

**COMMERCIAL CRIME APPLICATION FORM**

This is a proposal for a contract of insurance, in which 'Applicant' or 'you/your' means the individual, company, partnership, trust or association proposing for cover.

This application must be completed, signed and dated. All questions must be answered to enable a quotation to be given but completion does not bind you or Underwriters to enter into any contract of insurance. If space is insufficient to answer any question fully, please attach a signed continuation sheet. You should retain a copy of the completed proposal (and of any other supporting information) for future reference.

All facts material to the proposed insurance must be disclosed, fully and truthfully to the best of your knowledge and belief. Failure to do so may make the contract of insurance voidable or severely prejudice your rights in the event of a claim. A material fact is one likely to influence Underwriters' assessment or acceptance of the proposal; if you are uncertain what may be a material fact, you should consult your broker.

You are recommended to request a specimen copy of the proposed policy or certificate from your insurance broker and to consider carefully the terms, conditions, limitation and exclusions applicable to the cover. The proposed insurance covers only those losses which arise from certain events discovered or claims made against the assured during the period of insurance, as specified in the policy or certificate.

**Applicant Details**

1. Name of Applicant: \_\_\_\_\_

*Note: Please provide a schedule of all subsidiary and associated companies worldwide.*

2. Principal office address:

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3. What are the activities, products and/or services of your business(es):

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4. (i) Date of establishment:

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(ii) Is the Applicant a private company?  Yes ?No  
 If so, please provide details of its ownership:

(iii) Is the Applicant a listed company?  Yes ?No  
 If so, on what exchange?

5. (i) Please list each region in which you operate in and add detail in the appropriate column:

	Annual Turnover in GBP	Number of Locations	Total Number of Employees
UK			
Europe			
Australasia			
USA & Canada			
Other			

(ii) Is a copy of the latest Annual Financial Statement for the Applicants available via the Applicant's website?  Yes ?No  
 What is the website address:

(iii) If 'No' please supply a copy of the latest Annual Financial Statements for the Applicant

6. (i) Please list all acquisitions and mergers you have made in the past 5 years and show in the appropriate column:

Name	Annual Turnover	Date of Acquisition/Merger	Nature of Business	A / M

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

(iii) If 'No' please provide details:

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## Audit and Corporate Governance

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

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

(ii) If 'No', please provide details:

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

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

(ii) If 'No', please briefly explain reasons for areas of non-compliance:

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11. (i) Do you have an Internal Audit Department?  Yes  No

(ii) How many people work in the Internal Audit department?

(iii) Do they have an established audit cycle for all operations?  Yes  No

(iv) Does the Internal Audit receive and investigate exception reports?  Yes  No

## Internal Controls

### 12. Personnel Practices

(i) Do you have an established policy for checking the background of job candidates prior to their being offered employment?  Yes  No

(ii) If 'Yes', are there any exceptions?  Yes  No

(iii) Do you have an established policy throughout the group regarding the taking of holidays?  Yes  No

(iv) Is two weeks consecutive holiday required of all employees within the Applicants financial functions? ?Yes ?No

(v) State number of employees in following categories:

- (i) At Head Office .....
- (ii) At Data Processing Centres .....
- (iii) At Branches .....
- (iv) At Subsidiaries .....
- Total .....

(vi) State number of Directors

- (i) Executive .....
- (ii) Non-Executive .....

(vii) What has been the percentage turnover in the following employment categories during the last 12 months?

	Inward	Outward
Directors	.....%	.....%
Employees	.....%	.....%

### 13.. Financial Systems and Reporting

(i) Are accounting procedures consistent at all locations? ?Yes ?No

(ii) How frequently does the local management report to Head Office?

(iii) Is the principle of 'dual control' (to prevent an individual controlling a transaction from commencement to completion without referral to others) applied with regard to all payments, including the drawing and signing of cheques and use of electronic funds transfer? ?Yes ?No

(iv) If 'No', please describe controls to prevent unauthorised payments being made:

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(v) Do you process payment instructions received by telephone or facsimile?  Yes ?o

(vi) If 'Yes' please describe controls to prevent unauthorised payments being made:

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(vii) Can payments only be made to accounts which are pre-determined by the Proposer as an approved beneficiary?  Yes ?No

(viii) If 'Yes' please describe the controls in place in relation to the approval of new 'approved beneficiaries' or the amendment of bank account details of existing 'approved beneficiaries':

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## Outsourced Operations

14. What functions/activities (if any) are outsourced to third party providers? Please identify each provider:

Name	Activity	Date commenced

15. (i) What record is maintained of any outsourcing decisions made?

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(ii) To what extent do you carry out due diligence checks on potential companies or organisations to which you outsource activities?

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16. Do you audit outsourcing companies during the term of their contract? Yes No
17. If the outsourcing company operates on your premises are their employees under your daily management control? Yes No

## Stock and Physical Security

18. Is there controlled access to all locations? Yes No
19. Are all premises containing stock, securities, money (including cheques), 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
20. Is a 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
21. Is the transfer of money (including cheques) and securities valued above USD10,000 made by a security or professional cash carrying company? Yes No
22. What is the maximum value of money (including cheques), securities, precious metals and/or jewellery at any one location:
- (i) during business hours? USD \_\_\_\_\_
- (ii) outside business hours? USD \_\_\_\_\_
23. What is the maximum value of stock, work-in-progress and raw materials at any one location?  
USD \_\_\_\_\_

## Suppliers

24. Do you maintain an approved suppliers list? Yes No

25. Are suppliers and service providers:
- (i) vetted for competency, financial stability and honesty before being approved?  Yes ?o
  - (ii) appointed under written contract?  Yes ?No

## Computer Systems/Internet

26. Are unique passwords used to give various levels of entry to the computer depending on the users job functions?  Yes  No
27. Are passwords automatically withdrawn when people leave the firm?  Yes  No
28. Are all amendments to software programs approved independently of the person(s) making the amendments?  Yes  No
29. Is your computer system protected by anti-virus detection and repair software?  
 Yes  No
30. Which business activities do you utilise the internet for?
- (i) E-mail  Advertising  Selling Product  Hosting Services for Third Parties
  - (ii) Other, please describe:

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## Policies

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

## Loss History

35. (i) Please provide details of any losses sustained during the past five (5) years whether insured or not:

*Note: Including but not limited to all losses categorised as: theft, burglary, robbery, hold-up, computer fraud, forgery, fraud, or other losses related to criminal behaviour (whether involving an act of an employee or not):*

Date discovered	Description – including the events and perpetrator	Amount

(ii) Please describe what corrective measures were taken to prevent similar losses:

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**DECLARATION**

I hereby declare that I am authorised to complete this proposal on behalf of the Applicant and that, to the best of my knowledge and belief, the statements and particulars in this application are true and complete and no material facts have been mis-stated or suppressed. I undertake to inform Underwriters of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on this application is effected and acknowledge that this proposal (together with any other information supplied to Underwriters) shall be the basis of such contract.

(Signed\*) \_\_\_\_\_

(Name) \_\_\_\_\_

(Capacity\*) \_\_\_\_\_

(Date) \_\_\_\_\_

**\*the signatory should be a director or senior officer of, or partner in, the Proposer.**



**SOCIAL ENGINEERING SUPPLEMENT**

1. Have you informed and alerted relevant staff at all locations of social engineering fraud (social engineering fraud includes 'fake president' fraud, payment diversion fraud and manager impersonation fraud)? Yes  No
2. Do you have a social engineering fraud risk management strategy in place? Yes  No
3.
  - a. Are unusual payment instructions purporting to come from senior management followed up by call backs to senior management, at a previously known and pre-designated phone number, to confirm payment instructions and confirm authenticity? Yes  No
  - b. Are all changes to the bank details of any payment recipient confirmed by telephone with the payment recipient by one of your employees, who knows the confirmer, and by using only the contact number previously provided by the payment recipient before the request was received? Yes  No
  - c. Is confirmation of any requested change to the bank details of any payment recipient always sent in a written advice to such payment recipient, with changes being implemented only after they have had the opportunity to verify or challenge it? Yes  No
  - d. Is senior management approval always required before any change is processed, with such approval being given after review of the underlying request and the record of its verification? Yes  No
4. Do you have a process in place at all locations where all bank statements and invoices are independently reconciled by persons who are not authorised to make payments; deposit or withdraw funds; issue funds transfer instructions; or dispatch funds to customers or suppliers? Yes  No
5. Is the first payment to a new supplier bank account always capped and confirmation of receipt from the supplier always obtained before any further payments are made to that account? Yes  No
6. Is an exception report always automatically generated showing all changes to the standing data of suppliers, and is this reviewed by an individual independent of and unconnected with the process? Yes  No
7. Do your email server and internet service provider (ISP) use authentication methods at all locations? Yes  No