



# Fidelity Insurance Proposal

## Notes

When completing this Proposal Form:

- Please answer **all** questions giving full and complete answers.
- Circle either "Yes" or "No".
- If the space provided on the Proposal Form is insufficient, please use a separate **signed** and **dated** sheet in order to provide a complete answer to any questions.
- Please ensure that the Proposal Form is properly **signed** and **dated**.

## DETAILS OF THE PROPOSER

1. Name of Proposer:
2. Principal address:
3. How long has the Proposer continually carried on business?
4. Describe the Proposer's business activities:
5. Number of business locations:

## EMPLOYEE DETAILS

6. Please give the number of employees in the following categories having responsibility for money or negotiable instruments, stock and/or accounts:
  - a. Executives, officials and employees other than those referred to in b and c below:
  - b. Executives, officials and employees primarily engaged in duties as cashiers, treasurers, paymasters, accountants handling money or negotiable instruments, in-house staff handling money or negotiable instruments, and stock and store supervisors.
  - c. Employees engaged out-doors handling money or negotiable instruments, employees primarily engaged in the delivery of goods.
7. Please give the number of all other employees not having responsibility for money or negotiable instruments, stock and/or accounts.
8. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
  - a. Undertake independent checks of their employment history?  YES  NO
  - b. Undergo a process to ensure their suitability for the position?  YES  NO

## AUDIT AND FINANCIAL CONTROL DETAILS

9. Do external auditors audit all operations at least annually?  YES  NO
10. Have all recommendations by external auditors regarding internal controls been complied with, following your last audit?  YES  NO

If "No", please provide details below:

11. Do you have an internal audit department?  YES  NO
12. 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 expenditures) above a specified amount –state the specified amount:  \$   YES  NO
- b. issuing funds transfer instructions?  YES  NO
- c. amending funds transfer procedures?  YES  NO
- d. opening new bank accounts?  YES  NO
- e. investment in and custody of securities and valuables (including bank cheques, travellers cheques, bills of exchange, etc.)?  YES  NO
- f. refund of monies or return of goods above \$5,000?  YES  NO
13. Are statements of account sent to customers independently of employees receiving payment?  YES  NO
14. Are bank statements independently reconciled with customer accounts by persons not authorised to deposit/withdraw funds, issue funds transfer instructions, or dispatch accounts to customers?  YES  NO

#### STOCK AND PHYSICAL SECURITY DETAILS

15. Are all premises containing stock, money, securities, precious metals, etc. connected to an intruder alarm?  YES  NO
16. 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
17. Is the transfer of money and securities valued above \$20,000 usually made by a security or professional cash carrying company?  YES  NO
18. What is the maximum value of stock, money, securities, precious metals and/or jewellery at any one location:
- a. during business hours  \$
- b. outside business hours  \$

#### COMPUTER SYSTEMS

19. Are unique passwords used to give various levels of entry to the computer depending on the users' authorisation?  YES  NO
20. Are passwords automatically withdrawn when people leave?  YES  NO

**Note**

"Fund Transfers" means any instruction (other than cheques) given to a Financial Institution to pay or deliver funds.

**FUND TRANSFERS**

21. What is the approximate annual value of fund transfer?
22. Please specify the method of instruction (e.g. written, electronic, computer, telephone, etc.):
23. Can payment instructions be made to any account which has not been pre-agreed?  YES  NO
24. Is the financial institution required to authenticate the instruction before payment is released?  YES  NO
25. Please provide a brief description of the methods used to secure fund transfer (e.g. passwords, encryption, code words, call back):

**INSURANCE HISTORY**

26. Does the Proposer currently have a fidelity insurance policy currently in force? If "Yes" please give details:  YES  NO
- | Insurer | Limit of Liability | Deductible | Renewal Date |
|---------|--------------------|------------|--------------|
|         |                    |            | / /          |
27. Has any insurer, in respect of the risks to which this Proposal for insurance relates, ever:
- a) Declined a proposal, refused renewal or terminated an insurance?  YES  NO
- b) Required an increased premium or imposed special conditions?  YES  NO
- If "Yes" to either of the above, please give details below:

**CLAIMS INFORMATION**

28. Please provide brief details of any losses, whether insured or not, (of a type covered by a Fidelity Policy), sustained during the past 5 years. Please include date discovered, location, nature of loss, and amount of loss (before application of any deductible if loss was insured).
29. Please describe what corrective measures were taken to prevent similar losses:

**COVER REQUIRED**

30. Specific Limit of Indemnity per Employee:
31. Aggregate Limit of Indemnity:
32. Deductible:

## Privacy Act, Declaration & Signature

### Privacy Act

Pursuant to the Privacy Act 1993 the following is brought to your attention.

This proposal collects personal information about you which is collected to evaluate the insurance you seek. The information collected is held by Vero Insurance New Zealand Limited, (Vero), 48 Shortland Street, Auckland.

The collection of this information is required pursuant to the duty to disclose all material facts relevant to the insurance sought and is mandatory. Failure to provide this information may result in the application for insurance being declined or the insurance being void from the beginning.

The proposer has rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

### Declaration

It is declared that after due enquiry that the information and answers given in this proposal are in every respect true and correct in a manner which would not mislead a prudent insurer.

It is agreed that this proposal and declaration shall be the basis of and incorporated in the insurance contract and that the insurance contract may be avoided if (amongst other things) any statement in this proposal is "substantially incorrect" and "material" as both those terms are defined in the Insurance Law Reform Act 1977.

The Proposer undertakes to inform Vero of any material alteration to the above information whether occurring before or after the completion of this insurance contract.

The Proposer authorises the disclosure of personal information held by any party regarding previous insurance for the purposes of arranging insurance.

The Proposer authorises Vero to give to or obtain from any other Insurer or any Insurance Broker or any other party, information relating to this insurance or any other insurance held by the Proposer or any claim made by the Proposer in connection with this insurance proposal.

The Proposer understands that failure to provide any of the information requested by Vero in connection with this insurance may result in Vero refusing to provide the insurance.

The Proposer has certain rights of access to and correction of this information, without prejudice to Vero's rights if information is inaccurate.

### Signature

Signed

Title

Date

 /  / 

### Note

*To be signed by a duly authorised Proposer Representative.*

**SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE.**