

Chubb Elite II Fraud Protector

Proposal Form



Important Notices

Statement pursuant to Section 25 (5) of the Insurance Act (Cap. 142) (or any subsequent amendments thereof) - You are to disclose in this Proposal Form fully and faithfully all facts which you know or ought to know, otherwise the policy issued hereunder may be void.

Your Duty of Disclosure

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

If you fail to comply with your duty of disclosure, the Insurer may be entitled to void the contract from its beginning.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning, to retain any premium that you have paid for this contract of insurance.

Claims Made Contract

Subject to its terms and conditions, the policy will cover your legal liability for any claim:

- first made against you during the policy period;
- resulting from any circumstance of which you become aware during the policy period which may give rise to a future claim against you provided you immediately inform us in writing of such circumstances within the policy period.

The Policy will not cover your legal liability resulting from any claim, matter, occurrence or circumstance arising from any act, error or omission committed or alleged to have been committed of which you were aware before commencement of the policy period.

Change of Risk or Circumstances

You should advise the Insurer as soon as practicable of any change to your normal business as disclosed in the proposal, such as 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.

Instructions to the Applicant

Before completing this section, please read the important notices starting on page 1.

This proposal should be answered after detailed enquiry of all persons to be covered.

- A. You must answer all the questions in this form. If a question is not applicable, state 'N.A'. If more space is required to answer a question, continue on a new sheet with your company's letterhead.
- B. If you have any questions regarding this proposal, please contact your insurance broker or advisor to discuss.

Additional Information to send with your proposal

Attach a copy of the following:

Included?

The last Annual Report and Audited Accounts for the Applicant

Yes No

Any brochures setting out the Applicant's profile

Yes No

Section A: Information About The Applicant

1. Name of Applicant

Principal Office Address

_____ Postal Code _____

Tel No. (Office) _____ Tel No. (Mobile) _____

Email Address _____

2. Annual Turnover at Last Year End S\$ _____

3. Number of Locations _____

4. Number of Employees _____

5. Describe the type of business in which the Applicant is engaged. In the case of multiple occupations, please provide a split by revenue.

Section B - Audit And Corporate Governance

6. Do External auditors audit all operations at least annually? Yes No
7. 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.
-
8. Is there an Audit Committee which monitors the effectiveness of internal controls and reports directly to the Board? Yes No
9. a) Do you have an Internal Audit Department? Yes No
- b) Do they have an established audit cycle for all operations? Yes No

Section C - Recruitment Procedures

10. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
- a) undertake independent checks into their employment history? Yes No
- b) undergo a process to ensure their suitability for the position? Yes No

Section D - Internal Financial Controls

11. Are wages / salaries independently checked against personnel records for unusual or excessive payments? 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 for;
- a) signing cheques or authorising payments (including capital expenditure) above S\$5,000? Yes No
- b) issuing funds transfer instructions? Yes No
- c) amending funds transfer procedures? Yes No
- d) opening new 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 monies or return goods above S\$5,000? Yes No
- g) disbursement of assets or funds of any Pension Plan? Yes No
- h) awarding contracts following a tender? Yes No
13. Are all supporting documents validated before authorising payments? Yes No
14. Are statements of accounts sent to customers independently of employees receiving statements? Yes No
15. 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

Section E - Stock And Physical Security

16. Is there controlled access to all locations? Yes No
17. Are all premises containing stock, money, securities, precious metals etc. connected to an intruder alarm? Yes No
18. Are intruder alarms maintained in proper working order and connected to a central station or a police station? Yes No
19. Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken and is this count reconciled against stock levels? Yes No
- If **Yes**, how frequently? _____
20. What is the minimum value for transfer of money and securities usually made by a security or professional cash carrying company? S\$ _____
21. What is the maximum value of money, securities, precious metals and/or jewellery at any one location:
- a) during business hours? S\$ _____
- b) outside business hours? S\$ _____

Section F - Suppliers / Service Providers Outsourcing

22. Do you maintain an approved suppliers list? Yes No
23. Are suppliers, service providers and outsourcing companies vetted for competency, financial stability and honesty before being approved? Yes No
24. Are all suppliers, service providers and outsourcing companies appointed under written contract? Yes No
25. Are procedures in place to assess the suitability of trustees; fiduciaries; administrators or officers of any of your Pension Plans? Yes No
26. a) Do you outsource any activities to third party service providers? Yes No
- b) If **Yes**, please provide more details on the services provided.
- _____
- _____

27. Do you audit outsourcing companies during the term of their contract? Yes No
28. If the service provider or outsourcing company operates in your premises, are their employees under your daily management control? Yes No

Section G - Computer Systems

29. Are unique passwords used to give various levels of entry to the computer depending on the user's authorisation? Yes No
30. Are passwords automatically withdrawn when people leave? Yes No
31. Are all amendments to programmes approved independently of the persons making the amendments? Yes No

32. Are programmes protected to detect unauthorised changes? Yes No
33. Is your computer system firewall protected to prevent unauthorised access? Yes No
34. Is your computer system protected by virus detection and repair software? Yes No

Section H - Fund Transfer

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

35. What is the approximate annual value of fund transfers? S\$ _____
36. Please specify the method of instruction (e.g. written, electronic, telephone etc.).

37. Can payment instructions be made to an account which has not been pre-agreed? Yes No
38. Is the financial institution required to authenticate the instruction before payment is released? Yes No
39. Please provide a brief description of the methods used to secure fund transfers (e.g. passwords, encryption, code words, call back).

Section I - Loss History

40. a) Please provide brief details, on a separate addendum, of any losses sustained during the past five (5) years (losses of a type that may be covered by this insurance) 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 have been taken to prevent similar losses.

Section J - Limit Of Liability / Excess Required

41. Options (Please indicate required limit / excess)
- S\$1 Million S\$2 Million S\$5 Million Other: _____ Excess: _____

Declaration

We have read and understood the Important Notices contained in this application.

We agree that this proposal, together with any other information or documents supplied with this proposal, will form the basis of any contract of insurance.

We acknowledge that if this application 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 inquiry of all relevant persons within our organisation, that the statements, particulars and information contained in this application and in any documents accompanying this application 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.

This form must be reviewed, signed and dated by a duly authorised Principal, Director, or equivalent.

By signing this form, I / We hereby declare that the above information provide by me/us or on my / our behalf in the application and other relevant information/document submitted for this application are true and complete and I / We agree that this application shall be the basis of the contract between me / us and Chubb Insurance Singapore Limited, otherwise the policy issued may be void or voidable.

The insurance applied for shall only take effect when the application has been approved by Chubb Insurance Singapore Limited.

Signature of Principal/Director

Name and Designation of Principal/Director

Date

Contact Us

Chubb Insurance Singapore Limited
Co Regn. No.: 199702449H
138 Market Street
#11-01 CapitaGreen
Singapore 048946
O +65 6398 8000
F +65 6298 1055
www.chubb.com/sg

Chubb. Insured.TM