

COMMERCIAL CRIME POLICY PROPOSAL FORM

Please Note

1. Please answer **ALL** questions in full. If there is insufficient spaces on the form please continue on the company letterhead.
2. The latest audited Financial Statements / Annual Report / Interim Report **MUST** be attached.
3. This form may be used for new applications or new renewals. In the case of renewals the underwriters **MUST** receive a completed, signed and dated proposal form, financials/reports and acceptance of renewal terms prior to renewal date, failing which, no cover exists after said date.
4. It is the intention of underwriters that any Contract of Insurance with the Proposer shall be based upon the information provided in this Proposal Form as well as any attachments included. If a quotation is offered it will be the intention of the underwriters to offer cover **ONLY** in respect of the entities named under Particulars of Proposer.

NB: (No insurance is in force until the Proposal has been accepted by the Company and the premium paid, except as provided by an official Covering Note issued by the Company)

If MUKFIN agrees to issue a commercial crime policy, all of the information, which the company provides, will become part of and shall form the basis of any policy issued to the Company by Mukoma Financial Services.

1. PARTICULARS OF PROPOSER

Name Of Proposer

Principal Address

Postal Address

Contact Person

Phone Number

Fax Number

Cell Number

E-Mail Address

Website

Type Of Organisation

VAT Number

Date Established

Principal Activities

2. IN THE COURSE OF BUSINESS DO YOU:

Engage in trading (securities, commodities, currencies etc.)

☐ Yes ☐ No

Make loans or extend credit

☐ Yes ☐ No

Issue warehouse receipts

☐ Yes ☐ No

Transport or store valuables for others

☐ Yes ☐ No

Engage in leasing

☐ Yes ☐ No

If Yes, please attach details (extent of such activities and controls in place).

3. PLEASE LIST NUMBER OF LOCATIONS IN EACH AREA.

Domestic	East Africa	Elsewhere (please specify)

4. PLEASE LIST NUMBER OF EMPLOYEES (INCLUDING ANY SUBSIDIARIES)

Countries in which you have operations	Type of operation	No. of locations (current year)	No. of locations (previous year)	No. of employees (current year)	No. of employees (previous year)	Revenue
Total						

Please attach the following information for any Joint Venture you are requesting cover for.

- Country of Domicile
- Percentage of Ownership
- Description of Operations
- Number of Employees
- Turnover

Receipt of the above does not constitute agreement of coverage

5. AUDITS

- 5.1 Are your books audited by a qualified Accountant or Auditor? ☐ Yes ☐ No
If Yes, please name the auditor.
- 5.2 Frequency of audit.
- 5.3 Are these audits complete and unqualified? ☐ Yes ☐ No
If No please describe limitations.
- 5.4 Are all locations and entities audited? ☐ Yes ☐ No
If No describe the extent of the audit
- 5.5 Have you changed your auditor in the last 3 years? ☐ Yes ☐ No
If Yes, please furnish the name of your previous auditor and reason for changing.
- 5.6 Have the auditors made any recommendations in the last two audits that have not been adopted? ☐ Yes ☐ No
If Yes, please give details and reasons for not adopting them.
- 5.7 Does the audit report go directly to the Board of Directors? ☐ Yes ☐ No

6. INTERNAL AUDITS

- 6.1 Do you have an Internal Audit Department? ☐ Yes ☐ No
If Yes, does this department report directly to the Board of Directors? ☐ Yes ☐ No
If No, to whom do they report?
- 6.2 How many employees are assigned to Internal Audit?
- 6.3 Do you have an audit and control procedures manual? ☐ Yes ☐ No
- 6.4 How often are full internal audits made?

- 6.5 Are all locations (including Electronic Data Processing facilities) included? ☐ Yes ☐ No
- 6.6 Are written reports made? ☐ Yes ☐ No
To who are they sent?
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- 6.7 Are internal audit department employees assigned to foreign ops? ☐ Yes ☐ No
- 6.8 Are internal audit department employees assigned to subsidiary companies? ☐ Yes ☐ No
If Yes, please describe the reporting channels and indicate relationship to local management (particularly in line with management oversight and personnel matters).
- 6.9 If you do not have an internal audit department, how is this function fulfilled?

7. CONTROLS

(If the answer to any of the following questions is No, please give full details of any alternative methods of control)
Purchasing, inventory and account reconciliation

- 7.1 Do you maintain a current list of approved vendors? ☐ Yes ☐ No
- 7.2 Do you use serially pre-numbered purchase requisitions, purchase orders, receiving reports and cheque voucher requests? ☐ Yes ☐ No
- 7.3 Prior to payment, are purchase orders, vendor invoices and receiving documents reconciled and vendor information checked against the approved vendor by a person not assigned to purchasing or receiving? ☐ Yes ☐ No
- 7.4 Are all orders confirmed with vendors by someone not assigned to purchasing or receiving? ☐ Yes ☐ No
- 7.5 Do you maintain strict separation of functions with respect to purchasing receiving, paying and accounting? ☐ Yes ☐ No
- 7.6 Are buyers and assistant buyers subject to specific limits of authority ☐ Yes ☐ No
- 7.7 Are ferrous metal stocks subject to physical independent stock checks against verified stock records? ☐ Yes ☐ No
How often?
- 7.8 Are non-ferrous metal stocks similarly checked including scrap? ☐ Yes ☐ No
How Often?
- 7.9 Are all other stocks similarly checked? ☐ Yes ☐ No
How Often?
- 7.10 Are purchase and despatch of goods authorised by a senior official and copies of appropriate documents passed to the accounts department? ☐ Yes ☐ No
- 7.11 Are goods received notes passed to a senior official to be checked against authorised purchase documents before authorising payment? ☐ Yes ☐ No
- 7.12 Do you reconcile monthly bank account statements in a timely manner? ☐ Yes ☐ No
- 7.13 Are cash book entries independently checked with bank statements, bank paying in book counterfoils, receipt counterfoils and vouchers and the balance tested with case and unrepresented cheques at regular intervals? ☐ Yes ☐ No
- 7.14 Is petty cash kept and a quarterly independent check of vouchers, receipt and cash balance made? ☐ Yes ☐ No
- 7.15 Are statements of account for all sums due issued directly to customers independently of employees receiving or collecting monies at monthly intervals with management action after three months? ☐ Yes ☐ No
- 7.16 Do those employees reconciling monthly bank statements also
Sign cheques? ☐ Yes ☐ No
Handle deposits? ☐ Yes ☐ No
Have access to cheque signing machines? ☐ Yes ☐ No
Have access to electronic funds transfer terminals or protocols? ☐ Yes ☐ No
If you answered Yes to any of the above please provide details.

- 8 Do you own a computer system? ☐ Yes ☐ No
- 8.1 Is this used for
Accounting? ☐ Yes ☐ No
Stock control? ☐ Yes ☐ No
Other (please describe)
- 8.2 Do you provide computer services for others? ☐ Yes ☐ No
If Yes does this form part of this insurance? ☐ Yes ☐ No
If you answered Yes to any of the above please complete Appendix A
- 8.3 Do you use the services of a computer bureau? ☐ Yes ☐ No
If Yes please complete Appendix B
NB: Losses arising out of the infidelity of employees of a Computer Bureau/servicing contract are not covered by this insurance.
- 9 Do you transmit or receive data by
Telegraph ☐ Yes ☐ No
Teletype ☐ Yes ☐ No
Computer link ☐ Yes ☐ No
If you answered Yes to any of the above please complete Appendix C
- 10 How often are passwords changed?
Are password changes systems driven? ☐ Yes ☐ No
- 11 Is there an operating manual /written instructions covering all aspects of business? ☐ Yes ☐ No
Are all employees aware of its contents ☐ Yes ☐ No
- 12 Do you have a security department? ☐ Yes ☐ No
Does this department report directly to the Board of Directors? ☐ Yes ☐ No
How many employees are assigned to the security department?
Do you have a security manual? ☐ Yes ☐ No
Do you maintain a system of joint custody and dual control with respect to cash, cheques, negotiable securities, keys to safe and safe deposit boxes, codes, cipher and test keys, blank cheques and drafts and similar valuable property? ☐ Yes ☐ No
Do you require counter-signature on all cheques? ☐ Yes ☐ No
If No, please attach an explanation of controls in place to prevent abuse.
If you use safe deposit boxes, has the depository been instructed to require the presence of two employees before entry to any box is permitted? ☐ Yes ☐ No
If No, please attach a list the people who are permitted individual entry.

13. HUMAN RESOURCES

- 13.1 Do you require all employees to take at least two consecutive weeks of uninterrupted vacation each year
- If No, please explain.
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- 13.2 Is the following pre-employment screening conducted prior to hiring in all business units both domestically and internationally?
- Criminal record checks ☐ Yes ☐ No
Reference checks with all prior employers (past five years) ☐ Yes ☐ No
Credit checks (if access to cash or control/input of financial transactions) ☐ Yes ☐ No
Education and training verification ☐ Yes ☐ No

- 13.3 Within the last six years has the Proposer 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.
- 13.4 To the best of the Insured's knowledge has any current director, officer or employee ever committed or been implicated in a fraudulent or dishonest act (in the service of the Insured or otherwise)? ☐ Yes ☐ No
If Yes, please attach details (most fidelity policies exclude cover for losses caused by employees known by the Insured to have been implicated in a prior fraudulent or dishonest act).

14. PAYROLL

- 14.1 Are management policies and computer system controls in place to prevent persons who approve new hires from adding them to the payroll? ☐ Yes ☐ No
- 14.2 Are additions to payroll automatically reported via the computer system to a HR manager who reconciles payroll changes with new hire documentation? ☐ Yes ☐ No
- 14.3 Are managers periodically provided with names and salaries of all employees assigned to them for verification? ☐ Yes ☐ No
- 14.4 Does the audit department have a programme in place to detect possible ghost employees and is the payroll system audited at least annually? ☐ Yes ☐ No
- 14.5 Is the IT department and accounts department restricted from any access to the payroll computer system? ☐ Yes ☐ No

15. COVER REQUESTED

Limit of Indemnity

Deductible

Are you aware of any circumstances which may materially affect this application?

If Yes, please explain.

Has a proposal for insurance of this nature even been declined by any insurance company or underwriter or has any policy ever been cancelled or renewal been refused?

If Yes, please state reasons.

16. LOSS OF INFORMATION

16.1 Please list all employee theft, burglary, robbery, forgery, computer fraud or any other crime losses discovered by the Insured in the last 5 years.

Date discovered	Location	Nature of loss	Amount of loss

16.2 What corrective measures were taken to avoid a recurrence?

Appendix A

- 1 Are employees working in data processing (DP) facilities screened and supervised in a similar manner to other employees with access to cash and stocks? ☐ Yes ☐ No
- 2 Are the activities of equipment maintenance personnel observed and are passwords used to afford varying levels of entry to the Data Processing System depending on the need and authorisation of the user? ☐ Yes ☐ No
- 3 Are passwords changed regularly? ☐ Yes ☐ No
- 4 Are user ID's automatically revoked upon separation of employment? ☐ Yes ☐ No
- 5 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? ☐ Yes ☐ No
- 6 If passwords are not utilised, describe the alternative methods used to protect access to the computer system.

- 7 Please specify the form of control used to ensure the integrity of information transmitted between terminals and the Central Data Processing Unit.

- 8 Are programming and processing operations separated physically and as to personnel involved? ☐ Yes ☐ No
- 9 Can programming staff operate the live system? ☐ Yes ☐ No
- 10 Are there at least two employees on duty during any Data Processing shift? ☐ Yes ☐ No
- 11 Is access to Data Processing premises restricted to authorised personnel only? ☐ Yes ☐ No
- 12 Do you have a tape and disc pack inventory system? ☐ Yes ☐ No
- 13 Do you have an automated users log and manual utilisation? ☐ Yes ☐ No
- 14 Is your Data Processing system programmed to detect activity? ☐ Yes ☐ No
- 15 Is the output reconciled by persons who did not prepare the input or handle the processing? ☐ Yes ☐ No
- 16 Do you have a full continuous Data Processing audit programme in operation? ☐ Yes ☐ No
- 17 Is the internal auditor specially trained to fulfil his/her responsibilities under Data Processing and does he/she or any of his auditing staff, have knowledge of computer programming? ☐ Yes ☐ No
- 18 Are any of the following control and system checks utilised by the internal auditor or management for Data Processing operations?

Personnel rotation ☐ Yes ☐ No
 Audit of input ☐ Yes ☐ No
 Audit of output ☐ Yes ☐ No
 Duplicate programme (tapes, cards) ☐ Yes ☐ No

Appendix B

1. Name of service bureau.

2. Service class provided.

2.1 Have all service bureau been authorised by written agreement? ☐ Yes ☐ No

2.2 Do you require the bureau utilised to obtain separate fidelity insurance? ☐ Yes ☐ No

If Yes, for what minimum amount?

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3 Do you utilise independent contractors to prepare electronic computer instructions? ☐ Yes ☐ No

4 Do you obtain a written agreement from the independent contractors outlining their responsibilities? ☐ Yes ☐ No

5 Do you require all independent contractors to obtain a separate fidelity policy? ☐ Yes ☐ No

If Yes, for what minimum amount?

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Appendix C

1. Through which system(s) do you transmit data?

2. What is your average daily volume of such transfers?

3. What is your maximum daily volume of such transfers?

4. What is the largest single amount transferred?

5 Does the Proposer maintain a documented procedure covering all wire transfer of funds? ☐ Yes ☐ No

6 Does this clearly specify and define
All authorised personnel ☐ Yes ☐ No

All authorised personnel of correspondence and corporate customers (if applicable) ☐ Yes ☐ No

Call-back procedures ☐ Yes ☐ No

Transfer limits ☐ Yes ☐ No

7 Do you independently verify a teletype or telegraph authorisation for the payment or transfer of funds over a different wire or circuit, other than that used to transmit a request? ☐ Yes ☐ No

8 Are all payment instructions executed in such a manner that there is a sequential message numbering to detect unauthorised messages? ☐ Yes ☐ No

9 Who is authorised to make changes to the procedures?

- 10 Have independent individuals been designated by the Insured to review and reconcile all wire funds transfer work at day end? ☐ Yes ☐ No
- 11 Please specify the forms of control used to ensure the integrity of information transmitted by wire transfers?

- 12 Are terminals restricted to the type of message that can be sent or received from it? ☐ Yes ☐ No
- 13 Are special log-on passwords (separate from an individual operators passwords) used when logging into a terminal to provide verification of the terminals identity? ☐ Yes ☐ No

DECLARATION

I/We declare that the above statements are true and complete.

At the present time, other than as stated above, I / We have no reason to anticipate any claim being brought against me/s that would constitute a claim under the insurance now being renewed or applied for.

I / We declare that in the event of this being a renewal of a policy, there have been no material alterations to the risk as submitted to the underwriter originally, and if a new application that all material facts have been disclosed.

I/We agree that this declaration shall form, together with the proposal form, the basis of the contract between me/us and the Insurers, and that I/We are properly authorised to sign this declaration.

Full name:

Capacity:

Signature:

Date: