
Commercial Crime Insurance – Proposal Form

Proposer Details

1. Name of Proposer:
2. Subsidiaries (if any):
3. Address:
4. Date of Incorporation:
5. Nature of Operations:
6. Other relevant information
 - I) Annual Turnover
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
 - (II) Number of Locations
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
 - (III) Total Number of Employees
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
7. Current Market Value of all Pension and Employee Benefit Plans \$ _____
8. (i) Please list all acquisitions and mergers you have made in the past 5 years and indicate the turnover for each acquisition:

- (ii) Are all recommendations arising from the pre-acquisition due diligence process immediately implemented? Yes No

If "no", please provide details _____

9. PAN card number (10-character number):

10. Limit of Indemnity to be purchased

a. Per accident

b. Per Year

11. Deductible for the Policy

12. Retroactive date if applicable

13. Sources of funds: Please tick appropriate box

Salary Business Others (please specify) _____

Declaration:

I/we hereby confirm that all premiums have been/will be paid from bonafide sources and no premiums have been/will be paid out of proceeds of crime related to any of the offence listed in Prevention of Money Laundering Act, 2002.

I understand that the Company has the right to call for documents to establish sources of funds.

The insurance company has right to cancel the insurance contract in case I am/ have been found guilty by any competent court of law under any of the statutes, directly or indirectly governing the prevention of money laundering in India.

Audit and Corporate Governance

8. Do External Auditors audit all operations at least annually?..... Yes No

9. (a) Have all recommendations by External Auditors regarding internal controls been complied with following your last audit? Yes No

(b) If "no", please provide details

10. Is there an Audit Committee which monitors the effectiveness of internal controls and reports directly to the Board? Yes No

11. (a) Do you comply with all provisions of the Combined Code of Corporate Governance relating to Financial Aspects of your business? Yes No

(b) If "no", please briefly explain reasons for areas of non-compliance.

12. (a) Do you have an Internal Audit Department? Yes No

- (b) Do they have an established audit cycle for all operations? Yes No
13. (a) Do you have a Treasury Department?..... Yes No
- (b) Do they have a procedures manual specifying authority levels for each member of staff? Yes No
14. Are monthly management reports examined for variances against budget forecasts and such variances investigated? Yes No

Internal Financial Controls

15. Are wages/salaries independently checked against personnel records for unusual or excessive payments? Yes No
16. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others;
- (a) signing cheques or authorising payments (including capital expenditure) above \$5,000? Yes No
- (b) issuing funds transfer instructions? Yes No
- (c) amending funds transfer procedures? Yes No
- (d) opening new bank accounts or amending approved signatory details? Yes No
- (e) investment in and custody of securities and valuables (including blank cheques, travellers cheques, bills of exchange etc.)?..... Yes No
- (f) refund of monies or return of goods above \$5,000? Yes No
- (g) disbursement of assets or funds of any Pension Plan? Yes No
- (h) appointing new suppliers or awarding contracts? Yes No
- (i) disbursement of loans (including loans to employees) or approving borrowings? Yes No
17. Is all supporting documentation validated before signing cheques or authorising payments above \$5,000? Yes No
18. Are statements of accounts sent to customers independently of employees receiving payment? Yes No
19. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers, at least every 30 days? Yes No

Recruitment Procedures

20. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
- (a) obtain written references covering, at least, their previous 3 years employment history? Yes No
- (b) undergo a process to ensure their suitability for the position? Yes No

Stock and Physical Security

21. Is there controlled access to all locations? Yes No
22. Are all premises containing stock, money, securities, precious metals etc. connected to an intruder alarm which is connected to a central station or a police station and are such intruder alarms maintained in proper working order?..... Yes No
23. Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken at least quarterly and is this count reconciled against stock records? Yes No
24. Is the transfer of money and securities valued above \$10,000 made by a security or professional cash carrying company?..... Yes No
25. What is the maximum value of money, securities, precious metals and/or jewellery at any one location:
- (a) during business hours?..... \$ _____
- (b) outside business hours? \$ _____
26. What is the maximum value of stock, work-in-progress and raw materials at any one location? \$ _____

Third Parties

27. Do you maintain an approved suppliers list?..... Yes No
28. Are suppliers **and** service providers:
- (a) vetted for competency, financial stability and honesty before being approved?.....Yes No
- (b) appointed under written contract? Yes No
29. Are procedures in place to assess the suitability of trustees, fiduciaries, administrators or officers of all of your Pension Plans? Yes No
30. (a) Do you outsource any normal administrative function to third party service providers? Yes No
- (b) If "yes", please detail the services and estimated annual contract values.
- _____
31. Do you audit outsourcing companies during the term of their contract? Yes No
32. If the outsourcing company operates on your premises are their employees under your daily management control? Yes No

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, financial stability and honesty; appointed them under written contract; and you retain the right to audit them.

Computer Systems / Internet E-Commerce

33. Are unique passwords used to give various levels of entry to the computer depending on the users job functions? Yes No
34. Are passwords automatically withdrawn when people leave? Yes No
35. Are all amendments to programmes approved independently of the persons making the amendments? Yes No
36. Are programmes protected to detect unauthorised changes? Yes No
37. Is your computer system protected by virus detection and repair software? Yes No
38. Which business activities do you utilise the Internet for?
- E-Mail Advertising Selling Products
- Hosting Services for Third Parties Other _____
39. What is the estimated value of e-business revenue in your business? \$ _____
40. Please list your Website addresses
- _____

Fund Transfers

“Fund Transfers” means any instructions (other than cheques) given to a Financial Institution to pay or deliver funds.

41. What is the approximate total annual value of fund transfers?
- (a) InterGroup Payments \$ _____
- (b) External Payments..... \$ _____
42. Please specify which methods are utilised to send fund transfer instructions:
- | <u>Type</u> | <u>Secured By</u> |
|-------------------------------------|-------------------------------------|
| Written <input type="checkbox"/> | Password <input type="checkbox"/> |
| Electronic <input type="checkbox"/> | Encryption <input type="checkbox"/> |
| Telephone <input type="checkbox"/> | Codeword <input type="checkbox"/> |
| Facsimile <input type="checkbox"/> | Callback <input type="checkbox"/> |
| Other _____ | Other _____ |
43. Are all fund transfer instructions subject to a verification and authentication process? Yes No
44. Can payment instructions only be made to accounts which are pre-determined as an approved beneficiary? Yes No
45. Is the financial institution required to authenticate the instruction in accordance with a specified mandate before

payment is released? Yes No

Plans and Policies

46. Do you maintain a written crisis management or contingency plan covering procedures following kidnapping or extortion? Yes No
47. Do you maintain a written anti-fraud policy which is distributed throughout your organisation? Yes No
48. Do you have a whistleblowing service accessible to all staff?... Yes No
49. Are special security precautions taken to protect against kidnapping of directors or employees who live in or travel to volatile countries? Yes No

Optional Extensions to Cover

50. In addition to providing cover for losses arising from Employee Fraud or Dishonesty, Commercial Crime Insurance also covers damage, destruction or disappearance of money or securities and losses caused by third parties arising from: computer fraud, funds transfer fraud, extortion and kidnap, forgery, fraudulent alteration of a financial instrument, incoming cheque forgery, forged money orders, counterfeit negotiable instruments,. Do you wish cover to be extended to also include:

- Audit Fees Yes No
- Client Liability..... Yes No
- Interest Receivable and Payable Yes No
- Business Interruption Yes No
- Public Relations Cover Yes No
- Contractual Damages..... Yes No
- Extortion Yes No
- Care, Custody and Control Yes No
- Court Attendance Costs Yes No
- Credit Card Fraud..... Yes No
- Data Reconstitution Costs..... Yes No
- Erroneous Fund Transfer Yes No
- Investigation Costs Yes No
- Legal Expenses Yes No
- Outsourcing Yes No
- Partners..... Yes No
- Fraudulent Impersonation Yes No

Loss History

51. (a) Please provide brief details of any losses (of a type covered by ___ Commercial Crime Insurance) sustained during the past five (5) years and before application of any deductible, retention or excess whether insured or not. (Please include date discovered, location, nature of loss and amount).

(b) Please describe what corrective measures were taken to prevent similar losses.

(c) Have such corrective measures been implemented across all operations? Yes No

If "no" please provide details

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE

Declaration

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

Signed

Title
(to be signed by Partner/Director or Principal or equivalent)

Company

Date

Please enclose with this Proposal Form your current Annual Report & Accounts (or equivalent) for the Proposer.
