DISCOVER INSURANCE

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FIDELITY GUARANTEE PROPOSAL FORM

1. **Name of Corporation**

………

2. **Address (Head Office)**

………

3. **Nature of Business**

………

4. **In the course of Business do you: -**

a) **Engage in trading (securities, commodities, currencies etc?)** **Yes** **No**
b) **Make loans or extend credit?** **Yes** **No**
c) **Issue warehouse receipts?** **Yes**
No
d) **Transport or store valuables for others?** **Yes** **No**
e) **Engage in leasing?** **Yes** **No**

If you answered YES to any part of question 4 please provide details below (NB an additional form may be required dependent upon the extent of such activities).

………

………

5. **Three Year Trading History**

	1	2	3
Turnover	K	K	K
Net Profit (Loss)	K	K	K

6. **Number of locations: -**

a) Domestic		
b) USA/Canada		
c) Elsewhere		

7. **Number of Employees (including working Directors):**

a) With responsibility for Money and/or Stock and/or Accounts and/or Computer Operations: -

Domestic ☐ **USA/C** ☐ **Elsewhere** ☐

b) All others:-

Domestic ☐ **USA/Canada** ☐ **Elsewhe** ☐

8. a) Are consultant or contract personnel used by you in connection with computer operations? Yes/No

b) Are other temporary staff employed? Yes/No

c) If you have answered 'Yes' to (a) or (b) above are such Employees supervised and Controlled in the same way as your own? Yes/No

If No please provide details below:-

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MONEY

9. a) Is all Money received by inside staff recorded and banked daily?
Yes/No

b) Is there a requirement for all employees to account for money received at least weekly?
Yes/No

10. Are bank statements, bank paying-in slips, receipt counterfoils and other supporting documents checked at least monthly against the cash book and other records independently of the Employees making cash entries or paying into the bank?
Yes/No

11. a) Are petty-cash payments always made against authorized vouchers?
Yes/No

b) Are cash in hand, petty-cash and unpaid wages checked at least monthly independently of the employees preparing wage sheets to ensure payments match payroll and staff numbers?
Yes/No

12. Are all salaries/wages NOT paid by credit transfer or crossed cheque checked independently of the Employees handling such money? Yes/No

13. Are all payments, other than petty cash and salaries/wages made by crossed cheque?
Yes/No

14. a) Are all cheques prepared independently of the signatory and does a signatory to a cheque examine full supporting evidence Yes/No

b) **Above what amount do all cheques and other bank instruments require two handwritten signatures?**

K

c) **Do you use presigned cheques?**

Yes/No

15. **a)** **Are ledger postings and dispatch of accounts and reminders undertaken by employers other than those responsible for handling cash** **Yes/No**

b) **Are all accounts and reminders sent direct by post at least monthly?** **Yes/No**

If you have answered NO to any part of questions 9-15 please provide details below:

…………………………………………………………………………………………………

STOCK AND OTHER GOODS

16. **What is the maximum value of stock at any one location?**

17. **Are different Employees acting independently responsible for ordering, certifying receipt of and authorizing payment for goods and services?** **Yes/No**

18. **Independently of Employees responsible for the stock, are**

(a) **physical stock and inventory checks carried out at least annually?** **Yes/No**
(b) **additional physical and stock checks carried out without warning on key items at least 6 times per year?** **Yes/No**

If you have answered NO to any part of questions 17-18 please provide details below:

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……………………………………………………………………………………………………..

COMPUTER

19. **In your business do you use your own computer for any of the following activities?**

(a) **accounts issue and collections** **Yes/No**

(b) **cash managements and investment control** **Yes/No**

(c) **wages and salaries** **Yes/No**

(d) **stock control** **Yes/No**

(e) **production control** **Yes/No**

(f) **electronic funds transfer** **Yes/No**

If you have answered NO to all parts of this question, please ignore Questions 20,21 and 22.

20. **Are these computer operations**

(a) mainframe based **Yes/No**

(b) on a personal computer network **Yes/No**

(c) on stand-alone personal computers **Yes/No**

21. (a) Are passwords used to afford varying levels of access to the computer system depending on the need and authorization of the user **Yes/No**

(b) Are passwords changed in the event of turnover in knowledgeable personnel involved? **Yes/No**

(c) Are programming and processing operations separated physical and as to personnel involved? **Yes/No**

(d) Are new programs and amendments implemented only on authorization of a director or a senior Employee? **Yes/No**

(e) Is all application software protected by wither built-in security or a security package? **Yes/No**

(f) Are removable discs and tapes kept in securely locked cabinets when not in use? **Yes/No**

22. (a) What is the annual volume of funds transfer instructions given to banks or other financial institutions? [ ]

(b) Do you maintain a fully documented procedures manual covering all funds transfer operations ie (i) authorized personnel (own and customers, if any) (ii) call back procedures and (iii) transfer limits? **Yes/No**

(c) Are banks and financial institutions required to authenticate any instructions before payment? **Yes/No**

(d) Are all instructions confirmed in writing within 24 hours? **Yes/No**

If you have answered No to any part of questions 20 to 22 please provide details below (NB an additional form may be required dependent upon the information provided)

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……………………………………………………………………………………………………..

GENERAL CONTROL

23. (a) For all persons applying for employment as a computer analyst, programmer or operator or involving the handling of money or responsibility for money, books of accounts or goods do you:-

- **(i)** obtain written references direct from all former employers within the previous three years? **Yes/No**
- **(ii)** ensure that any gaps in former employment are satisfactorily accounted for? **Yes/No**
- **(iii)** make any appointment conditional on such references being satisfactory to you regarding the honesty and integrity of the application? **Yes/No**

(b) **for existing employees with less than two years service transferred to such duties are references as described in (a) above?**
Yes/No

24. **Do professional external auditors audit at least once a year?**

(a) **your accounts?** **Yes/No**

(b) **all computer systems installations for activities answered YES in question 19?**
Yes/No

25. **Do you have an internal audit department which carriers out full audits once a year of**

(a) **all departments and premises?** **Yes/No**

(b) **all computer systems and installations?** **Yes/No**

26. **Are auditor's recommendations on security against fraud implemented to their satisfaction?**
Yes/No

OTHER PREMISES

27. **Does the above Method of Operations and Controls apply at all your business locations to be included in this Proposal?** **Yes/No**

If you have answered NO to any part of Questions 23 to 27 please provide details below:-

…………………………………………………………………………………………………..

…………………………………………………………………………………………………..

GENERAL INFORMATION

28. **have you or has any Director or Partner been convicted of or charged with (but not yet tried) a criminal offence other than a motoring offence?** **Yes/No**

29. **In respect of any of the risks to which this Proposal relates (any business in which your Directors or Partners have been engaged) have there been any losses, circumstances or claims within the last 5 years whether insured or not?** **Yes/No**

30. **In respect of any of the risks to which this Proposal relates (and any business in which your Directors or Partners have been engaged) has any Insurer**

(a) **Declined a Proposal, refused renewal or terminate an insurance?** **Yes/No**

(b) **Required an increased premium, stipulated an increased contribution by yourselves or imposed special terms?** **Yes/No**

If you have answered YES to any of the Questions 28 to 30 please provide details:-
………………………………………………………………………………………………….

…………………………………………………………………………………………………..

31. **Do you currently have Fidelity Guarantee Insurance?** **Yes/No**

If YES please provide the following information:-

(a) Date when cover was first effected
……../……../………………………….

(b) What is the current limit and excess?

LimitK………………………………………….

Excess K …………………………………………

(c) Has cover continually been in force since inception? Yes/No

IF NO please provide details below

…………………………………………………………………………………………………

…………………………………………………………………………………………………..

Please provide details of your subsidiary companies (including pension funds) which are to be covered by this insurance, or alternatively provide a copy of your latest Report and Accounts ensuring that all such companies (and pension funds) are included.

SUBSIDIARY COMPANIES BUSINESS

DECLARATION

I/We declare that the statements and particulars in this Proposal are true and I/We have not mis-stated or suppressed any material facts. I/We agree that this proposal together with any other information supplied by me/us shall form the basis of any contract of insurance effected thereon. I/We undertake to inform Underwriters of any material alterations to these facts occurring before/during/after completion of the contract of insurance.

Dated this …………………………………day of…………………………………20………………………

Signature of Proposer ……………………………………………………………………

Title…………………………………………………………………

This Proposal must be completed in ink by a director or senior officer of the Company. All questions must be answered to enable a quotation to be given. The completion and signature of this Proposal does not bind the Proposer or Underwriters to complete a contract of insurance.

If there is insufficient space to answer question, please use an additional sheet and attach it to this form.

IMPORTANT NOTICE

(1) **Answer questions to the best of your knowledge and belief. The form must be signed and dated**

(2) **All material facts must be disclosed. As failure to do so may render any policy void -able, or severely prejudice your rights in the event of a claim. A material fact is one likely to influence acceptance or assessment of the proposal by Underwriters. If you are in any doubt as to what constitutes a material fact, you should consult your broker.**

(3) **A copy of the policy wording is available from your broker on request.**