

# CAYMAN FIRST INSURANCE COMPANY LIMITED

## FIDELITY GUARANTEE INSURANCE PROPOSAL

AGENCY: \_\_\_\_\_

UNDERWRITER: \_\_\_\_\_

### PLEASE GIVE A DEFINITE REPLY TO EACH QUESTION ON THE FORM

No Insurance is in force until the proposal has been accepted by Cayman First Insurance Company Ltd.

1. Name: _____	
MAILING Address: _____ E-mail Address: _____	
Telephone Nos. Work _____ Home _____ Cell _____	
Trade or Business: _____	
Period of Insurance: From: _____ To: _____	
2. (a) State the system of dealing with money from the time of receipt until paid into the bank	(a)
(b) Is all money received banked on the day of receipt?	(b)
(c) (i) Is any balance retained? If so, (ii) for what purpose, (iii) how often is such balance checked by actual inspection, and (iv) by whom?	(c) (i) (ii) (iii) (iv)
(d) (i) How often, (ii) by whom, and (iii) in what way is it checked that all money received is paid into the bank?	(d) (i) (ii) (iii)
(c) Are any of the employees handling cash allowed (i) to make ledger postings or (ii) to render accounts to customers who are in arrear?	(e) (i) (ii)
(b) (i) How often is that bank statement checked with the cash book and (ii) by whom?	(f) (i) (ii)
3. (a) Are all disbursements other than petty cash made by crossed cheque?	(a)
(b) (i) What documents or authority are produced with cheques for signature?	(b) (i)
(ii) Who has power to sign cheques	(ii)
(iii) If an employee has such power, is a second signature required on all cheques?	(iii)
(c) (i) What authority is required before petty cash payments are made?	(c) (i)
(ii) What system is employed for recording petty cash?	(ii)
(iii) If the imprest system is used, what is the amount of the float?	(iii)
(iv) If not, what is the limit on the amount of cheques bearing only one signature?	(iv)

<p>4. (a) Are wage and salary sheets prepared independently of the employees who pay the wages and salaries?</p> <p>(b) What is the method of checking the wage or salary sheets?</p> <p>(c) What is the method of dealing with wages and salaries not paid over?</p> <p>(d) How would the introduction of fictitious names or amounts be detected?</p>	<p>(a)</p> <p>(b)</p> <p>(c)</p> <p>(d)</p>
<p>5. In respect of (a) and (b) below state i. how often they will be carried out independently of the employees concerned and (ii) by whom?</p> <p>(a) Cash book balanced and checked against bank statement, receipt counterfoils and vouchers</p> <p>(b) Petty cash payments checked and employees concerned required to produce the balance</p>	<p>(a) (i) (ii)</p> <p>(b) (i) (ii)</p>
<p>6. (a) What stock records are maintained?</p> <p>(b) State (i) how often and (ii) by whom a physical check of stock is made and (iii) how misappropriation would be detected</p>	<p>(a)</p> <p>(b) (i) (ii)</p> <p>(iii)</p>
<p>7. (a) How often are accounts sent <b>direct</b> to customers by post and (ii) by whom?</p> <p>(b) What steps are taken to verify accounts reported to be in arrear?</p> <p>(c) Are counterfoil and numbered receipt books used, and if so, (ii) how often will the counterfoils be examined and checked and (iii) by whom?</p>	<p>(a) (i) (ii)</p> <p>(b)</p> <p>(c) (i) (ii) (iii)</p>
<p>8. (a) Are your accounts audited by professional Accountants?</p> <p>(b) If so, how often?</p> <p>(c) Is the audit a full and complete one?</p>	<p>(a)</p> <p>(b)</p> <p>(c)</p>
<p>9. (a) Have you experienced any losses through dishonesty of employees during the last ten years?</p> <p>(b) If so, please give full details, stating (i) the amount, (ii) how the defalcations were carried out and (iii) what steps you have taken to prevent a recurrence</p>	<p>(a)</p> <p>(b) (i) (ii) (iii)</p>
<p>10. (a) Has a proposal for Fidelity Guarantee insurance in respect of any of your employees previously been made to this or any other Insurer?</p>	<p>(a)</p>
<p>(b) If so, please state (i) the name of the employee, (ii) the name of the Insurer, and (iii) whether the proposal was accepted or declined</p>	<p>(b) (i) (ii) (iii)</p>



## **Fidelity Guarantee Insurance**

However careful employers may be in selecting staff and devising systems of check, experience shows that they may become the victims of acts of fraud or dishonesty at the hands of employees.

The resulting financial loss can be covered by Fidelity Guarantee Insurance. This has considerable advantages compared with private securities. The Policyholder enjoys the undoubted security provided by the Insurers and benefits from the protection of the enquiries made by the Insurers into the character and record of the prospective employees.

Careful consideration should be given to the question of the employees to be included in the policy. Cover is clearly desirable for persons dealing with cash and accounts and their normal deputies but those whose duties may give them access to money or who would be in a position to misappropriate stocks of goods or materials should not be overlooked.

The policy cover is not limited to loss of money or goods belonging to the employer through acts of fraud or dishonesty but applies also to money or goods of clients or customers for which the employer may be responsible in the normal course of business.

Terms will be quoted on receipt of a completed proposal form.