

**SECTION 2**

**FIDELITY GUARANTEE**

**PROPOSAL FORM FOR MANAGING AGENTS (PIMA)**

**1. EMPLOYEES**

a) State the number of employees in each of the following Departments /Positions:

i) Management \_\_\_\_\_

ii) Accounts / Financial \_\_\_\_\_

iii) Computer \_\_\_\_\_

iv) Others \_\_\_\_\_

(if applicable please specify)

b) Has the number of employees changed much over the past 12 months, and are you expecting any major future changes ? YES  NO

If Yes; please provide particulars :

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c) How many of your employees are based outside the borders of South Africa ?

\_\_\_\_\_

d) Are previous employers contacted prior to employment of new staff ? YES  NO

e) Is at least one other reference checked ? YES  NO

**2. ACCOUNTING SYSTEM**

If any of the following questions are answered with "No", describe your system in each instance.

a) Are cash and cheques deposited daily ? YES  NO

- b) Do the employees who reconcile the monthly bank statements also either:
- i) sign cheques? YES  NO
- ii) handle deposits? YES  NO
- iii) have access to cheque signing machines or signature plates? YES  NO
- c) Are monthly statements sent to customers by post? YES  NO
- \_\_\_\_\_
- \_\_\_\_\_
- d) Is countersignature on all cheques required? YES  NO
- \_\_\_\_\_
- \_\_\_\_\_
- e) Describe the controls relating to access to cash, cheques & safes.
- \_\_\_\_\_
- \_\_\_\_\_

### 3. **REMUNERATION**

- a) Describe the procedures employed in the payment of salaries and wages.
- \_\_\_\_\_
- \_\_\_\_\_
- b) How often and by whom is the payroll checked against a staff register?
- \_\_\_\_\_

### 4. **AUDITS**

#### INTERNAL AUDITS

- a) Are there internal audits performed in addition to the external audits? If Yes; how often? YES  NO
- \_\_\_\_\_
- \_\_\_\_\_
- i) Does the internal audit include all locations? YES  NO
- ii) Are accounting systems consistent at all locations? YES  NO
- iii) Are "surprise audits" made on a regular basis? YES  NO

b) Are all your operations, including the branches to be included in this insurance, audited on a regular basis? YES  NO

c) When was the last internal audit carried out?  
\_\_\_\_\_

**EXTERNAL AUDITS**

a) Is your statutory annual audit carried out by an independent firm of Chartered Accountants or professional auditors ? YES  NO

b) State their name \_\_\_\_\_

c) How long have your books been audited by this firm ? \_\_\_\_\_

d) Are these audits complete and unqualified? YES  NO

If No, please describe the limitations:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

e) Are all branch offices to be included in this cover audited individually? YES  NO

f) When was the last audit carried out ?  
\_\_\_\_\_

**5. COMPUTER CONTROLS**

a) Are electronic machines used to transfer funds? YES  NO

If Yes, attach a copy of the procedures.

b) Do persons other than employees have physical or electronic access to your facilities? YES  NO

If Yes, describe the controls in place.  
\_\_\_\_\_  
\_\_\_\_\_

c) Are passwords changed at regular intervals and always after an employees service is terminated? YES  NO

If passwords are not used, describe alternative methods used.  
\_\_\_\_\_  
\_\_\_\_\_

- d) Is the use of terminals restricted only to authorised personnel? YES  NO

## 6. ELECTRONICS FUNDS TRANSFER

- a) Annual Rand value of funds electronically transferred : R \_\_\_\_\_  
Average daily amount. R \_\_\_\_\_

- b) Are dual signatures required? YES  NO   
If Yes, for what amounts? R \_\_\_\_\_

- c) Are all transactions audited? YES  NO   
If Yes, by whom? \_\_\_\_\_  
How often? \_\_\_\_\_

- d) Does the bank acknowledge transfers? YES  NO   
If Yes, describe by what means

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- d) Is there a separation of duties between those who are authorised to approve electronic funds transfers and those who release amounts into the computer? YES  NO

## 7. LOSS HISTORY

- a) During the last five (5) years, did you suffer any Fidelity Guarantee loss of money and/or other property belonging to you or for which you were responsible, or did you suffer direct financial loss as a result of fraud by or dishonesty of an employee? YES  NO

If Yes, please provide full details and remedial actions taken to prevent a similar loss in future:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## 8. INSURANCE HISTORY

1. Are you in the present of have you in the past held Fidelity Guarantee Insurance? YES  NO

If Yes, please state:

- a) Name of Insurers \_\_\_\_\_

- b) Indemnity Limit \_\_\_\_\_
- c) Excess (each and every claim) \_\_\_\_\_
- d) Date of expiry of coverage \_\_\_\_\_
- e) Retroactive Date \_\_\_\_\_

2. For the type of Insurance now being Proposed, has any Insurer ever:

- a) Declined Proposal or renewal? YES  NO
- b) Required an increased premium or imposed special terms? YES  NO
- c) Cancelled the Insurance? YES  NO

If any answer is Yes, please provide full details.

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## 9. **REQUIRED COVER**

a). Please state the amount of indemnity required by ticking the correct box.

R1,000,000	<input type="checkbox"/>
R2,500,000	<input type="checkbox"/>
R5,000,000	<input type="checkbox"/>
R10,000,000	<input type="checkbox"/>
R20,000,000	<input type="checkbox"/>

b). Please state the Deductible requested:

R10,000.00	<input type="checkbox"/>
R15,000.00	<input type="checkbox"/>
R30,000.00	<input type="checkbox"/>

### **Nama Members**

R5,000.00	<input type="checkbox"/>
R10,000.00	<input type="checkbox"/>
R25,000.00	<input type="checkbox"/>

- c). Do you require cover in respect of liability incurred but not discovered prior to the effecting of this insurance at a single premium to be negotiated? YES  NO

## **DECLARATION**

We declare that the statements and particulars in this Proposal Form are true to the best of our knowledge and belief and that we have not misstated, suppressed or omitted any material facts.

We agree that this Proposal Form together with any other information supplied by us shall form the basis of any contract of Insurance effected thereon and shall be incorporated therein.

We undertake to inform Insurers of any material alteration of these facts whether occurring before or after completion of the contract of Insurance.

Signing this Proposal Form does not bind the Proposer to complete this Insurance.

We acknowledge that if this proposal is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by Phoenix Underwriting Managers (Pty) Ltd.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_ 20\_\_\_\_

FOR AND ON BEHALF OF: \_\_\_\_\_

SIGNED BY:

\_\_\_\_\_

Chief Executive Officer/ Managing Director  
(or other Senior Officer if the Chief Executive Officer is also the Chairman, Board of Directors)

\_\_\_\_\_

Chairman, Board of Directors

**PLEASE NOTE: This Proposal Form should be completed by YOU and signed by YOU. If the Proposal Form has been completed by your BROKER, review the Proposal Form before signing it. DO NOT sign a BLANK Proposal Form.**