

## Auditors

### Internal audit

- |                                                                            | Yes                      | No                       |
|----------------------------------------------------------------------------|--------------------------|--------------------------|
| Do you have an Internal Audit department?                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| <b>If yes:</b>                                                             |                          |                          |
| a) Is there an audit and control procedures manual?                        | <input type="checkbox"/> | <input type="checkbox"/> |
| b) How many people are employed in the department?                         |                          |                          |
| <input type="text"/>                                                       |                          |                          |
| c) Are audits made on a surprise basis?                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Are auditors forbidden to originate entries?                            | <input type="checkbox"/> | <input type="checkbox"/> |
| e) What is the minimum and maximum audit frequency at each location?       | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Are audit reports supplied direct to the Audit Committee and the Board? | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Have all recommendations been adopted and resolved?                     | <input type="checkbox"/> | <input type="checkbox"/> |

If any parts have been answered no, please advise what alternative controls are in place.

### Computer security

- |                                                                                             | Yes                      | No                       |
|---------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Have auditors reported on your computer security?                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Have you implemented their recommendations?                                              | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Do your external auditors carry out random spot checks?                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Do you have an internal audit section reviewing system amendments and checking controls? | <input type="checkbox"/> | <input type="checkbox"/> |

If any parts have been answered no, please advise what alternative controls are in place.

### External audit

- |                                                                                | Yes                      | No                       |
|--------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Who are your external auditors?                                             |                          |                          |
| <input type="text"/>                                                           |                          |                          |
| b) Are all operations audited at least annually?                               | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are audit reports supplied direct to the Audit Committee and the Board?     | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Have all recommendations made been complied with following your last audit? | <input type="checkbox"/> | <input type="checkbox"/> |

If any parts have been answered no, please advise what alternative controls are in place.

### Physical security

- |                                                                                                                                  | Yes                      | No                       |
|----------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Is access to all premises controlled?                                                                                         | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Are premises occupied outside normal business hours?                                                                          | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Are all premises fitted with intruder alarms maintained under contract?                                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| d) If yes, do alarm systems connect with a central monitoring station?                                                           | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Have any security surveys/reviews been carried out in the last three years where recommendations have not been complied with? | <input type="checkbox"/> | <input type="checkbox"/> |

## Important notes

### Fraud prevention, detection and claims history

Zurich Insurance plc holds data in accordance with the Data Protection Act 1998. It may be necessary for us to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, or to prevent and detect fraud, we may share information you give us with other organisations and public bodies, including the Police, accessing and updating various databases. If you give us false or inaccurate information and we suspect fraud, we will record this and the information will be available to other organisations that have access to the database(s). We can supply details of the databases we access or contribute to, on request.

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

### Declaration

We hereby warrant that:

- a) to the best of our knowledge and belief the foregoing particulars and statements are true and that no material fact has been withheld.
- b) they and other written statements made by us or on behalf for the purpose of the proposed insurance shall be the basis of and incorporated in the contract between us and the Company, not only in respect of employees included herein, but also in respect of any employees who may hereafter be included.

Signature for proposer

Printed name

Position held

Date

N.B.

1. Failure to disclose material facts could result in your policy being invalidated. Material facts are those facts which might influence the acceptance or assessment of your proposal. If you are in doubt as to whether a fact is material you should disclose it.
2. The terms of this insurance require the systems of check and supervision declared in this proposal form to remain fully operative during the currency of this policy. It is therefore essential that any alterations in these systems are notified to and agreed by the Company to ensure full protection in the event of loss.
3. Cover will not become operative in respect of the employee(s) now proposed or of subsequent additions or substitutions until in each case the Company has notified acceptance.
4. Cover will not apply to employees who are directors of the Insured holding more than 5% of the Insured's share capital.
5. Unless otherwise agreed the policy will be in the standard form issued by the Company a copy of which is available on request.

#### Zurich Insurance plc

A public limited company incorporated in Ireland. Registration No. 13460.

Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland.

UK Branch registered in England and Wales Registration No. BR7985.

UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority.

Details about the extent of our regulation by the Financial Services Authority are available from us on request.

FSA registration number 203093. These details can be checked on the FSA's register by visiting their website

[www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting them on 0845 606 1234.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

© Copyright – Zurich Insurance plc 2009. All rights reserved. Reproduction, adaptation or translation without prior written permission is prohibited except as allowed under copyright laws.

The pulp used in the manufacture of this paper is from renewable timber produced on a fully sustainable basis.

The pulp used in the manufacture of this paper is bleached without the use of chlorine gas (ECF – Elemental Chlorine Free). The paper is suitable for recycling.



**ZURICH**®

Please provide full details using separate sheets of paper if required.

**Details of proposer**

Full name of proposer

Main address of proposer

Postcode:

Full names of all subsidiary companies to be included in the cover (all following questions apply also to these)

Website address

Amount of annual turnover

Total number of locations at which you operate

Total number of clerical and non manual employees

Total number of all other employees

**Note:** Where you operate in more than one territory please give the details requested above per territory.

Business/Trade (please describe fully)

**Cover required**

Limit of indemnity

Deductible

**Loss history**

Have you suffered any loss within the last 5 years (whether insured or not) including any falling within any excess or self insured retention, which would have been covered by the risks now proposed?

Yes No

 

If yes, please state the amount involved, the circumstances and the action taken to prevent a reoccurrence.

## Insurance history

Has a proposal for Crime insurance ever been made to another insurer? Yes  No

If yes, please state date(s), name of insurer(s) and result.

Has any insurer cancelled, declined renewal, or imposed higher terms for the insurance now proposed? Yes  No

If yes, please state name of insurer, dates and reasons.

## Recruitment

Do you have established formal procedures for the recruitment of all employees and assessing their suitability? Yes  No

Do you in all cases:

- |                                                                                                                                                                  |                          |                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Obtain a satisfactory reference direct from previous employers covering an unbroken period of at least three years immediately preceding the date of enquiry? | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Obtain written confirmation of any reference received in writing, within one calendar month of the conversation?                                              | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Retain all written references and records of verbal reference for at least five years?                                                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Investigate any periods for which the candidate was not gainfully employed?                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> |

If you have answered no to any of the above please advise what alternative controls are in place. References that are adverse or qualified must be referred to us. References must be produced to us in the event of a claim if requested.

## Internal controls

Please confirm you follow the controls outlined below:

- |                                                                                                                                                                                                                                                                 |                          |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Wages and salaries are independently checked against personnel records before payment                                                                                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| b) There is segregation of duties so that no one employee can add new employees to the payroll or amend payroll and reconcile salary payments made                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> |
| c) All employees are 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 time they perform no duties and are required to stay away from your premises | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Statements of account and reminders in respect of unpaid accounts are sent direct by post to all customers independently of employees in a position to receive payment of an account at least monthly                                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| e) A complete inventory of stocks and equipment is independently and physically checked at least once per year                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Bank statements and client/vendor accounts are reconciled by employees not authorised to deposit or withdraw funds, issue fund transfer instructions or despatch accounts to clients/vendors                                                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Supporting papers are checked for validity independently of the employees who prepare cheques                                                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> |
| h) There is segregation of duties so that no one employee can control the following transactions from commencement to completion:                                                                                                                               |                          |                          |
| i) Signing cheques above £5,000                                                                                                                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> |
| ii) Issuing fund transfer instructions                                                                                                                                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> |
| iii) Issuing amendments to fund transfer procedures                                                                                                                                                                                                             | <input type="checkbox"/> | <input type="checkbox"/> |
| iv) Authorising capital expenditure above £5,000                                                                                                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> |
| v) Investments                                                                                                                                                                                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |
| vi) Refunding monies or return of goods above £5,000                                                                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| vii) Disbursement of assets or funds of any Pension Plan                                                                                                                                                                                                        | <input type="checkbox"/> | <input type="checkbox"/> |
| viii) Appointing new suppliers or awarding contracts                                                                                                                                                                                                            | <input type="checkbox"/> | <input type="checkbox"/> |
| ix) Disbursement of loans (including loans to employees) or approving borrowings                                                                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> |
| i) All books are balanced and checked by professional auditors at least annually                                                                                                                                                                                | <input type="checkbox"/> | <input type="checkbox"/> |

If you have answered no to any of the above please advise what alternative controls are in place.

## General

- |                                                                                                                                                                    | Yes                      | No                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Do you have a finance/treasury department involved in the investment of monies?<br><b>If yes, we will require completion of a proposal form for that function.</b> | <input type="checkbox"/> | <input type="checkbox"/> |
| Do you engage in Commodity Trading?<br><b>If yes, please provide details.</b>                                                                                      | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                               |                          |                          |
| Do you hold any stocks of precious metals or gems or other high value goods?<br><b>If yes, please provide details.</b>                                             | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                               |                          |                          |
| Do you transfer funds to others other than by cheque?<br><b>If yes, we will require completion of a proposal form for that function.</b>                           | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                               |                          |                          |
| Do you use a cheque signing machine or signature plates?<br><b>If yes, please advise the systems of control in place.</b>                                          | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                               |                          |                          |
| Do you have a written anti-fraud policy distributed throughout your organisation?                                                                                  | <input type="checkbox"/> | <input type="checkbox"/> |

## Computer security

- |                                                                                                                                | Yes                      | No                       |
|--------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| Is there a document detailing the work procedures and security of computer operations?                                         | <input type="checkbox"/> | <input type="checkbox"/> |
| Is all application software protected by either built-in security or a security package?                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| Has a director or senior member of staff been given responsibility for establishing reviewing and enforcing computer security? | <input type="checkbox"/> | <input type="checkbox"/> |

## Access

- |                                                                                                                                                                                    | Yes                      | No                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a) Is access to the computer system gained only by authorised persons via unique individual passwords which are changed regularly?<br><b>Please state the frequency of change.</b> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                                               |                          |                          |
| b) Are such passwords cancelled immediately the user leaves your employment and not re-issued?                                                                                     | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Is an IT security officer or other person designated to control all IT passwords?                                                                                               | <input type="checkbox"/> | <input type="checkbox"/> |
| d) How are the activities of the IT security officer controlled?                                                                                                                   | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Are security violation attempts recorded and reviewed?                                                                                                                          | <input type="checkbox"/> | <input type="checkbox"/> |
| f) How many such violations are allowed before the system shuts down?                                                                                                              | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="text"/>                                                                                                                                                               |                          |                          |
| g) Are security staff vetted prior to appointment?                                                                                                                                 | <input type="checkbox"/> | <input type="checkbox"/> |

**If any of the questions have been answered no, please advise what alternative controls are in place.**

## Programmes

- Are all programmes approved by and checked for accuracy independently of the employees responsible: Yes No
- a) When completed?
- b) Whenever amendments are carried out?
- c) At regular intervals to ensure that they remain certified programmes as amended by authorised changes only?

If any parts have been answered no, please advise what alternative controls are in place.

## Transaction procedures

- Are pre-signed cheques or credit notes produced by computer? Yes No
- 

If yes:

- a) Is a security system in force to limit the amount of any one cheque or credit note?

If yes, please state the amount:

- b) Are the cheques and credit notes numbered and reconciled to prevent unauthorised issue of any such documents?

Are the following responsibilities exercised by different employees acting independently:

- a) Authorisation of transactions?
- b) Processing transactions?
- c) Checking and handling output?

Are back-up copies of all programmes operating software and essential master files stored at a separate secure location?

Do you sell computer time or offer services to others?

If yes, please provide full details.

If you use contract computer staff is the same supervision and control exercised over them as over your own employees?

Is there effective separation of duties between all the following categories:

- a) Users?
- b) Computer operators?
- c) Tape librarians?
- d) Analysts/programmers?
- e) Data input staff?

If any of questions a) to e) is answered no, please state the extent of the overlap of duties.

If yes, is the segregation of duties maintained during sickness, holidays, night shifts and weekends?

## Security

- Are removable discs and tapes holding relevant information: Yes No
- a) Kept in locked security cabinets when not in use?
- b) Recorded when withdrawn from or returned to storage?

Is logical access to data recorded by system software which identifies the user and is the log examined regularly by a director or senior employee?

If any of the above has been answered no please advise what alternative controls are in place.

Is logical access to data available from remote terminals?

If yes are measures taken to authenticate the terminal being used and the identity of the user and to restrict access to authorised functions only?