

# Chubb Crime Insurance

## Proposal Form



## Important Notices

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### Your Duty of Disclosure

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Before you enter into a contract of general insurance with an Insurer, you have a duty to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of any matter:

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows or, in the ordinary course of its business, ought to know;
- as to which compliance with your duty is waived by the Insurer.

It is important that all information contained in this proposal is understood by you and is correct, as you will be bound by your answers and by the information provided by you in this proposal. You should obtain advice before you sign this proposal if you do not properly understand any part of it.

Your duty of disclosure continues after the proposal has been completed up until the contract of insurance is entered into.

### Non-Disclosure

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If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract.

### Coverage

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The Directors and Officers Liability and Professional Indemnity contracts of insurance will cover liabilities arising from claims first made against you during the policy period or discovery period, if applicable. The Crime contract of insurance will cover loss first discovered during the policy period or discovery period, if applicable.

### Waiver of Contribution or Indemnity Rights

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Where you have agreed with another person or company, who would otherwise be liable to compensate you for any loss or damage which is covered by the contract of insurance that you will not seek to recover such loss or damage from that person, Chubb will not cover you, to the extent permitted by law, for such loss or damage.

**Change of Risk or Circumstances**

You should advise Chubb as soon as practicable of any material change to your normal business as disclosed in the proposal, including but not limited to changes in location, acquisitions and new overseas activities.

**Subrogation**

Where you have agreed with another person or company, who would otherwise be liable to compensate you for any loss or damage which is covered by the policy, that you will not seek to recover such loss or damage from that person, the Insurer will not cover you, to the extent permitted by law, for such loss or damage.

**A. General Information**

1. Name of Applicant:			
2. Applicant's address:			
3. Date established:			
4. Requested Limit of Liability:	HK\$	Deductible Amount:	HK\$
5. Provide a description of the Applicant's operations:			

6. Please complete the following:

List countries in which you have operations	Type of operation	Number of locations	Number of employees	Revenues
				HK\$
				HK\$
				HK\$
				HK\$
				HK\$
<b>Total</b>				HK\$

1. Please provide details of any mergers or acquisitions in the past twelve (12) months including the following information:
- a) Name of company acquired
  - b) Date of transaction
  - c) Description of operations acquired
  - d) Annual revenues
  - e) Number of employees

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2. Does the Applicant provide any lease financing in the course of its business?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Have policies been published and distributed to all employees regarding a code of ethics, conflicts of interest and gifts and gratuities?	<input type="checkbox"/> Yes <input type="checkbox"/> No

## B. Specific Information

### Human Resources and Payroll

Is the following pre-employment screening conducted prior to hiring in all business units, both domestically and internationally:

a) Criminal history record checks in all jurisdictions in which the prospective employee has lived for the last five (5) years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Reference checks with all prior employers during the last five (5) years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Credit check (if access to cash or control/input of financial transactions)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
1. Are the following payroll controls in place at all domestic and international operations:	
a) Are management policies and computer system controls in place to prevent persons who approve new hires from adding them into the payroll?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Are additions to the payroll system automatically reported via the computer system to a HR manager who reconciles payroll changes with new hire documentation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Are managers periodically provided with the names and salaries of all employees assigned to them for verification?	<input type="checkbox"/> Yes <input type="checkbox"/> No
d) Does the audit department have a program in place to detect possible ghost employees and is the payroll system audited at least annually?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e) Is the IT department and accounting department restricted from any access to the payroll computer system?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

### Auditing Procedures

#### 1. Internal Auditing

a) How many professionals are in your internal audit department?	Currently:		Three (3) years ago:	
b) Does the audit department receive automatic exception reports on suspect financial transactions and financial trends?				<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Does the audit schedule include all locations of subsidiaries and joint ventures?				<input type="checkbox"/> Yes <input type="checkbox"/> No
d) Are audit reports furnished to senior management and the board of directors with all recommendations prioritised by the level of risk they pose to the Applicant?				<input type="checkbox"/> Yes <input type="checkbox"/> No
e) Please attach a copy of the current year's audit plan from the internal auditors.				
2. External Auditing:				
a) Does an independent CPA annually provide you a management letter? If Yes, please attach the most recent copy and management's response.				<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Is each corporate location subjected to periodic external audits?				<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Are audit reports furnished to senior management and the board of directors?				<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any items where the response is No.

### Wire Transfers (WT)

1. Has separation been established between authority to initiate and approve a WT?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Have approval authorities been established in writing and are they current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are WTs reconciled daily by a person who did not approve or transmit such WTs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are international and domestic WT procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

### Purchasing Controls

1. Are levels of purchasing authority established in writing throughout your organisation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has a numbered purchase order system been implemented and is it being followed?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has an approved master vendor list been established?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorised master vendor list?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, is "due diligence" conducted by someone other than the person requesting such addition or with authority and/or ability to add the vendor to the master list?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the purchasing system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Are international and domestic purchasing procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

### Account Payable Controls

1. Are all invoices verified against a corresponding purchase order, receiving report, and authorised master vendor list prior to issuing payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Are invoices, purchase orders, and check runs reconciled daily by an independent party?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are cheque signing authorities and dual control requirements established in writing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are blank and cancelled cheques stored under dual control with access documented?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is a perpetual inventory in place for blank cheques and are daily inventories taken?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Is a monthly reconciliation conducted of all bank accounts by someone who does not handle deposits, sign cheques or have access to electronic or mechanical signatures?	<input type="checkbox"/> Yes <input type="checkbox"/> No

7. Does the accounts payable system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are international and domestic accounts payable procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

### Inventory Controls

1. Is a perpetual inventory maintained for:		
a) Stock, including raw materials, and manufacturing components?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
b) Manufactured or finished goods?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
c) Scrap?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. Do inventory procedures enable accurate accounting of all inventory items listed above at each stage of the manufacturing or production process?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Are daily cycle counts conducted on inventory items?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
4. Are physical inventory counts conducted at least annually and reconciled with the perpetual inventory system?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes:	a) Is the reconciliation performed by someone not associated with the control of the physical inventory?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	b) Are inventory variances outside established parameters reported to auditing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the Applicant use precious metal, stone or other high value items in the manufacturing or processing of goods?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes:	a) Is access to such materials restricted, physically controlled and monitored?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes, please provide details of such controls:	
b) Are daily inventories conducted of all high value items?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
	c) Please provide the average: _____ and maximum value: _____	at each location.
6. Are international and domestic inventory procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Use this space to comment on any questions where the response is No.

### Money and Securities Control

1. State the value of negotiable securities owned or held:	HK\$	<input type="checkbox"/> N/A
2. Where are the securities kept?		

3. If safe deposit boxes are used, has the bank been instructed to require that two (2) authorised individuals be present before entry to any box is permitted?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
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If No, please provide details:

4. What is the maximum amount held at or transported from any one (1) location?

Cash:	HK\$	Cheques:	HK\$	Negotiable Securities:	HK\$	<input type="checkbox"/> N/A
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### Computer Systems Protection

1. Are access controls designed so that users cannot gain access to programs and files to which they have not been specifically granted access through a formal procedure?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Have computer access controls been implemented that include the following:	
a) Passwords are required to be alpha/numeric and 6-9 characters (system enforced)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Are user IDs automatically revoked upon separation of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Are password files encrypted for all applications and is access restricted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are business-to-business or business-to-consumer transactions performed over the internet?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes:	
a) Are firewalls configured to restrict all IP communications except those necessary to conduct business and are firewall security patches current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Is firewall port scanning and penetration testing conducted regularly?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Were web-based applications independently tested for security vulnerabilities prior to, or at the time of deployment and have they been similarly tested whenever the applications have been modified?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Regarding Intrusion Detection Systems, is network-based and host-based IDS software installed and are all patches current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Are B-2-B and B-2-C procedures, systems, and controls the same for domestic and international operations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Do you have a formal process for authenticating all transactions done electronically prior to shipping product or authorising payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

### Client Services

1. Do any clients require the Applicant to be bonded or carry Crime insurance?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Does the Applicant have custody or control over any funds, accounts, or materials of any of its clients?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No

If Yes, please provide details and specify the amount:

3. Do the Applicant's employees have access to any client's accounting, payroll or purchasing systems?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
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## Social Engineering Fraud

1. Does a Social Engineering Fraud risk management strategy exist and has the Applicant informed and alerted relevant staff at all locations of Social Engineering Fraud? Social Engineering Fraud includes Fake President Fraud, Payment Diversion Fraud and Customer/Management Impersonation Fraud.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Does the Applicant have a process in place at all locations where all unusual payment instructions purporting to come from the Applicant's senior management are followed up by call backs to senior management at a previously known and pre-designated phone number to confirm payment instructions and check authenticity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the Applicant have a process in place at all locations where requests for authentication of bank account details or for information on bank account details purporting to come from bank officials are raised with the Applicant's senior management and followed up with previously known bank contacts to confirm authenticity of such requests?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Does the Applicant have a process in place at all locations where instructions to change bank account details purporting to come from vendors and suppliers are followed up by call backs to vendors and suppliers at a previously known and pre-designated phone number to confirm instructions to change bank account details and check authenticity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the Applicant have a process in place at all locations where senior management approval is always required before a change to vendor and supplier bank account details is processed, such approval being given after review of the underlying request and the record of its verification?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Does the Applicant have a process in place at all locations where all bank statements are independently reconciled by persons not authorised to deposit or withdraw funds, issue funds transfer instructions or dispatch funds to customers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Does the Applicant's email server and/or internet service provider (ISP) use any authentication methods at all locations?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If Yes, please list:

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8. Does the applicant use a third party software product to enhance email authentication procedures at all locations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If Yes, please list:

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Use this space to comment on what other controls the Applicant applies to any questions where the answer is No:

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### C. Loss Experience

List all employee theft, burglary, robbery, forgery, computer fraud or other crime losses discovered by the Applicant in the last five (5) years, itemising each loss separately:  None

Date of	Description of Loss (Include controls that were circumvented, controls that were missing and steps taken to remediate the causes of the loss)	Total Amount of Loss	Please indicate whether or not the loss was Loss covered under another insurance policy and include the insurer's name	
			Covered	Insurer's Name
		HK\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		HK\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		HK\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		HK\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		HK\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	

### D. Additional Information

**Please enclose with this Proposal Form:**

- A copy of the Internal Auditors Audit Plan for the current year.
- A copy of your most recent audited financial statement.
- A copy of your CPA management letter on internal controls and management's response.
- An explanation of any No answers referenced in the Proposal Form

### Declaration

- We acknowledge that we have read and understood the Important Notices contained in this proposal.
- We agree that this proposal, together with any other information or documents supplied, shall form the basis of any contract of insurance.
- We acknowledge that if this proposal is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by the Insurer.
- We declare after enquiry that the statements, particulars and information contained in this proposal and in any documents accompanying this proposal are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted.
- We undertake to inform the Insurer of any material alteration to those facts before completion of the contract of insurance/insurance policy period (if applicable).

### Commission Disclosure

The Proposer understands, acknowledges and agrees that, as a result of the applicant purchasing and taking up the policy to be issued by Chubb Insurance Hong Kong Limited (Chubb), Chubb will pay the authorized insurance broker commission during the continuance of the policy including renewals, for arranging the said policy. Where the Proposer is a body corporate, the authorized person who signs on behalf of the applicant further confirms to Chubb that he or she is authorized to do so.

The Proposer further understands that the above agreement is necessary for Chubb to proceed with the application.

The above disclosure statement is only applicable in situations where an insurance broker is used to purchase/place a policy.



## Personal Information Collection Statement

The Company ("We/Us") want to ensure that Our **Insured Persons** ("**You**") are confident that any personal data collected by Us is treated with the appropriate degree of confidentiality and privacy.

This Personal Information Collection Statement sets out the purposes for which **We** collect and use personally identifiable information provided by **You** ("**Personal Data**"), the circumstances when **Personal Data** may be disclosed and information regarding Your rights to request access to and correction of **Personal Data**.

### (a) Purposes of Collection of Personal Data

**We** will collect and use **Personal Data** for the purposes of providing competitive insurance products and services to **You**, including considering Your application(s) for any new insurance policies and administering policies to be taken out with **Us**, arranging the cover and administering and managing Your and Our rights and obligations in relation to such cover. **We** also collect the **Personal Data** to be able to develop and identify products and services that may interest **You**, to conduct market or customer satisfaction research, and to develop, establish and administer alliances and other arrangements with other organisations in relation to the promotion, administration and use of Our respective products and services. **We** may also use your **Personal Data** in other ways with your consent.

### (b) Direct marketing

Only with your consent, **We** may also use your contact, demographic, policy and payment details to contact **You** with marketing information regarding our insurance products by mail, email, phone or SMS.

### (c) Transfer of Personal Data

Personal Data will be kept confidential and **We** will not sell Your **Personal Data** to any third party. **We** limit the disclosure of Your **Personal Data** but, subject to the provisions of any applicable law, Your **Personal Data** may be disclosed to:

- (i) third parties who assist **Us** to achieve the purposes set out in paragraphs a and b above. For example, **We** provide it to Our relevant staff and contractors, agents and others involved in the above purposes such as data processors, professional advisers, loss adjudicators and claims investigators, doctors and other medical service providers, emergency assistance providers, insurance reference bureaus or credit reference bureaus, government agencies, reinsurers and reinsurance brokers (which may include third parties located outside Hong Kong);
- (ii) Our parent and affiliated companies, or any company within Chubb local and outside Hong Kong;
- (iii) the insurance intermediary through which **You** accessed the system;
- (iv) provided to others for the purposes of public safety and law enforcement; and
- (v) other third parties with your consent.

With regard to the above transfers of **Personal Data**, where applicable, **You** consent to the transfer of Your **Personal Data** outside of Hong Kong.

### (d) Access and correction of Personal Data

Under the **Personal Data** (Privacy) Ordinance ("PDPO"), **You** have the right to request access to and correction of **Personal Data** held by **Us** about **You** and **We** will grant **You** access to and correct Your **Personal Data** as requested by **You** unless there is an applicable exemption under the PDPO under which **We** may refuse to do so. **You** may also request **Us** to inform **You** of the type of **Personal Data** held by **Us** about **You**.

Requests for access or correction of **Personal Data** should be addressed in writing to:  
 Chubb Data Privacy Officer  
 39/F, One Taikoo Place,  
 979 King's Road,  
 Quarry Bay, Hong Kong  
 O +852 3191 6222  
 F +852 2519 3233  
 E [Privacy.HK@chubb.com](mailto:Privacy.HK@chubb.com)

Your request to obtain access or correction will be considered within forty (40) days of Our receipt of Your request. **We** will not charge **You** for lodging a request for access to Your **Personal Data** and if **We** levy any charges for providing information, such charges will not be excessive. No fee is charged for data correction requests.

Signature	
Applicant's Signature	Applicant Name:
	Position:
Date (DD/MM/YY):	

## About Chubb in Hong Kong SAR

Chubb is the world's largest publicly traded property and casualty insurer. With both general and life insurance operations, Chubb has been present in Hong Kong SAR for more than 90 years via acquisitions by its predecessor companies. Its general insurance operation in Hong Kong SAR (Chubb Insurance Hong Kong Limited) is a niche and specialist general insurer. The company's product offerings include property, casualty, marine, financial lines and consumer lines designed for large corporates, midsized commercial & small business enterprises as well as retail customers. Over the years, it has established strong client relationships by offering responsive service, developing innovative products and providing market leadership built on financial strength.

More information can be found at [www.chubb.com/hk](http://www.chubb.com/hk).

## Contact Us

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**Chubb. Insured.**<sup>TM</sup>