



FEDERAL INSURANCE COMPANY - SINGAPORE
One of the Chubb Group of Insurance Companies

18 Cross Street #11-08 China Square Central Singapore 048423
 Telephone: +65 6333 8113 Facsimile: +65 6333 8112

Signature
 COMPREHENSIVE CRIME POLICY

**CHUBB SIGNATURE COMPREHENSIVE CRIME INSURANCE
 PROPOSAL FORM**

APPLICATION INSTRUCTIONS:

Whenever used in this Application, the term "**Applicant**" shall mean the Principal Organisation and all organisations applying for coverage.

Include all requested underwriting information and attachments. Provide a complete response to all questions and attach additional pages if necessary.

A. GENERAL INFORMATION:

1. Name of **Applicant**: _____
2. Address of **Applicant**: _____
3. Date established: _____
4. Requested Limits of Liability: _____ and Deductible Amounts: \$ _____
5. Describe or attach a description of the **Applicant's** operations: _____
6. Please complete the following:

| List Countries in which Applicant has operations | Type of Operation | Number of Locations | Number of Employees | Revenues |
|--|-------------------|---------------------|---------------------|----------|
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| TOTAL: | | | | \$ |

7. Please provide the following information for any mergers or acquisitions in the past 12 months:

Name of company acquired _____

Date of the transaction _____

Description of operations acquired _____

Annual revenues _____

Number of employees _____

8. Does the **Applicant** provide any lease financing in the course of its business? Yes No
9. Have policies been published and distributed to all employees regarding a code of ethics, conflicts of interest and gifts and gratuities? Yes No

B. SPECIFIC INFORMATION:

HUMAN RESOURCES AND PAYROLL

Explain any "NO" answers at the END of this Application.

1. Is the following pre-employment screening conducted prior to hiring in all business units, both domestically and internationally:
- a. Criminal history record checks in all jurisdictions in which the prospective employee has lived for the last 5 years? Yes No
 - b. Reference checks with all prior employers during the last 5 years? Yes No
 - c. Credit check (if access to cash or control/input of financial transactions)? Yes No
2. Are the following payroll controls in place at all domestic and international operations:
- a. Are management policies and computer system controls in place to prevent persons who approve new hires from adding them into the payroll? Yes No
 - b. Are additions to the payroll system automatically reported via the computer system to a HR manager who reconciles payroll changes with new hire documentation? Yes No
 - c. Are managers periodically provided with the names and salaries of all employees assigned to them for verification? Yes No
 - d. Does the audit department have a program in place to detect possible ghost employees and is the payroll system audited at least annually? Yes No
 - e. Is the IT department and accounting department restricted from any access to the payroll computer system? Yes No

AUDITING PROCEDURES

Explain any "NO" answers at the END of this Application.

1. Internal Auditing:
- a. How many professionals are in your internal audit department?
Currently: _____; three years ago: _____
 - b. Does the audit department receive automatic exception reports on suspect financial transactions and financial trends? Yes No
 - c. Does the audit schedule include all locations of subsidiaries and joint ventures? Yes No
 - d. Are audit reports furnished to senior management and the board of directors with all recommendations prioritised by the level of risk they pose to the **Applicant**? Yes No
 - e. Please attach a copy of the current year's audit plan from the internal auditors.
2. External Auditing:
- a. Does an independent CPA annually provide the **Applicant** with a management letter? Yes No
(If "Yes," please attach the most recent copy and management's response.)
 - b. Is each corporate location subjected to periodic external audits? Yes No
 - c. Are audit reports furnished to senior management and the board of directors? Yes No

ELECTRONIC FUNDS TRANSFERS (EFT)

Explain any "NO" answers at the END of this Application.

1. Has separation been established between authority to initiate and approve a EFT? Yes No
2. Have approval authorities been established in writing and are they current? Yes No
3. Are EFT reconciled daily by a person who did not approve or transmit such EFT? Yes No
4. Are international and domestic EFT procedures and controls consistent? Yes No

PURCHASING CONTROLS

Explain any "NO" answers at the END of the Application.

1. Are levels of purchasing authority established in writing throughout the **Applicant's** organisation? Yes No
2. Has a numbered purchase order system been implemented and is it being followed? Yes No
3. Has an approved master vendor list been established? Yes No
4. Are procedures in place to verify the existence and ownership of all new vendors prior to adding them to the authorised master vendor list? Yes No
If "Yes," is "due diligence" conducted by someone other than the person requesting such addition or with authority and/or ability to add the vendor to the master list? Yes No
5. Does the purchasing system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends? Yes No
6. Are international and domestic purchasing procedures and controls consistent? Yes No

ACCOUNT PAYABLE CONTROLS

Explain any "NO" answers at the END of the Application.

1. Are all invoices verified against a corresponding purchase order, receiving report, and authorised master vendor list prior to issuing payment? Yes No
2. Are invoices, purchase orders, and check runs reconciled daily by an independent party? Yes No
3. Are cheque signing authorities and dual control requirements established in writing? Yes No
4. Are blank and cancelled cheques stored under dual control with access documented? Yes No
5. Is a perpetual inventory in place for blank cheques and are daily inventories taken? Yes No
6. Is a monthly reconciliation conducted of all bank accounts by someone who does not handle deposits, sign cheques or have access to electronic or mechanical signatures? Yes No
7. Does the accounts payable system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends? Yes No
8. Are international and domestic accounts payable procedures and controls consistent? Yes No

INVENTORY CONTROLS

Explain any "NO" answers at the END of the Application.

1. Is a perpetual inventory maintained for:
 - a. Stock, including raw materials, and manufacturing components, Yes No
 - b. Manufactured or finished goods, Yes No
 - c. Scrap Yes No
2. Do inventory procedures enable accurate accounting of all inventory items listed above at each stage of the manufacturing or production process? Yes No
3. Are daily cycle counts conducted on inventory items? Yes No

4. Are physical inventory counts conducted at least annually and reconciled with the perpetual inventory system? If "Yes": Yes No
 - a. Is the reconciliation performed by someone not associated with the control of the physical inventory? Yes No
 - b. Are inventory variances outside established parameters reported to auditing? Yes No
5. Does the **Applicant** use precious metal, stone or other high value items in the manufacturing or processing of goods? If "Yes": Yes No
 - a. Is access to such materials restricted, physically controlled and monitored? Yes No
Please attach details of such controls.
 - b. Are daily inventories conducted of all high value items? Yes No
 - c. Please provide the average _____ and maximum value _____ at each location.
6. Are international and domestic inventory procedures and controls consistent? Yes No

MONEY AND SECURITIES CONTROL

Explain any "NO" answers at the END of the Application.

1. State the value of negotiable securities owned or held: \$ _____ N/A
2. Where are the securities kept? _____
3. If safe deposit boxes are used, has the bank been instructed to require that two authorised individuals be present before entry to any box is permitted? Yes No N/A
4. What is the maximum amount held at, or transported from, any one location?
Cash: \$ _____ Checks: \$ _____ Negotiable Securities: \$ _____ N/A

COMPUTER SYSTEMS PROTECTION

Explain any "NO" answers at the END of the Application.

1. 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
2. Have computer access controls been implemented that include the following:
 - a. Passwords are required to be alpha/numeric and 6-9 characters? (system enforced) Yes No
 - b. Are user IDs automatically revoked upon separation of employment? Yes No
 - c. Are password files encrypted for all applications and is access restricted? Yes No
3. Are business-to-business or business-to-consumer transactions performed over the Internet? If "Yes": Yes No
 - a. Are firewalls configured to restrict all IP communications except those necessary to conduct business and are firewall security patches current? Yes No
 - b. Is firewall port scanning and penetration testing conducted regularly? Yes No
 - c. Were web-based applications independently tested for security vulnerabilities prior too, or at the time of, deployment and have they been similarly tested whenever the applications have been modified? Yes No
4. Intrusion Detection Systems: Is network-based and host-based IDS software installed and are all patches current? Yes No
5. Are B-2-B and B-2-C procedures, systems, and controls the same for domestic and international operations? Yes No
6. Does the **Applicant** have a formal process for authenticating all transactions done electronically prior to shipping product or authorising payment? Yes No

