



## Comprehensive Crime Proposal Form

**AIG Insurance Hong Kong Limited**

### **Note to the Proposer**

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Signing or completing this proposal does not bind the Proposer, or any individual or entity he or she is representing to complete this insurance.

Please provide by addendum any supplementary information which is material to the response of the questions herein.

All answers should be given as a group response i.e. if any subsidiary company has different responses these should be provide separately on your headed paper.

### **Proposer Details**

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1. Name of Proposer \_\_\_\_\_
2. Principal address of Proposer \_\_\_\_\_  
\_\_\_\_\_
3. Date established \_\_\_\_\_
4. Principal activities/services of Proposer \_\_\_\_\_  
\_\_\_\_\_
5. Number of permanent directors \_\_\_\_\_
6. Number of employees:
  - (a) LOCAL COUNTRY NAME \_\_\_\_\_
  - (b) Overseas \_\_\_\_\_
7. Number of locations:
  - (a) LOCAL COUNTRY NAME \_\_\_\_\_
  - (b) Overseas \_\_\_\_\_

**Internal Controls and Procedures**

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- 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**

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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
    - (i) BACS .....  Yes  No
    - (ii) SWIFT .....  Yes  No
    - (iii) CHAPS / CHATS .....  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 centers physically separated from other departments? ..... Yes No
11. Do you have an access control system for your data processing centers? 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**

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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 \_\_\_\_\_
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 \_\_\_\_\_
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  
 If "yes" is this upgraded on a regular basis? ..... 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

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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

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### 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**

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**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**

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- 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**

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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 carried by:
- (a) armoured motor vehicle:
- (i) cash \_\_\_\_\_
- (ii) securities \_\_\_\_\_
- (b) messengers:
- (i) cash \_\_\_\_\_
- (ii) securities \_\_\_\_\_



**Loss Information**

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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 TO COMPLETE THIS INSURANCE.**

**Declaration**

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I declare that statements and particulars in this proposal form are true and no material facts have been misstated or suppressed after full enquiry. I agree that this proposal, together with any other information supplied shall form the basis of the contract of Insurance affected thereon. I undertake to inform Insurers of any material alteration to those facts occurring before the completion of the contract of Insurance.

A material fact is one which would influence the acceptance or assessment of the risk.

Signed .....

Title .....  
(authorised signatory of the Proposer)

Fund .....

Date .....

**Please Enclose With This Proposal Form**

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The latest Annual Report and Accounts for the Proposer.

**AIG Insurance Hong Kong Limited**

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