

Commercial Crime Insurance (Commercial) Proposal form



Proposer Details

1. Name of Proposer:
2. Subsidiaries (if any):
3. Address:
4. Date of Incorporation:
5. Nature of Operations:
6. Other relevant information
 - I) Annual Turnover
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
 - (II) Number of Locations
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
 - (III) Total Number of Employees
 - a. India
 - b. USA/ Canada
 - c. Europe
 - d. ROW
7. Current Market Value of all Pension and Employee Benefit Plans \$ _____
8. (i) Please list all acquisitions and mergers you have made in the past 5 years and indicate the turnover for each acquisition:



(ii) Are all recommendations arising from the pre-acquisition due diligence process immediately implemented?
..... Yes No

If "no", please provide details _____

9. PAN card number (10-character number):

10. Limit of Indemnity to be purchased

a. Per accident

b. Per Year

11. Deductible for the Policy

12. Retroactive date if applicable

13. Period of Insurance

14. Premium amount (including GST)

15. Sources of funds: Please tick appropriate box

Salary Business Others (please specify) _____

Declaration:

I/we hereby confirm that all premiums have been/will be paid from bonafide sources and no premiums have been/will be paid out of proceeds of crime related to any of the offence listed in Prevention of Money Laundering Act, 2002.

I understand that the Company has the right to call for documents to establish sources of funds.

The insurance company has right to cancel the insurance contract in case I am/ have been found guilty by any competent court of law under any of the statutes, directly or indirectly governing the prevention of money laundering in India.

Audit and Corporate Governance

8. Do External Auditors audit all operations at least annually? Yes No

9. (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 _____

10. Is there an Audit Committee which monitors the effectiveness of internal controls and reports directly to the Board? Yes No

- (a) Do you comply with all provisions of the Combined Code of Corporate Governance relating to Financial Aspects of your business? Yes No
- (b) If “no”, please briefly explain reasons for areas of non-compliance.
12. (a) Do you have an Internal Audit Department?..... Yes No
- (b) Do they have an established audit cycle for all operations? Yes No
13. (a) Do you have a Treasury Department? Yes No
- (b) Do they have a procedures manual specifying authority levels for each member of staff? Yes No
14. Are monthly management reports examined for variances against budget forecasts and such variances investigated? Yes No

Internal Financial Controls

15. Are wages/salaries independently checked against personnel records for unusual or excessive payments? Yes No
16. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others;
- (a) signing cheques or authorising payments (including capital expenditure) above \$5,000? Yes No
- (b) issuing funds transfer instructions? Yes No
- (c) amending funds transfer procedures? Yes No
- (d) opening new bank accounts or amending approved signatory details? Yes No
- (e) investment in and custody of securities and valuables (including blank cheques, travellers cheques, bills of exchange etc.)? Yes No
- (f) refund of monies or return of goods above \$5,000? Yes No
- (g) disbursement of assets or funds of any Pension Plan? Yes No
- (h) appointing new suppliers or awarding contracts? Yes No
- (i) disbursement of loans (including loans to employees) or approving borrowings? Yes No
17. Is all supporting documentation validated before signing



- cheques or authorising payments above \$5,000? Yes No
- Are statements of accounts sent to customers independently of employees receiving payment? Yes No
19. Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers, at least every 30 days? Yes No

Recruitment Procedures

20. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
- (a) obtain written references covering, at least, their previous 3 years employment history?
Yes No
- (b) undergo a process to ensure their suitability for the position? Yes No

Stock and Physical Security

21. Is there controlled access to all locations? Yes No
22. Are all premises containing stock, money, securities, precious metals etc. connected to an intruder alarm which is connected to a central station or a police station and are such intruder alarms maintained in proper working order?..... Yes No
23. Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken at least quarterly and is this count reconciled against stock records? .. Yes No
24. Is the transfer of money and securities valued above \$10,000 made by a security or professional cash carrying company? Yes No
25. What is the maximum value of money, securities, precious metals and/or jewellery at any one location:
- (a) during business hours? \$ _____
- (b) outside business hours? \$ _____
26. What is the maximum value of stock, work-in-progress and raw materials at any one location? \$



Third Parties

27. Do you maintain an approved suppliers list? Yes No
28. Are suppliers **and** service providers:
- (a) vetted for competency, financial stability and honesty before being approved?.....Yes No
- (b) appointed under written contract? Yes No
29. Are procedures in place to assess the suitability of trustees, fiduciaries, administrators or officers of all of your Pension Plans? Yes No
30. (a) Do you outsource any normal administrative function to third party service providers? Yes No
- (b) If “yes”, please detail the services and estimated annual contract values.
- _____
31. Do you audit outsourcing companies during the term of their contract?..... Yes No
32. If the outsourcing company operates on your premises are their _____ employees under your daily management control? Yes No

Note: Losses caused by employees of organisations to whom normal administrative functions have been outsourced will only be covered if you have: vetted them for competency, financial stability and honesty; appointed them under written contract; and you retain the right to audit them.

Computer Systems / Internet E-Commerce

33. Are unique passwords used to give various levels of entry to the computer depending on the users job functions? Yes No
34. Are passwords automatically withdrawn when people leave?.. Yes No
35. Are all amendments to programmes approved independently of the persons making the amendments? Yes No
36. Are programmes protected to detect unauthorised changes?.. Yes No
37. Is your computer system protected by virus detection and repair software?..... Yes No
38. Which business activities do you utilise the Internet for?





- E-Mail Advertising Selling Products
 Hosting Services for Third Parties Other _____

39. What is the estimated value of e-business revenue in your business?..... \$ _____
40. Please list your Website addresses

Fund Transfers

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

41. What is the approximate total annual value of fund transfers?
- (a) InterGroup Payments..... \$ _____
- (b) External Payments..... \$ _____

42. Please specify which methods are utilised to send fund transfer instructions:

<u>Type</u>	<u>Secured By</u>
Written <input type="checkbox"/>	Password <input type="checkbox"/>
Electronic <input type="checkbox"/>	Encryption <input type="checkbox"/>
Telephone <input type="checkbox"/>	Codeword <input type="checkbox"/>
Facsimile <input type="checkbox"/>	Callback <input type="checkbox"/>
Other _____	Other _____

43. Are all fund transfer instructions subject to a verification and authentication process?..... Yes No
44. Can payment instructions only be made to accounts which are pre-determined as an approved beneficiary? Yes No
45. Is the financial institution required to authenticate the instruction in accordance with a specified mandate before payment is released? Yes No

Plans and Policies



46. Do you maintain a written crisis management or contingency plan covering procedures following kidnapping or extortion? Yes No
47. Do you maintain a written anti-fraud policy which is distributed throughout your organisation? Yes No
48. Do you have a whistleblowing service accessible to all staff?... Yes No
49. Are special security precautions taken to protect against kidnapping of directors or employees who live in or travel to volatile countries? Yes No

Optional Extensions to Cover

50. In addition to providing cover for losses arising from Employee Fraud or Dishonesty, Commercial Crime Insurance also covers damage, destruction or disappearance of money or securities and losses caused by third parties arising from: computer fraud, funds transfer fraud, extortion and kidnap, forgery, fraudulent alteration of a financial instrument, incoming cheque forgery, forged money orders, counterfeit negotiable instruments,. Do you wish cover to be extended to also include:
- Audit Fees Yes No
- Client Liability..... Yes No
- Interest Receivable and Payable Yes No
- Business Interruption Yes No
- Public Relations Cover Yes No
- Contractual Damages Yes No
- Extortion..... Yes No
- Care, Custody and Control Yes No
- Court Attendance Costs Yes No
- Credit Card Fraud Yes No
- Data Reconstitution Costs..... Yes No
- Erroneous Fund Transfer Yes No
- Investigation Costs Yes No
- Legal Expenses Yes No
- Outsourcing..... Yes No
- Partners Yes No
- Fraudulent Impersonation Yes No



Loss History

51. (a) Please provide brief details of any losses (of a type covered by Commercial Crime Insurance) sustained during the past five (5) years 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 were taken to prevent similar losses.

(c) Have such corrective measures been implemented across all operations? Yes No

If "no" please provide details

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE

Premium Payment Details:	
Kindly select : <input type="checkbox"/> Cheque	<input type="checkbox"/> DD <input type="checkbox"/> NEFT <input type="checkbox"/>
Cash	
Cheque /DD/ PO /UTR No.	<input type="text"/>
Payee Name/ Account Holder Name :	
Date	IFSC <input type="text"/>
Amount in Rs.	<input type="text"/>
Bank Account No.	<input type="text"/>
Bank Name	Branch <input type="text"/>
PAN Number	<input type="text"/>
<i>Documents to be attached as per requirement for fulfillment of KYC Norms.</i>	
GST Registered	Yes/ No
	GSTIN Number
	GST State

"I/We hereby give my/our consent to the Company to verify and obtain my/our identity/address proof as well as the identity /address proof of the insured through Central KYC Registry or UIDAI or through any other permitted modes for the purpose of undertaking applicable KYC."

INTERMEDIARY DETAILS

Intermediary code:

Intermediary name:

I, _____ (Full Name) in my capacity as an Insurance Advisor/Specified Person of the Corporate Agent/Authorized employee of the Broker/Relationship Officer, do hereby declare that I have explained all the contents of this Proposal Form, including the nature of the questions contained in this Proposal Form to the proposer including statement (s), information and responses(s) submitted by him/her in this Proposal Form to questions contained herein or any details sought herein will form the basis of the Contract of Insurance between the Company and the Proposer, if this Proposal is accepted by the Company for issuance of the Policy. I have further explained that if any untrue statement(s)/information/response(s) is/are contained in this Proposal Form / including addendum(s), affidavits, statements, submissions, furnished/ to be furnished, or if there has been a non-disclosure of any material fact, the Policy issued to his/her favour pursuant to this Proposal may be treated by the Company as null and void and all premium paid under the Policy may be forfeited to the Company.
License No./ID (Advisor/Corporate Agent/Broker/Relationship Officer)

Date: DD MM YYYY

Signature of the Insurance Advisor: _____

I/We agree that the Policy shall become voidable at the option of the Company, in the event of any untrue or incorrect statement, misrepresentation, non-description or non-disclosure in any material particular in the proposal form/personal statement, declaration and connected documents, or any material information has been withheld by me/us or anyone acting on my/our behalf to obtain any benefit under this Policy.

I/We, the undersigned hereby declare and warrant that the above statements are true, accurate and complete. I/We desire to effect an insurance as described herein with the Company and I/We agree that this proposal and declarations hereto shall be the basis of contract between me/us and the Company and I/We agree to accept a Policy subject to the conditions prescribed by the Company.

I/We agree that the issuance of Policy/Cover Note shall be subject to realisation of premium cheque.

I/We hereby agree and confirm that if the amount collected is less than the premium quoted or revised as per changes in sum proposed for insurance or scope of cover desired by me/us, the proposal shall be considered for acceptance for a reduced sum appropriate to the premium collected and the Policy shall be finalised accordingly.

I hereby consent to and authorize Magma General Insurance Limited to make welcome calls, service calls or any other communication (electronic or otherwise) with respect to the proposed or existing policy of Company from time to time and subject to the provisions of applicable law.

I wish to get all policy related communications on my Whatsapp (other app) number.

I/We hereby declare and undertake that the amount paid by me/us as premium for aforementioned policy is out of my/our lawful and declared source of income.

AML Guidelines

I/we hereby confirm that all premiums paid / payable in future are from bonafide sources and not paid out of proceeds of crime and that such premiums are not disproportionate to my/our income. I / we understand that the Company has the right to call for documents to establish sources of funds and to cancel the insurance policy

in case I / we are found guilty by any competent court of law under any of the statutes, directly or indirectly governing the prevention of money laundering law in India.

Date: DD/MM/YYYY

Signature of the Proposer: _____

Are you or any of the proposal applicants PEPs* or a close relative/associate of PEPs*?

YES NO

If yes, please share the details of “Politically Exposed Persons”(PEPs):

* (PEPs) are individuals who have been entrusted with prominent public functions by a foreign country, including the heads of States or Governments, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials

Additional Information:

Nationality: Indian

Non-Indian

If, Non-Indian, please specify Country:-----

Type of Organisation:

(i) Corporations

(ii) Trust

(iii) Government

(iv) Partnership



- (v) Non-Government Organisations
- (vi) Co-operatives
- (vii) Society
- (viii) Private Limited Company
- (ix) Public Limited Company
- (x) others, please specify-----

Source of Funds:

Business: ----- Salaried:----- Others (please specify)-----

VERNACULAR DECLARATION

I hereby declare that I have fully explained the contents of the proposal form and all other documents incidental to availing the insurance from **Magma General Insurance Limited** to the proposer in the language understood by him/her. The same has been fully understood by him/her and the replies have been recorded as per the information provided by the proposer. Replies have been read out to, fully understood and confirmed by the proposer.

Place: _____ Proposer's Signature_____

Company stamp

Date: _____ Name: _____ Designation _____
(DD-MM-YYYY)

Prohibition of Rebates Under Section 41 of Insurance Law (Amendment) Act, 2015

No person shall allow or offer to allow either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectus or tables of the insurer.

Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to ten lakhs rupees.

