

## COMMERCIAL FIDELITY GUARANTEE PROPOSAL

### 1. DETAILS OF INSURED

1.1 Full name of Insured \_\_\_\_\_

1.2 Policy no. (applicable to renewal) \_\_\_\_\_

1.3 Postal address \_\_\_\_\_

Town/city \_\_\_\_\_ Postal code \_\_\_\_\_

1.4 Physical address \_\_\_\_\_

Town/city \_\_\_\_\_ Postal code \_\_\_\_\_

1.5 Tel (H) \_\_\_\_\_ Tel (W) \_\_\_\_\_

1.6 Business/occupation \_\_\_\_\_

1.7 How long has the business been established \_\_\_\_\_ years

1.8 Effective date of cover \_\_\_\_\_

### 2. INSURANCE HISTORY

2.1 Has Fidelity/Money insurance ever been declined or special conditions imposed YES NO

If Yes, give particulars \_\_\_\_\_

2.2 Is a Money policy in place YES NO Name of Insurer \_\_\_\_\_

2.3 Is an FG policy in force YES NO Name of Insurer \_\_\_\_\_

State number of employees \_\_\_\_\_

State number of principals \_\_\_\_\_

### 3. BASIS OF COVER REQUIRED

#### 3.1 Schedule of employees to be insured (Name or Position Basis)

Name/Position	Duties	Amount to be insured	Salary	Date service commenced
3.1.1 _____	_____	R _____	R _____	_____
3.1.2 _____	_____	R _____	R _____	_____
3.1.3 _____	_____	R _____	R _____	_____
3.1.4 _____	_____	R _____	R _____	_____
3.1.5 _____	_____	R _____	R _____	_____

#### 3.2 Number of employees to be insured (Blanket Basis)

Amount to be insured R \_\_\_\_\_

Number of employees with regular responsibility for money, stock or accounts \_\_\_\_\_

Number of employees without regular responsibility for money, stock or accounts \_\_\_\_\_

### 4. EMPLOYEES

4.1 Give details of screening process for new employees, i.e. staff procurement process, credit checks, previous employments, etc. \_\_\_\_\_

- 4.2 Describe circumstances of previous staff dismissals \_\_\_\_\_  
 \_\_\_\_\_
- 4.3 Are all employees required to take an uninterrupted holiday of at least two weeks in each calendar year, during which they perform no duties YES NO

**5. ACCOUNTING PROCESSES AND CONTROLS**

- 5.1 Describe flow of money from receipt to payment \_\_\_\_\_  
 \_\_\_\_\_
- 5.2 Describe flow of money from cheque requisitions to receipt by third party \_\_\_\_\_  
 \_\_\_\_\_
- 5.3 Is all money banked on the day of receipt YES NO  
 How often is it checked that all money received is paid out \_\_\_\_\_  
 By whom \_\_\_\_\_  
 In what way \_\_\_\_\_  
 NB: Cheques are to be made out in the way noted in the HSB Generic Commercial wording for cover to be in place.
- 5.4 If all money is not banked, state:  
 The purpose of the retained balance \_\_\_\_\_  
 How often the retained balance is checked \_\_\_\_\_  
 By whom \_\_\_\_\_  
 In what way \_\_\_\_\_
- 5.5 Are any of the employees handling money allowed to:  
 Make ledger postings YES NO  
 Render accounts to customers in arrears YES NO
- 5.6 Who checks the bank statements with the cash book \_\_\_\_\_  
 How often is this checked \_\_\_\_\_
- 5.7 Are all disbursements other than petty cash made by crossed cheques YES NO
- 5.8 What document or authority is produced with cheques for signature \_\_\_\_\_
- 5.9 Name the signatories and their designation \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- 5.10 If an employee has signing power, is a second signature required on all cheques YES NO  
 What is the limit on the amount of cheques requiring only one signature R \_\_\_\_\_
- 5.11 What authority is required before petty cash payments are made \_\_\_\_\_
- 5.12 What system is employed for recording petty cash \_\_\_\_\_
- 5.13 What float is kept \_\_\_\_\_
- 5.14 How do you deal with returned unrepresented cheques \_\_\_\_\_

- 5.15 If cheque signing machines are to be used, detail systems and methods of check \_\_\_\_\_  
\_\_\_\_\_
- 5.16 How often and by whom will the following be carried out, independently of the employees concerned:
- 5.16.1 Cash book balanced and checked against bank statement, receipt counterfoils and vouchers \_\_\_\_\_  
\_\_\_\_\_
- 5.16.2 Petty cash payments checked and employees concerned required to produce the balance \_\_\_\_\_  
\_\_\_\_\_
- 5.17 Are commercial travellers, collectors and others incurring travelling expenses, etc., permitted to deduct such expenses from cash collectors YES NO
- 5.18 Are any employees remunerated by commission only YES NO
- 5.19 Are any employees entitled to use credit cards for your account YES NO  
If so, give detail of system used \_\_\_\_\_  
\_\_\_\_\_
- 5.20 How often are accounts sent direct to customers, by post and by whom \_\_\_\_\_  
\_\_\_\_\_
- 5.21 What steps are taken to verify accounts reported to be in arrear \_\_\_\_\_  
\_\_\_\_\_
- 5.22 Are counterfoil and numbered receipt books used YES NO  
If Yes, how often and by whom will the counterfoils be checked \_\_\_\_\_  
\_\_\_\_\_
- 5.23 Is there a segregation of duties for all electronic payments, i.e. one person captures and another person authorises YES NO
- 5.24 Do you regard your system of check and methods of supervision as adequate to minimise the risk of a defalcation and to ensure discovery in a short time YES NO

**6. STOCK**

- 6.1 What stock records are maintained \_\_\_\_\_
- 6.2 Is stock checked independently of the employee responsible YES NO  
How often \_\_\_\_\_  
By whom \_\_\_\_\_  
How would misappropriation be detected \_\_\_\_\_  
\_\_\_\_\_
- 6.3 Are hard copies as well as computer records maintained YES NO

**7. REMUNERATION**

- 7.1 Are wage and salary sheets prepared independently of the employees who pay the wages and salaries YES NO
- 7.2 What is the method of checking the wage/salary sheets \_\_\_\_\_  
\_\_\_\_\_
- 7.3 What is the method of dealing with wages and salaries not paid over \_\_\_\_\_  
\_\_\_\_\_

- 7.4 How would the introduction of fictitious names or amounts be detected \_\_\_\_\_  
\_\_\_\_\_
- 7.5 If money is received from employees for savings/transfers to dependents, etc., describe system and method of check \_\_\_\_\_  
\_\_\_\_\_

**8. AUDITS**

- |     |  |     |    |
|-----|--|-----|----|
| 8.1 | Are your accounts audited by professional accountants<br>If so, how often and by whom  | YES | NO |
| 8.2 | Is the audit a full and complete one   | YES | NO |
| 8.3 | Have your auditors made any suggestions<br>If so, what and have these been followed up | YES | NO |
| 8.4 | Is an internal audit programme in place<br>How frequently is it executed               | YES | NO |
| 8.5 | Is the internal audit programme approved by external auditors                          | YES | NO |

**9. LOSS HISTORY**

- 9.1 Have you ever experienced any losses through dishonesty of employees during the last 10 years YES NO
- If Yes, please give details stating:
- The amount R \_\_\_\_\_
- How the defalcation was carried out \_\_\_\_\_  
\_\_\_\_\_
- What steps have you taken to prevent a recurrence \_\_\_\_\_  
\_\_\_\_\_

**WE HEREBY DECLARE AND AGREE THAT:**

- The above particulars and statements are true and that this and any other written statement made by me/us or on my/our behalf for the purpose of the proposed insurance shall be the basis of and incorporated in the contract between me/us and the insurer not only for employees included herein but also for any other employees who may hereafter be included in the said insurance.
- The conduct and accounts of all the employees to be included in this insurance have always been satisfactory.
- Before new employees other than juniors taken direct from school and employees under Question 3 are engaged, enquiry will be made of previous employers for the past three years to CONFIRM that each applicant is of TRUSTWORTHY CHARACTER and that such references will be submitted to the insurer in the event of a claim being made under the policy.
- To the best of my/our knowledge/belief, the statements and particulars given in this form are true and complete and that no material facts that are likely to influence the acceptance and assessment of your insurance have been withheld. (If you are in any doubt as to whether a fact is material, you should disclose it.)

This means that The Hollard Insurance Company Ltd. has been made aware of all important information and that any incorrect information may mean that the policy will be cancelled or voided.

**PROTECTION OF PERSONAL INFORMATION**

In order to provide you with insurance, we have to process your personal information. We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your insurance, claims and premium payments. We do this to provide insurance services, prevent fraud, assess claims and conduct surveys. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing this application for insurance, you agree to the processing and sharing of your personal information.

SIGNATURE

Insured/Duly authorised person

\_\_\_\_\_

DATE

\_\_\_\_\_