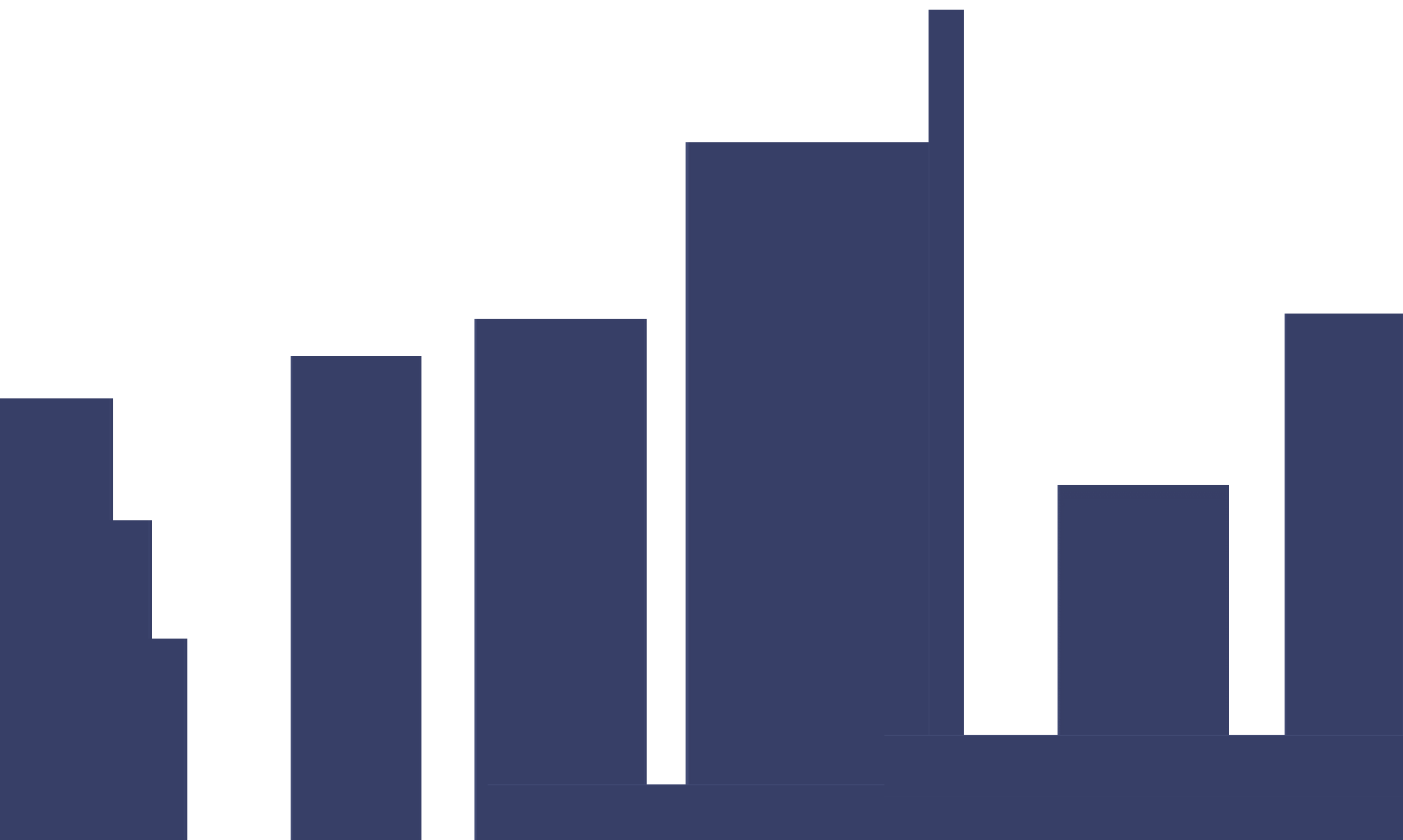




Commercial Crime Insurance Proposal Form



COMMERCIAL CRIME PROTECTION PROPOSAL FORM

GUIDELINES TO HELP YOU COMPLETE THIS PROPOSAL FORM

1. Reference to "Proposer", "you" or "your" in this Proposal Form shall include all Benefit Plans, Subsidiary and Associated Companies to be insured.
2. Where the space provided is insufficient for your replies, please use the pages at the back or provide separately and attach to this Proposal Form.
3. Reference to "North America" in this Proposal Form shall mean the USA and Canada and their respective territories and possessions.

A. GENERAL SECTION

1. Name of the Proposer and any previous names under which the business has been conducted

2. Address of your head office

3. Business Information

- a. Describe the nature of your business activities/services

- b. Year business commenced

- c. Date of financial year end

- d. Annual turnover for last financial year

£

- e. Estimated annual turnover for forthcoming financial year

£

4. Corporate Structure

- a. Outline briefly any major changes, such as acquisitions, disposals or capital restructuring which have occurred during the last three years

- b. Are there any proposals at the present time which have been publicised relating to the acquisition of the Proposer by, or its merger with, any other entity?

Yes ☐ No ☐

If 'Yes', provide details

B. CRIME INSURANCE

Please enclose the latest audited annual report and accounts.

1. Employee and Location details

	Number of Employees	Number of Locations	Wageroll for last financial year (£)	Estimated wageroll for forthcoming financial year (£)
UK				
Rest of Europe				
North America				
Elsewhere - Please specify locations below				
Total				

List specific locations outside the UK

Country	Number of Employees	Number of Locations	Annual Wageroll for last financial year (£)	Estimated Wageroll for forthcoming financial year (£)	Annual turnover for last financial year (£)	Estimated annual turnover for forthcoming financial year (£)

a. Please confirm the location(s) of your Treasury Department(s) and the number of employees in each location

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2. Values at Risk

	Maximum any one premise (£)	Maximum any one transit (£)	Maximum in locked safe overnight (£)
Money & other bearer instruments and cheques			
Registered securities			
Precious metals or jewellery			
Stock, raw materials & work in progress			

a. If any of your stock, raw materials or work in progress are stored at third party premises please provide details below, including the values at risk

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b. Are all premises containing stock, money, securities or precious metals connected to an intruder alarm?

Yes ☐ No ☐

If 'Yes', are they connected to a central monitoring station or police station?

Yes ☐ No ☐

If 'No', please provide details of security below

3. External and Internal Audit

a. Do external auditors audit all operations including overseas subsidiaries at least annually? Yes ☐ No ☐

b. Have all recommendations by external auditors regarding internal controls been complied with and documented following your last audit? N/A ☐ Yes ☐ No ☐

If 'No', provide details

c. Is there an audit committee which monitors the effectiveness of internal controls and reports directly to the Board? Yes ☐ No ☐

d. Do you have an internal audit process? Yes ☐ No ☐

If 'Yes' does this process include:

i. an established written program for all operations? Yes ☐ No ☐

ii. an audit of all premises at least annually? Yes ☐ No ☐

iii. an audit of all Electronic Data Processing and cash management functions? Yes ☐ No ☐

iv. random checks on stock, raw material, work in progress and finished goods? Yes ☐ No ☐

e. What are the procedures for the implementation of internal audit recommendations?

f. Please confirm the date of your last internal/external audit.

4. Internal Controls

a. Stock and Refund Controls

i. Is the amount of cash, cheques, securities, stock and materials subject to an independent physical check against supporting documents at least quarterly? Yes ☐ No ☐

If 'No', provide details below

ii. At what monetary value are duties segregated so that no one individual can refund monies or return goods without referral to others? £

Please provide details of your refund controls below

b. Bank Account

i. are duties segregated so that no one individual can open a new bank account without referral to others? Yes ☐ No ☐

ii. are bank statements independently reconciled with customer accounts by persons not authorised to deposit or withdraw funds from the account? Yes ☐ No ☐

iii. do employees receiving cash and cheques in the course of their duties remit all monies received and/or bank in full on the day of receipt or next banking day?

Yes ☐ No ☐

iv. do all manually prepared cheques and other bank instruments drawn for £25,000 or more require two manually applied signatures added after the amount has been inserted with one signatory examining the supporting documentation?

Yes ☐ No ☐

• has your bank been advised?

Yes ☐ No ☐

If 'No', for any of the above, please provide details below

c. Suppliers and Service Providers

i. Is there a centralised list of suppliers and service providers?

Yes ☐ No ☐

ii. Is there a standardised procedure for vetting and appointing new suppliers and service providers?

Yes ☐ No ☐

Describe the vetting procedure

iii. Who has authority to appoint new suppliers and service providers?

• can any one individual award a contract after tender without referral to others?

Yes ☐ No ☐

iv. Are the duties of ordering from suppliers/service providers, authorising supplier/service provider payments and reconciling supplier/service provider accounts, segregated such that no one individual can perform more than one of these functions?

Yes ☐ No ☐

If not please provide details

d. Third Party Bank Accounts

i. Are all requests to create or alter any third party bank account details (including those of any supplier, client, landlord or service provider) received in writing and independently verified with a known contact by telephone to authenticate the request?

Yes ☐ No ☐

If 'No', please give details below

e. Statement of Account

i. are statements of account for all amounts due issued at least monthly and direct to customers independently of employees receiving or collecting monies?

Yes ☐ No ☐

If 'No', please advise below the alternative controls in place

5. Employment, Recruitment and Training Procedures

a. Describe your procedures that allow employees to report suspected fraud

b. Are all employees made aware of the risks of payment diversion fraud, including impersonation fraud?

Yes ☐ No ☐

c. Do all employees with payment authority (including employees of companies to whom you outsource accounting or supplier management activities) receive formal training to spot and prevent fraud, including payment diversion fraud and impersonation fraud?

Yes ☐ No ☐

d. Do all computer users undergo security awareness training?

Yes ☐ No ☐

e. How do you inform and remind employees to identify and report suspicious Emails and not to reply to, or click on any links or attachments embedded in such Emails?

f. Describe the procedures in place to identify and prevent "phishing" attacks (including attacks through verbal, written or electronic communication). Do these procedures include the use of "phishing" tests?

g. Please confirm the following regarding your financial control procedures:

i. How are they implemented and communicated?

ii. How frequently are they refreshed?

iii. How are breaches identified?

iv. What measures are implemented to prevent a recurrence of any breach?

h. In respect of employees responsible for money, goods, accounts, other financial & treasury functions or computer programming operations:

- i. Are written or verbal references obtained directly from former employers for the three years immediately preceding their engagement?
- ii. If verbal, are notes of the discussion kept on file?

Yes ☐ No ☐

Yes ☐ No ☐

If 'No', for any of the above, provide explanation

- iii. Please describe your screening process to ensure their suitability for the position, including details of any background checks undertaken?

- i. Do you have a whistleblowing policy?
- j. Do you outsource any administrative activities to third party service providers?

Yes ☐ No ☐

Yes ☐ No ☐

If 'Yes', please provide details of the functions outsourced below and any indemnities taken. Please also provide details of the steps taken to ensure that appropriate controls and procedures are in place at such organisations

Note. Losses caused by employees of organisations to whom normal administrative functions have been outsourced will only be covered if you have vetted them for competency and financial stability, appointed them under written contract and you retain the right to audit them

6. Computer Systems

- a. Is access to your computer system restricted by passwords used to give various levels of entry depending on the users authorisation?
- b. How frequently does the system require that passwords are changed?

Yes ☐ No ☐

- c. Are passwords withdrawn when employees leave?
- d. Are programs protected to detect unauthorised changes?

Yes ☐ No ☐

Yes ☐ No ☐

If 'No', how frequently are exception reports generated?

- e. Please confirm the period of inactivity before the computer terminal is automatically locked

f. Please confirm:

- i. You have an Acceptable Use Policy
- ii. You have taken steps to ensure compliance with the latest data privacy legislation
- iii. You operate commercially licenced and purchased anti-virus software across your network and regularly apply patches and updates in accordance with the suppliers' recommendations

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

iv. You back up your critical/sensitive data at least weekly to a secure location (i.e. offsite, cloud)

Yes ☐ No ☐

v. You have a have a Business Continuity Plan or Disaster Recovery Plan that addresses procedures for the back up of data

Yes ☐ No ☐

If 'No', for any of the above, please provide details?

g. Please confirm the date of your last penetration test.

7. Internet

a. Do all changes to the content and functionality of your website require password protected access?

Yes ☐ No ☐

b. If you use your own web server how often is your software firewall protection checked/updated and by whom (e.g. in-house or by outside consultants?)

c. Do you have an on-line trading capability?

Yes ☐ No ☐

If 'Yes', what is your estimated turnover for the next twelve months from on-line trading?

£

8. Payment Systems

a. Do payment systems prevent any one individual, independently of the physical intervention of another, from transferring funds, either electronically or in paper format?

Yes ☐ No ☐

If 'No', please provide details of the process in place?

b. How are payment instructions authorised and effected?

i. approximate number of transactions annually:

ii. average/maximum single payments:

£

£

c. Do payment systems provide different levels of access based upon user authority levels?

d. Does the system prevent access or revoke password access if an unauthorised transaction is attempted?

Yes ☐ No ☐

If 'No', please confirm how this is monitored?

9. Are all Email or telephone requests for payment transfers (including those purporting to come from senior managers) referred to a supervisor or senior manager (other than requestor) to verify the request prior to the transfer being made?

Yes ☐ No ☐

If 'No', please describe the process in place below?

10. Are the controls and procedures detailed in this Proposal Form operative at all locations?

Yes ☐ No ☐

If 'No', please provide details of any differences on a separate sheet.

11. Loss History

- a. During the last 5 years has the Proposer suffered a loss in relation to the risks to which this proposal for insurance relates?

Yes ☐ No ☐

If 'Yes', provide details

- b. What corrective measures were taken to prevent similar losses?

- c. Have any of the directors or partners ever been convicted of, or charged with a criminal offence other than a motoring offence?

Yes ☐ No ☐

If 'Yes', provide details

12. Are you, after enquiry, aware of any circumstance which might give rise to a claim in relation to any of the covers being applied for in this Proposal Form?

Yes ☐ No ☐

If 'Yes', provide details

C. INSURANCE DETAILS

1. Limit of Liability required:

£

2. Do you currently have Employee Dishonesty or Commercial Crime Insurance?

Yes

No ☐

If 'Yes', state:

Date from which continuous cover has been purchased		
Current Limit of Liability and Retention	Limit £	Retention £
Name of Current Insurer		
Renewal Date		

3. Has any insurer in respect of the risks to which this proposal relates:

a. Ever declined a proposal, refused renewal or terminated insurance?

Yes

No ☐

b. Imposed special conditions or required an increased premium other than as a result of organic growth?

Yes

No ☐

If 'Yes', in either case, provide details

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Please read and sign Section D, the Important Notices, Declaration and Undertaking.

D. IMPORTANT NOTICES, DECLARATION AND UNDERTAKING

Important Notice concerning your duty to make a fair presentation of the risk

Before your Commercial Crime Protection Policy takes effect you have a duty to make a fair presentation of the risks to be insured under your Commercial Crime Protection Policy.

A *fair presentation of the risk* is one:

- which:
 - discloses to the Insurer every material circumstance which you know of or ought to know of; or
 - gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purpose of revealing those material circumstances,
- which makes that disclosure referred to above in a manner which is reasonably clear and accessible to the Insurer; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

A *material circumstance* is one that would influence the Insurer's decision as to whether or not to agree to insure you and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material you should disclose it to the Insurer.

A copy of the proposal should be retained by you for your own records.

Financial or Trade Sanctions

The Insurer is unable to provide insurance in circumstances where to do so would be in breach of any financial or trade sanctions imposed by the United Nations or any government, governmental or judicial body or regulatory agency.

Privacy Policy

The Insurer is committed to ensuring that your privacy is protected.

For a full explanation of how we use the information we collect about you, how you can contact us if you wish to exercise your rights and the procedure that we have in place to safeguard your privacy please visit:

www.rsagroup.com/support/legal-information/privacy-policy/

Declaration and Undertaking

I/We declare that every statement and particular contained within this Proposal Form:

- which is a statement of fact, is substantially correct, and
- which is matter of expectation or belief, is made in good faith.

If any such facts, expectations and/or beliefs materially change before the Commercial Crime Protection Policy takes effect I/ we undertake to provide details of all such changes to the Insurer in order to comply with my/our obligation to provide a fair presentation of the risk to be insured under the Commercial Crime Protection Policy.

For the purposes of making this proposal for insurance, I/we agree that the Intermediary (which I/we have appointed to advise in relation to this Commercial Crime Protection Policy) is acting on my/our behalf and not as an agent of the Insurer.

Signature

Date

On behalf of *
(*insert name
of Proposer)



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Authorised and regulated by the Financial Conduct Authority.

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