



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

**B. Specific information**

**Human Resources and Payroll**

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 five (5) years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Reference checks with all prior employers during the last five (5) years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Credit check (if access to cash or control/input of financial transactions)?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Are managers periodically provided with the names and salaries of all employees assigned to them for verification?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
e) Is the IT department and accounting department restricted from any access to the payroll computer system?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

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**Auditing Procedures**

1. Internal Auditing:			
a) How many professionals are in your internal audit department?	Currently:		Three (3) years ago:
b) Does the audit department receive automatic exception reports on suspect financial transactions and financial trends?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
c) Does the audit schedule include all locations of subsidiaries and joint ventures?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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 you a management letter?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
If Yes, please attach the most recent copy and management's response.			
b) Is each corporate location subjected to periodic external audits?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
c) Are audit reports furnished to senior management and the board of directors?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

Use this space to comment on any items where the response is No.

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### Wire Transfers (WT)

1. Has separation been established between authority to initiate and approve a WT?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Have approval authorities been established in writing and are they current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are WTs reconciled daily by a person who did not approve or transmit such WTs?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are international and domestic WT procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

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### Purchasing Controls

1. Are levels of purchasing authority established in writing throughout your organisation?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has a numbered purchase order system been implemented and is it being followed?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has an approved master vendor list been established?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the purchasing system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Are international and domestic purchasing procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

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### Account Payable Controls

1. Are all invoices verified against a corresponding purchase order, receiving report, and authorised master vendor list prior to issuing payment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Are invoices, purchase orders, and check runs reconciled daily by an independent party?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are cheque signing authorities and dual control requirements established in writing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Are blank and cancelled cheques stored under dual control with access documented?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Is a perpetual inventory in place for blank cheques and are daily inventories taken?	<input type="checkbox"/> Yes <input type="checkbox"/> 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Does the accounts payable system automatically produce exception reports to notify management and auditing of potential fraudulent transactions or trends?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Are international and domestic accounts payable procedures and controls consistent?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Use this space to comment on any items where the response is No.

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## Inventory Controls

1. Is a perpetual inventory maintained for:

a) Stock, including raw materials, and manufacturing components?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
b) Manufactured or finished goods?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
c) Scrap?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Do inventory procedures enable accurate accounting of all inventory items listed above at each stage of the manufacturing or production process?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Are daily cycle counts conducted on inventory items?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Are physical inventory counts conducted at least annually and reconciled with the perpetual inventory system?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes:	a) Is the reconciliation performed by someone not associated with the control of the physical inventory?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	b) Are inventory variances outside established parameters reported to auditing?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. Does the Applicant use precious metal, stone or other high value items in the manufacturing or processing of goods?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
If Yes:	a) Is access to such materials restricted, physically controlled and monitored?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If Yes, please provide details of such controls:		
	b) Are daily inventories conducted of all high value items?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
c) Please provide the average:		and maximum value:	
			at each location.
6. Are international and domestic inventory procedures and controls consistent?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

Use this space to comment on any questions where the response is No.

## Money and Securities Control

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

## Computer Systems Protection

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?	<input type="checkbox"/> Yes <input type="checkbox"/> 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)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Are user IDs automatically revoked upon separation of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Are password files encrypted for all applications and is access restricted?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Are business-to-business or business-to-consumer transactions performed over the internet?	
If Yes:	
a) Are firewalls configured to restrict all IP communications except those necessary to conduct business and are firewall security patches current?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b) Is firewall port scanning and penetration testing conducted regularly?	<input type="checkbox"/> Yes <input type="checkbox"/> No
c) Were web-based applications independently tested for security vulnerabilities prior to, or at the time of deployment and have they been similarly tested whenever the applications have been modified?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Regarding Intrusion Detection Systems, is network-based and host-based IDS software installed and are all patches current?	
5. Are B-2-B and B-2-C procedures, systems, and controls the same for domestic and international operations?	
6. Do you have a formal process for authenticating all transactions done electronically prior to shipping product or authorising payment?	

Use this space to comment on any questions where the response is No.

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## Client Services

1. Do any clients require the Applicant to be bonded or carry Crime insurance?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
2. Does the Applicant have custody or control over any funds, accounts, or materials of any of its clients?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No

If Yes, please provide details and specify the amount:

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3. Do the Applicant's employees have access to any client's accounting, payroll or purchasing systems?	<input type="checkbox"/> N/A <input type="checkbox"/> Yes <input type="checkbox"/> No
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## Social Engineering Fraud

1. Does a Social Engineering Fraud risk management strategy exist and has the Applicant informed and alerted relevant staff at all locations of Social Engineering Fraud? Social Engineering Fraud includes Fake President Fraud, Payment Diversion Fraud and Customer/Management Impersonation Fraud.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Does the Applicant have a process in place at all locations where all unusual payment instructions purporting to come from the Applicant's senior management are followed up by call backs to senior management at a previously known and pre-designated phone number to confirm payment instructions and check authenticity?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Does the Applicant have a process in place at all locations where requests for authentication of bank account details or for information on bank account details purporting to come from bank officials are raised with the Applicant's senior management and followed up with previously known bank contacts to confirm authenticity of such requests?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Does the Applicant have a process in place at all locations where instructions to change bank account details purporting to come from vendors and suppliers are followed up by call backs to vendors and suppliers at a previously known and pre-designated phone number to confirm instructions to change bank account details and check authenticity?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Social Engineering Fraud (continued)**

5. Does the Applicant have a process in place at all locations where senior management approval is always required before a change to vendor and supplier bank account details is processed, such approval being given after review of the underlying request and the record of its verification?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Does the Applicant have a process in place at all locations where all bank statements are independently reconciled by persons not authorised to deposit or withdraw funds, issue funds transfer instructions or dispatch funds to customers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Does the Applicant's email server and/or internet service provider (ISP) use any authentication methods at all locations?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If Yes, please list:

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8. Does the applicant use a third party software product to enhance email authentication procedures at all locations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
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If Yes, please list:

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Use this space to comment on what other controls the Applicant applies to any questions where the answer is No:

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**C. Loss Experience**

List all employee theft, burglary, robbery, forgery, computer fraud or other crime losses discovered by the Applicant in the last five (5) years, itemising each loss separately:  Cross if none

Date of Loss	Description of Loss (Include controls that were circumvented, controls that were missing and steps taken to remediate the causes of the loss)	Total Amount of Loss	Please indicate whether or not the loss was covered under another insurance policy and include the insurer's name	
			Covered	Insurer's Name
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		\$	<input type="checkbox"/> Yes <input type="checkbox"/> No	

**D. Additional Information**

- Please enclose with this Proposal Form:**
- A copy of the Internal Auditors Audit Plan for the current year.
  - A copy of your most recent audited financial statement.
  - A copy of your CPA management letter on internal controls and management's response.
  - An explanation of any No answers referenced in the Proposal Form.

## Declaration

On behalf of the applicant, I/we declare that:

- a) I/we have read and understood Chubb's Financial Strength Rating, Duty of Disclosure and Privacy Statement in this form;
- b) all information provided (and where applicable, previously provided) is true and correct and I/we have made a fair presentation of the risk, by disclosing all material matters which I/we know or ought to know or, failing that, by giving the insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances;
- c) I/we undertake to inform the insurer promptly in writing of any material alteration to the facts declared that occurs prior to completion of the contract of insurance;
- d) I/we have obtained, and will obtain in the future, the consent to the disclosure and use of personal information from those persons whose personal information is supplied in relation to this form for the purposes of (i) underwriting the risks and (ii) administering and performing any resulting insurance contract.

This form must be signed by the applicant's Chairman of the Board, Managing Director, Chief Executive Officer or Chief Financial Officer.

Signed			
Name		Date	
Position			

## Important Information

In this section "We", "Our" and "Us" means Chubb Insurance New Zealand Limited (Chubb). "You" and "Your" refers to Our customers and prospective customers as well as those who use Our website.

## Duty of Disclosure

### Your Duty of Disclosure

Before entering into a contract of insurance with Chubb, each prospective insured has a duty to disclose to Chubb information that is material to Chubb's decision whether to accept the insurance and, if so, on what terms. This includes material information about the insured, any other people and all property and risks insured under the policy. Information may be material whether or not a specific question is asked.

There is the same duty to disclose material information to Chubb before renewal, extension, variation or reinstatement of a contract of insurance with Chubb. You should also provide all material information when you make a claim or if circumstances change during the term of the contract of insurance.

It is important that each prospective insured understands all information provided in support of the application for insurance and that it is correct, as each prospective insured will be bound by the answers and by the information they have provided.

The duty of disclosure continues after the application for insurance has been completed up until the time the contract of insurance is entered into.

### Consequences of Non-Disclosure

If an insured fails to comply with their duty of disclosure, Chubb may be entitled, without prejudice to its other rights, to reduce its liability under the contract in respect of a claim or refuse to pay the entire claim. Chubb may also have the right to avoid the contract from its beginning. This means the contract will be treated as if it never existed and no claims will be payable.

## Financial Strength Rating

At the time of print, Chubb has an “AA-” insurer financial strength rating given by S&P Global Ratings. The rating scale is:

The rating scale is:			
AAA Extremely Strong	BBB Good	CCC Very Weak	SD or D Selective default or default
AA Very Strong	BB Marginal	CC Extremely Weak	R Regulatory Action
A Strong	B Weak		NR Not Rated

The rating from ‘AA’ to ‘CCC’ may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories. A full description of the rating scale is available on the S&P Global Ratings [website](#).

Our rating is reviewed annually and may change from time to time, so please refer to Our website for Our latest financial strength rating.

## Fair Insurance Code

We are a member of the Insurance Council of New Zealand (ICNZ) and a signatory to ICNZ’s Fair Insurance Code (the Code). The Code and information about the Code is available at [www.icnz.org.nz](http://www.icnz.org.nz) and on request.



## Privacy Statement

This statement is a summary of Our privacy policy and provides an overview of how We collect, disclose and handle your personal information. Our privacy policy may change from time to time and where this occurs, the updated privacy policy will be posted on Our [website](#).

Chubb is committed to protecting Your privacy. Chubb collects, uses and retains your personal information in accordance with the requirements of New Zealand’s Privacy Act, as amended or replaced from time to time.

### Personal Information Handling Practices

#### *When do We collect your personal information?*

Chubb collects Your personal information (which may include health information) from You when You interact with Us, including when you are applying for, changing or renewing an insurance policy with Us or when We are processing a claim, complaint or dispute. Chubb may also (and You authorise Chubb to) collect Your personal information from other parties such as brokers or service providers, as detailed in Our privacy policy.

#### *Purpose of Collection*

We collect and hold the information to offer products and services to You, including to assess applications for insurance, to provide and administer insurance products and services, and to handle any claim, complaint or dispute that may be made under a policy.

If You do not provide Us with this information, We may not be able to provide You or Your organisation with insurance or to respond to any claim, complaint or dispute, or offer other products and services to You or Your organisation.

Sometimes, We may also use Your personal information for Our marketing campaigns and research, to improve our services or in relation to new products, services or information that may be of interest to You.

#### *Recipients of the Information and Disclosure*

We may disclose the information We collect to third parties, including:

- contractors and contracted service providers engaged by Us to deliver Our services or carry out certain business activities on Our behalf (such as actuaries, loss adjusters, claims investigators, claims handlers, professional advisers including lawyers, doctors and other medical service providers, credit reference bureaus and call centres);
- intermediaries and service providers engaged by You (such as current or previous brokers, travel agencies and airlines);
- other companies in the Chubb group;
- the policyholder (where the insured person is not the policyholder);
- insurance and reinsurance intermediaries, other insurers, Our reinsurers, marketing agencies; and
- government agencies or organisations (where we are required to by law or otherwise).



These third parties may be located outside New Zealand. In such circumstances We also take steps to ensure Your personal information remains adequately protected.

From time to time, We may use your personal information to send You offers or information regarding Our products that may be of interest to You. If You do not wish to receive such information, please contact Our Privacy Officer using the contact details provided below.

#### ***Rights of Access to, and Correction of, Information***

If You would like to access a copy of Your personal information, or to correct or update Your personal information, want to withdraw Your consent to receiving offers of products or services from Us or persons We have an association with, please contact the Privacy Officer by posting correspondence to Chubb Insurance New Zealand Limited, PO Box 734, Auckland; telephoning: +64 (9) 3771459; or emailing [Privacy.NZ@chubb.com](mailto:Privacy.NZ@chubb.com).

#### ***How to Make a Complaint***

If You have a complaint or would like more information about how We manage Your Personal Information, please review Our [Privacy Policy](#) for more details, or contact Our Privacy Officer at the details above.

You also have a right to address Your complaint directly to the Privacy Commissioner by telephoning 0800 803 909, emailing [enquiries@privacy.org.nz](mailto:enquiries@privacy.org.nz) or using the online form available on the Privacy Commissioner's website at [www.privacy.org.nz](http://www.privacy.org.nz).

### **About Chubb in New Zealand**

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Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb's operation in New Zealand (Chubb Insurance New Zealand Limited) offers Masterpiece home and contents, corporate Property & Casualty, Group Personal Accident and corporate Travel Insurance products through brokers. It leverages global expertise and local acumen to tailor solutions to mitigate risks for clients ranging from large multinational companies to local corporates.

More information can be found at [www.chubb.com/nz](http://www.chubb.com/nz)

### **Contact Us**

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**Chubb. Insured.<sup>SM</sup>**