

1. **Name of Proposer:**

**Principal Address:**

**Type of Organisation (e.g. Private Ltd Co, Partnership etc.):**

**Date Established:**

2. **Please give the following information for the last three years:**

(a) Turnover:	\$	\$	\$
(b) Net Profit (loss):	\$	\$	\$
(c) Capital (paid up):	\$	\$	\$
(d) Assets:	\$	\$	\$

3. **Please indicate your principal activities (give percentage if known)**

4. (a) State number of locations:

(i) Domestic:	<input style="width: 100%; height: 25px;" type="text"/>
(ii) USA/Canada:	<input style="width: 100%; height: 25px;" type="text"/>
(iii) Foreign:	<input style="width: 100%; height: 25px;" type="text"/>

(b) State the total number of employees (including all employees of subsidiary and associated companies to be included within the scope of the Policy) sub-divided as follows:

Category:

- (i) Employees having responsibility for money, stock and/or accounts, including any financial dealing or trading (e.g. executives, managers, accounts personnel, stock controllers, computer staff, site managers, commercial travellers, van drivers etc.
- (ii) Employees not having responsibility for money, stock and/or accounts.

**Number of Employees**

	Domestic	USA/Canada	Foreign	Total
Category (i)	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>
Category (ii)	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>
<b>Total</b>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>	<input style="width: 100%; height: 25px;" type="text"/>

5. (a) **Limit of Indemnity required:**
- (b) **Deductible required:**

6. **External Audits**

Are your books audited by a Qualified Accountant or Auditor? YES  NO

If yes, please answer the following:

- (a) Name and Address of Auditor:
- (b) Frequency of audit:

(c) Are these audits completed and unqualified? YES  NO

If no, describe the limitations:

(d) Are the locations and entities audited? YES  NO

If no, describe the extent of the audit:

7. **Internal Audits**

Do you have an Internal Audit department? YES  NO

- (a) If yes, how many Staff are there within this department?
- (b) How often are Audits carried out?

(c) Are all the major locations Audited at least annually? YES  NO

8. **Controls of Purchasing Inventory and Account Reconciliation**

- (a) Do you maintain a current list of approved vendors?  
 YES  NO
- (b) Do you use serially pre-numbered purchase requisitions, purchase orders, receiving reports and cheque voucher requests?  
 YES  NO
- (c) Prior to payment, are purchase orders, vendor invoices and receiving documents reconciled, and vendor information checked against the approved vendor file, by a person not assigned to purchasing or receiving?  
 YES  NO
- (d) Are all orders confirmed with vendors by someone not assigned to purchasing or receiving?  
 YES  NO
- (e) Do you maintain strict separation of functions with respect to purchasing, receiving, paying and accounting?  
 YES  NO
- (f) Are buyers and assistant buyers subject to specific limits of authority?  
 YES  NO
- (g) Are stocks subject to physical independent stock checks against verified stock records?  
 YES  NO If yes, how often?

- (h) (i) Do you keep stocks of ferrous metals? YES  NO
- (ii) Do you keep stocks of non-ferrous metals? YES  NO
- (iii) If you have answered 'yes' to questions (i) and/or (ii) above, are these stocks (including scrap) checked as in question 8. (g)? YES  NO
- If so, how often?
- (i) Are both the purchase and despatch of goods authorised by a Senior Official, and copies of appropriate documents passed to the Accounts Department?  
 YES  NO
- (j) Are, goods received notes, passed to a Senior Official to be checked against authorised purchase documents before authorising payment?  
 YES  NO
- (k) Do you reconcile monthly bank account statements in a timely manner?  
 YES  NO
- (l) Are cash book entries independently checked with bank statements, bank paying in book counterfoils, receipt counterfoils and vouchers, and the balance tested with cash and un-presented cheques at regular intervals?  
 YES  NO
- (m) Is petty cash kept on the Imprest system and a quarterly independent check of vouchers, receipt and the cash balance made?  
 YES  NO
- (n) Are Statements of account for all sums due, issued direct to customers, independently of employees receiving or collecting monies, at monthly intervals with management action after three months?  
 YES  NO
- (o) Do those employees reconciling monthly bank statements also:
- (i) Sign cheques? YES  NO
- (ii) Handle deposits? YES  NO
- (iii) Have access to cheque signing machines? YES  NO
- (iv) Have access to electronic funds transfer terminals or protocols? YES  NO

**9. Employee Security and Recruitment**

- (a) Do you have a current Operating Manual or similar written instructions covering all aspects of your business?  
 YES  NO
- If yes, are all employees aware of its contents as it pertains to them.  
 YES  NO
- (b) Do you have a Department/Officer responsible for security?  
 YES  NO
- (c) Do you maintain a system of joint custody and dual control with respect to cash, cheques, negotiable securities, keys, bank safe and safe deposit boxes, bank cheques and drafts and similar valuable or potentially valuable property?  
 YES  NO
- (d) Do you require a counter signature on all cheques?  
 YES  NO

Explain controls in place to prevent abuse:

(e) Do you use safe deposit boxes?

YES  NO

Has the depository been instructed to require the presence of two employees before entry to any box is permitted?

List the people permitted individual entry:

(f) Do you require category (i) employees (as defined in question 4 (b)) to take at least two consecutive weeks of uninterrupted holiday during each year?

YES  NO

If no, please explain why?

(g) Do you screen potential employees by use of credit checks, police, previous employers, individual applications etc?

YES  NO

(h) Do you obtain written references for the preceding three years of employment, in confirmation of the honesty of all future employees with responsibility for money, stock and or accounts?

YES  NO

(i) Within the last six years, has the Insured and/or any of its Directors or Officers been involved in any civil or criminal action or administrative proceeding charging a violation of any law or regulation or the commission of a fraudulent or dishonest act?

YES  NO

If yes, please attach full details.

(j) Has any current Officer, Director or Employee of the Insured ever committed or been implicated in the commission of fraudulent or dishonest act (in the service of the Insured or otherwise)?

YES  NO

If 'yes' , please attach details (most fidelity policies exclude coverage of losses caused by employees known by the Insured to have been implicated in prior fraudulent or dishonest act).

10. **Do you use the services of a computer bureau?**

YES  NO

11. **Do you own a Computer System?**

YES  NO

(a) Is this used for:

(i) accounting YES  NO

(ii) stock control YES  NO

other (please state) \_\_\_\_\_

(b) Do you provide Computer services for others?

YES  NO

(c) Is this to form part of this insurance?

YES  NO

(d) Please list **all losses** (whether insured or not) within last **FIVE YEARS**.

12. **Has any proposal for insurance of this nature been declined by any Insurance Company or has any Policy been cancelled or renewal or thereof refused?**

YES     NO

If yes, please give full details:

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**DECLARATION**

I/We hereby declare that the information and answers given in this proposal and any supplementary questionnaires are in every respect true and correct and that Vero Liability Insurance Limited is aware of all information that may be material in considering this proposal. I/We agree that this proposal and declaration shall be the basis of and incorporated in the insurance contract. I/We undertake to inform Vero Liability Insurance Limited of any material alteration to the above facts whether occurring before or after the completion of this insurance contract. I/We authorise Vero Liability Insurance Limited to give to or obtain from other Insurers or any Insurance broker or other party any information relating to this insurance or any other insurance held by me/us or any claim made by me/us.

I/We understand that:

- Vero Liability Insurance Limited is collecting the information on this proposal to evaluate my/our insurance requirements.
- I/We am/are obliged to advise Vero Liability Insurance Limited of any information which may be material to its consideration of this application.
- Failure to provide any of this information may result in Vero Liability Insurance Limited refusing to provide the insurance.
- I/We have certain rights of access to and correction of this information.

Signed:	
Name:	
Position:	
Date:	

**Note:** Completion of this proposal does not bind the proposer or Vero Liability Insurance Limited to complete this insurance.

Vero Liability Insurance Limited

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[www.veroliability.co.nz](http://www.veroliability.co.nz)