



Proposal Form

CorporateGuard

Comprehensive Crime Insurance

An Important Notice

Your Crime Policy is issued on a **Claims Made** basis.

This means that the policy responds to:

- 1) **Claims first made against you during the policy period and notified to the Insurer during that policy period**, providing that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a Claim may be made against you; and
- 2) Pursuant to Section 40, sub section 3 of the Insurance Contracts Act 1984 which states:
"Where the Insured gave notice in writing to the Insurer of facts that might give rise to a Claim against the Insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the Insurer is not relieved of liability under the contract in respect of the Claim, when made, by reason only that it was made after the expiration of the period of insurance cover provided by the contract."

When the policy expires, no new notification generally can be made on the expired policy even though the event giving rise to the Claim against you may have occurred during the policy period.

You will not be entitled to indemnity under your new policy in respect of any Claim arising out of circumstances of which you were aware at any time prior to policy inception which would have put a reasonable person in your position on notice that a Claim may be made against you.

When completing your proposal you are obliged to report and provide full details of all circumstances which have become known to you and which would put a reasonable person in your position on notice that a Claim may be made against you.

This is important to ensure:

- (a) If you are currently insured with AIG Insurance New Zealand Limited, and you notify a Claim prior to the expiry date of your current policy, that you are covered under your current policy, in respect of any Claim arising out of the circumstances; and
- (b) That you make proper disclosure (refer separate notice pursuant to the Insurance Contracts Act 1984) in order that your entitlement to full indemnity under your new policy is not placed in jeopardy.

In accordance with the provisions of the Insurance Contracts Act 1984, AIG Insurance New Zealand Limited is required to advise you of your responsibilities in relation to the disclosure of relevant information.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the Insurance Contracts Act 1984 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, upon 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 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 his business, ought to know;
- as to which compliance with your duty is waived by their Insurer.
- (It should be noted that this duty continues after the proposal form has been completed up until the time the policy is entered into.)



Non-Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their liability under the contract in respect of a Claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning. It is therefore vital that you make sufficient enquiries before you complete your proposal form and before you sign any declaration that there has been no change in the information disclosed.

Please take notice of the following statements pursuant to the provisions of the Insurance Contracts Act 1984.

Surrender or Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all or any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the inception of the policy that you would not seek to recover any loss or damage from that person, you are **not** covered under the policy for any such loss or damage.

Notice of Occurrence or Events

If during the currency of this policy, the Insured shall become aware of any occurrence which may give rise to a Claim under the policy and shall during the period of this insurance give written notice to the Insurer of such occurrence, any Claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a Claim made during the period of this policy whenever such Claim may actually be made.

Contracts by the Insured Affecting Rights of Subrogation

If the proposed contract of insurance includes a provision which excludes or limits the Insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signing any such agreement may place your indemnity under the proposed contract of insurance at risk.

When Completing this Proposal Form

- Please answer all questions given full and complete answers.
- If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question.
- Please ensure that the Proposal Form is properly signed and dated.



Proposer Details

1. Name of Proposer _____
2. Principal address of Proposer _____

3. Date Established _____
4. Principal activities/services of Proposer _____

5. Number of permanent directors _____
6. Total Number of Employees by Country (whether full time or part-time):

Country	Number of Employees

7. Number of locations:
- (a) New Zealand _____
- (b) Overseas _____



Internal Controls and Procedures

- | | | |
|-----|--|----------|
| 1. | Does the company have an employee Handbook/Manual? | Yes / No |
| | If "yes" | |
| (a) | does it contain written instructions on all aspects of your business? | Yes / No |
| (b) | does it clearly define the individual duties of each employee? | Yes / No |
| (c) | does it address security procedures (including electronic data security)? | Yes / No |
| 2. | Are employees trained and re-trained, if necessary, on all aspects of: | |
| (a) | Physical and electronic data security | Yes / No |
| (b) | Operational procedures? | Yes / No |
| 3. | Are all employees required to take an uninterrupted, two week holiday each calendar year? | Yes / No |
| 4. | Are the duties of each employee arranged so that no one employee is permitted to control any transaction from commencement to completion? | Yes / No |
| 5. | (a) Do you have an established group recruitment policy which assesses the suitability for all positions? | Yes / No |
| | (b) Do you have established employee leaving procedures? | Yes / No |
| 6. | Are any branches, subsidiaries or associated companies allowed to maintain different operational procedures than the Head Office/Parent Company? | Yes / No |
| | If "yes", is prior approval required from Head Office/Parent Company? | Yes / No |
| 7. | Do you maintain dual control over the handling of: | |
| (a) | Securities? | Yes / No |
| (b) | Company/corporate cheques and drafts? | Yes / No |
| (c) | Dormant accounts (if dormant for longer than 6 months)? | Yes / No |
| (d) | Access codes, cyphers, test keys? | Yes / No |
| 8. | Is joint custody maintained for the safeguarding of: | |
| (a) | access codes, cyphers, test keys? | Yes / No |
| (b) | access to Property whilst in safes and/or vaults? | Yes / No |



Computer Systems

1. Do you operate or subscribe to any automated teller machine network or electronic point of sale system? Yes / No
2. Do you make or receive funds transfer instruction via any of the following methods?:
 - (a) interbank electronic communications systems Yes / No
 - (i) BACS Yes / No
 - (ii) SWIFT Yes / No
 - (iii) CHAPS Yes / No
 - (iv) Bankwire Yes / No
 - (v) Other, please specify _____
 - (b) Internet Yes / No
 - (c) Electronic mail Yes / No
 - (d) Telex Yes / No
 - (e) Facsimile Yes / No
 - (f) Voice initiated Yes / No
 - (g) On-line cash management Yes / No
 - (h) Other, please specify _____
3. Are all fund transfer instructions subject to a verification and authentication process? Yes / No
4. Do you secure fund transfer instructions (e.g. through the use of passwords, encryption, testing, call back or other authentication)? Yes / No
5. Do you permit the transfer of funds via telephonic instruction? Yes / No
If "yes", in respect of corporate or business accounts only:
 - (a) Is there a written agreement with customers? Yes / No
 - (b) does the written agreement contain transfer limits? Yes / No
 - (c) is verification, by someone other than the initiator of the transfer instruction, required prior to such transfer taking place? Yes / No
6. Are passwords used to give varying levels of access to your computer system and funds transfer systems on the need and authorisation of user basis? Yes / No
7. Are all key source documents maintained in a secure environment prior to being entered into the computer system in order to prevent unauthorised modification or inappropriate use of data? Yes / No
8. Are remote terminals kept in a physically secure location accessible by authorised personnel only? Yes / No
9. Do you utilise any recognised software packages to control access to your computer system? Yes / No
If "yes", do you modify such software to your own specifications? Yes / No
10. Are your data processing centres physically separated from other departments? Yes / No
11. Do you have an access control system for your data processing centres? Yes / No



12. Are data file generations stored and secured off-site in a restricted area? Yes / No
13. Do you utilise independent contractors to prepare electronic computer programs? Yes / No
If "yes":
- (a) are specific parameters in place to restrict their access?.... Yes / No
 - (b) are their activities overseen when accessing your computer system? Yes / No
 - (c) are safeguards in place to prevent access to your other systems? Yes / No

Internet Facility / E-Commerce

1. Do you provide an Internet facility? Yes / No
If "yes", do you offer any of the following:
- (a) Product information only Yes / No
 - (b) Account balance Yes / No
 - (c) Pre-authorised account to account transfers Yes / No
 - (d) Loan applications Yes / No
 - (e) Interactive mortgage applications Yes / No
 - (f) Business/company account management facilities Yes / No
 - (g) Insurance products Yes / No
 - (h) On-line securities dealing Yes / No
 - (i) Other, please specify Yes / No
2. Do you have formal terms and conditions for the use of your Internet facility, which outline the obligations and responsibilities of the users? Yes / No
3. Is the identity of users verified and authenticated? Yes / No
If "yes", please identify the method used
- (a) Password Yes / No
 - (b) One-time password Yes / No
 - (c) Public/private key encryption Yes / No
 - (d) Digital signature Yes / No
 - (e) Other, please specify Yes / No
4. Do you encrypt data whilst it is stored or held within your Internet facility? Yes / No
5. Are firewalls and/or comparable software used to authorise access to your Internet facility? Yes / No
If "yes", do you modify such software to your own specifications? Yes / No
6. Do you use any anti-virus software? Yes / No
7. Do you monitor and produce reports on intrusion/ unauthorised access activity? Yes / No
8. Do you restrict access between your Internet facility and your main computer system? Yes / No
9. Do you have a specific department which maintains your Internet facility (e.g. carrying out program development, testing, firewall maintenance, intrusion monitoring)? Yes / No
10. Do you have a fully tested disaster recovery and business continuity plan? Yes / No
If "yes", does it include an off-site back-up facility? Yes / No



Lending Procedures

1. Do you operate and maintain a formal loan policy manual or similar internal document? Yes / No
If "yes", does this include:
 - (a) individual lending limits? Yes / No
 - (b) tiered authority levels? Yes / No
 - (c) lending criteria? Yes / No
 - (d) collateral requirements and authentication procedures (e.g. property, letter of credit, bill of exchange, certificate of deposit, securities and the like)? Yes / No
2. Are all loans independently reviewed to ensure compliance with the loan policy manual or similar internal document? Yes / No

Fund / Investment / Asset Management Companies

Only Complete if the Proposer offers such services to third parties

1. Are transactions only entered into on the basis of appropriate authorisation in accordance with management criteria? Yes / No
2. Has management defined and communicated formal trading policies and dealing limits? Yes / No
3. Are trading transactions and positions reviewed for compliance with formal trading policies manual or similar internal document? Yes / No
4. Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? Yes / No
5. Do counterparties receive authorised confirmation for all deals prior to settlement? Yes / No
6. Is the book of investments and securities periodically substantiated and evaluated against recorded values independently of the dealer and fund managers? Yes / No
7. Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? Yes / No

Insurance Companies

Only complete if the Proposer offers such services to third parties

1. Do you operate and maintain a formal underwriting manual in respect of all classes of insurance written? Yes / No
2. Please indicate where business production is obtained from as a percentage of the following:
 - (a) Agents on commission
 - (b) Direct sales
 - (c) Brokers/consultants
 - (d) Other, please specify
3. Are clients/brokers/agents instructed to pay premium in the Proposer's name? Yes / No
4. Is the department/ individual designated to receive premium completely divorced from the day to day handling of business? Yes / No
5. Is responsibility for claims inspection/settlement completely divorced from underwriting? Yes / No
6. Are all claims examined and agreed by a minimum of two authorised individuals before payment is made who ensure that claim payments are made direct to your insured? Yes / No



Audit and Compliance

1. Do you have an internal audit department which has separate duties from the auditing services provided by an external accountant? Yes / No
If "yes"
 - (a) is there a formal written audit programme which includes EDP audit? Yes / No
 - (b) is there an established audit cycle which encompasses all operations? Yes / No
 - (c) are the internal audit department independent of any other function? Yes / No
 - (d) are written reports made to either an audit committee or an individual that reports to the Board of Directors? Yes / No
 - (e) do you have procedures in place to monitor the implementation of recommendations made by the internal audit department? Yes / No
 - (f) does the audit team periodically review the segregation of duties, accuracy of records, management and supervisory procedures and the physical and non-physical internal controls? Yes / No
2.
 - (a) are you audited annually by a chartered accountant? Yes / No
 - (b) do they review the internal controls and report their findings? Yes / No
 - (c) has your accountant made any recommendation in the last two years? Yes / No

If "yes",

 - (i) have such recommendations been complied with? Yes / No

If "no",

 - (ii) have you adopted alternatives arrangements to the satisfaction of your accountant? Yes / No
3. Do you have a compliance officer who monitors and implements all regulatory directives, rules, principles and guidelines? Yes / No

Values at Risk

1. Please state the maximum value of securities (including negotiable collateral, unissued stock certificates etc.):
 - (a) At head office _____
 - (b) At branches _____
 - (c) With custodians _____
2. Please state the maximum amount of cash
 - (a) At head office _____
 - (b) At branches _____
 - (c) At individual tellers _____
 - (d) Within automated teller machines _____
 - (e) With custodians _____
3. Please state the maximum amounts/values carries by:
 - (a) Armoured motor vehicle
 - (i) Cash _____
 - (ii) Securities _____
 - (b) Messengers:
 - (i) Cash _____
 - (ii) Securities _____



Loss Information

1. Please give brief details of any loss sustained by the Proposer (whether insured or uninsured) during the past 5 years as follows:

Nature of Loss	Date of Discovery	Location	Amount of Loss

2. Does the Proposer, after full enquiry, or any of its directors, officers, partners or trustees have any knowledge, of any act, omission, fact, event or circumstance which might give rise to a loss under this proposed insurance? Yes / No
If "yes", please provide details on a separate sheet.
3. In the event that a loss has been discovered, has the Proposer taken remedial action to prevent or avoid recurrence? Yes / No

Signing this proposal does not bind the proposer or the insurer to complete this insurance.

Please enclose with this Proposal Form

- The last two Annual Reports and Financial Statements for the Company (if not already provided).
- The last two Interim Statements (if applicable).
- Any other Prospectus-type document published in the last 12 months (if not already provided).
- The last Audit Report to Management including the management teams' response to any issues raised by the auditors.



Declaration

We hereby declare after due enquiry of all Directors and Officers that the information and answers given in this proposal are in every respect true and correct and that all information that may be material in considering this proposal has been fully and accurately disclosed to AIG Insurance New Zealand Limited in writing in a manner which would not mislead a prudent insurer.

We agree that this proposal and declaration shall be the basis of and incorporated in the insurance contract and that the insurance contract may be avoided if (amongst other things) any statement in this proposal is "substantially incorrect" and "material" as both those terms are defined in the Insurance Law Reform Act 1977.

We undertake to inform AIG Insurance New Zealand Limited of any material alteration to the above information whether occurring before or after the completion of this insurance contract.

We authorise the disclosure of personal information held by any party regarding my previous insurances for the purposes of arranging this insurance.

We authorise AIG Insurance New Zealand Limited to give to or obtain from any other insurer or any Insurance Broker or any other party information relating to this insurance or any other insurance held by us or any claim made by us in connection with this insurance proposal.

We understand that:

- **We are obliged to advise AIG Insurance New Zealand Limited of any information which may be material to its consideration of this application. This information includes all information we know (or could reasonably be expected to know) which could influence the judgment of AIG Insurance New Zealand Limited whether or not to accept this application and (if it is accepted) on what terms, including cost and otherwise.**
- Failure to provide any of this information may result in AIG Insurance New Zealand Limited refusing to provide the insurance.

We have certain rights of access to and correction of this information, without prejudice to AIG Insurance New Zealand Limited's rights if information is inaccurate.

Signed _____

Title _____
(to be signed by Partner/Director or Principal or equivalent)

Company _____

Date _____



Bring on tomorrow

AIG Insurance New Zealand Limited

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