**LOCAL GOVERNMENT ASSOCIATION OF TASMANIA**

**01 January 2021 – 01 January 2022**

 **CRIME INSURANCE PROPOSAL FORM**

**1.** **GENERAL INFORMATION**

Name of Council \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimated Turnover for the forthcoming period:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Estimated Wages for the forthcoming period: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sum Insured: ­­­­$500,000 / $1,000,000 / $1,500,000 / $2,000,000 / Other: \_\_\_\_\_\_\_\_\_\_\_\_\_

Deductible / Excess: $10,000 / Other: \_\_\_\_\_\_\_\_\_\_\_\_

**2. EMPLOYEE CLASSIFICATION, EMPLOYMENT AND HUMAN RESOURCE CONTROLS**

Do you maintain a written anti-fraud policy which is distributed throughout the entire organisation (please supply a copy of the policy if available)? [ ]  Yes [ ]  No

When recruiting or promoting employees to positions or trust involving handling of stock, money, financial or treasury functions, do you:

-undertake independent checks in their employment history? [ ]  Yes [ ]  No

-undergo a process to ensure their suitability for the position? [ ]  Yes [ ]  No

Are employees handling cash, accounts or negotiable instruments required to take uninterrupted holiday of at least two weeks every calendar year during which they are required to stay away from your premises AND perform no duties for you? [ ]  Yes [ ]  No

|  |  |
| --- | --- |
| **Classification of Employees** | **No of Employees** |
| **a.** | **Employees having responsibility for money or negotiable instruments stock and/or accounts** |
|  | Class 1: Executives, officials and employees other than those referred to in Classes 2 and 3. |  |
|  | Class 2: Executives, officials and employees primarily engaged in duties as cashiers, treasurers, paymasters, accountants handling money or negotiable instruments. Indoor sales staff handling money or negotiable instruments. Stock and stores supervisors. |  |
|  | Class 3: Employees engaged in outdoors handling money or negotiable instruments. Employees primarily engaged in the delivery of goods. |  |
|  | Class 4: Contractors/Sub-Contractors engaged in handling money or negotiable instruments. |  |
| **b.** | **All other employees not having responsibility for money or negotiable instruments, stock and/or accounts (e.g. typists, office staff not included in (a), factory hands, labourers, mechanics and the like).** |  |

**3. AUDIT CONTROLS**

Are your operations audited by an external auditing company? [ ]  Yes [ ]  No

If yes, by whom? How often?\_\_\_\_\_\_

Is there an auditor’s letter to management currently on file relating to internal control weaknesses and recommendations to improve these weaknesses? [ ]  Yes [ ]  No

(**If yes, please attach a copy**).

Has management prepared a reply? [ ]  Yes [ ]  No

(**If yes, please attach a copy**).

Have these recommendations been complied with? [ ]  Yes [ ]  No

Are internal audits performed in addition to or in place of the

outside audits? [ ]  Yes [ ]  No

If yes, how often?\_\_\_\_\_\_\_\_

**4. INVENTORY AND SECURITY CONTROLS**

Is a complete inventory made with physical check of stock and equipment? [ ]  Yes [ ]  No

If yes, by whom?\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ How often?

 Is there controlled access to all locations? [ ]  Yes [ ]  No

Are all premises containing stock, money, securities etc. connected to an intruder alarm?

 [ ]  Yes [ ]  No

Are statements of account sent to customers/suppliers regularly, and independently of council staff receiving/making payment(s) [ ]  Yes [ ]  No

**5. BANK ACCOUNT AND FINANCIAL CONTROLS**

Are Duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:

Signing cheques, authorisation of payments or cheque requisitions (including capital expenditure) above $2,000? [ ]  Yes [ ]  No

Issuing funds transfer instructions? [ ]  Yes [ ]  No

Amending funds transfer procedures and/or instructions? [ ]  Yes [ ]  No

Opening new bank accounts? [ ]  Yes [ ]  No

Refund of moneys or return of goods above $2,000? [ ]  Yes [ ]  No

Awarding contracts following a tender? [ ]  Yes [ ]  No

Are computerised cheque writing operations segregated from departments that authorise cheques? [ ]  Yes [ ]  No

Are bank statements independently reconciled with internal records and customer accounts by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers? [ ]  Yes [ ]  No

Are wages/salaries independently checked against personnel records for unusual or excessive payments? [ ]  Yes [ ]  No

Is all supporting documentation validated before authorising any form of payment? [ ]  Yes [ ]  No

If any answer above is No, please explain why not and how duties are conducted currently:

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

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-Please state the largest estimated amount held on any one day and in any one location of:

Petty Cash $

Cash Payroll $

Cheques/Negotiable Securities $

**6. COMPUTER CONTROLS**

Are computers used for electronic funds transfers? [ ]  Yes [ ]  No

 Are transfer procedures in place? [ ]  Yes [ ]  No

 Are security controls in place? [ ]  Yes [ ]  No

 If yes, describe, or attach a copy of those procedures/controls

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

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Do persons other than Employees have physical or electronic access to the Insured’sfacilities?

 [ ]  Yes [ ]  No

 If yes, describe circumstances and controls in effect

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**VOLUNTARY SURRENDER / SOCIAL ENGINEERING QUESTIONNAIRE**

|  |  |
| --- | --- |
| **Question** | **Response** |
| 1. How many individuals within the organisation are authorised to approve or execute funds transfers?
 |  |
| 1. Does the organisation have a written Policy, and have you made Employees aware of the risks of fraudulently induced payment scams such as:
* CEO/GM Fraud;
* Social Engineering;
* Voluntary Surrender;
* Fake Directors/Elected Members;
* Business Email Compromise;
* Fraudulent Vender Invoices;
* Vendor Payment Diversions.
 | [ ]  Yes [ ]  No |
| 1. With respect to funds transfer requests from a Employee of the Insured, do the Insured’s policies and procedures require:
2. The employee who received the request to verify the identity of the requesting employee and his/her authority to request such transfer, payment or delivery of funds (through a call back to a telephone number on record or an email to the address on file)
3. The employee receiving the request to obtain two (2) approval signatures for such transfer, payment or delivery of funds
 | [ ]  Yes [ ]  No[ ]  Yes [ ]  No |
| 1. With respect to a funds transfer requests from a vendor, do the Insured’s policies and procedures require:
2. Confirmation that the vendor is in fact owed such requested amounts?
3. An Employee to perform a call back or send an email to the address on file with an authorised vendor contact in advance of any change to confirm the vendor’s bank account information?
4. The Employee receiving the request to obtain two (2) approval signatures for such transfer, payment or delivery of funds?
 | [ ]  Yes [ ]  No[ ]  Yes [ ]  No[ ]  Yes [ ]  No |
| 1. Are the same controls described in Questions (3) and (4) above consistent throughout all locations?

If payment funds are centralised at a single location for your organisation, please note accordingly. | [ ]  Yes [ ]  No |
| 1. Are all employees authorised to approve or execute funds transfer requests required to attest that they have read and understand the policies and procedures described in Questions (3) & (4) above?
 | [ ]  Yes [ ]  No |

**SUPPLEMENTARY QUESTIONNAIRE (COVID-19)**

|  |  |
| --- | --- |
| **Question** | **Response** |
| 1. Has the Company been able to maintain their level of segregation, approval, and overall crime control environment in the current working conditions?

If NO, please advise how this has been managed? | [ ]  Yes [ ]  No |

**DECLARATION**

## **DUTY OF DISCLOSURE**

Before you enter into an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984. You have a duty to tell us anything that you know, or could reasonably be expected to know, may affect the insurer’s decision to insure you and on what terms. You have this duty until the insurer agrees to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

If we ask you questions that are relevant to the insurer’s decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions. Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You do not need to tell us anything that reduces the risk insured, is common knowledge, the insurer knows or should know as an insurer or the insurer waives your duty to tell them about.

If you do not tell us something

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

*We agree that this proposal 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 the company of any material alteration to 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, nor does it bind the company to accept the proposal.*

COUNCIL / AUTHORITY\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

SIGNATURE OF AUTHORISED PROPOSER \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

TITLE \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_DATE : \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**IMPORTANT INFORMATION**

**DUTY OF DISCLOSURE**

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If we ask you questions that are relevant to the insurer’s decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

Also, we may give you a copy of anything you have previously told us and ask you to tell us if it has changed. If we do this, you must tell us about any change or tell us that there is no change. If you do not tell us about a change to something you have previously told us, you will be taken to have told us that there is no change.

You do not need to tell us anything that reduces the risk insured, is common knowledge, the insurer knows or should know as an insurer or the insurer waives your duty to tell them about.

**If you do not tell us something**

If you do not tell us anything you are required to, the insurer may cancel your contract or reduce the amount it will pay you if you make a claim, or both. If your failure to tell us is fraudulent, the insurer may refuse to pay a claim and treat the contract as if it never existed.

**CHANGE OF RISK OR CIRCUMSTANCES**

Please tell us about any changes to your circumstances or business, such as any alteration of risk, location changes, new or changed business activities, as they could affect your insurances.

**AVERAGE CLAUSE – UNDER INSURANCE**

Home buildings and contents, fire, business interruption, industrial special risks and other policies often contain an average clause. This means that you should insure for full value which may be replacement, indemnity or market value depending on the type of insurance cover arranged. If you are under insured your claim may be reduced in proportion to the amount of under-insurance.

**UNREPORTED LOSSES**

Please let us know whether there are any losses which have occurred that have not been reported to us/insurers, whether you intend making a claim or not.

**CLAIMS MADE POLICY**

All or part of this policy is subject to a claims made provision. This means that claims or possible claims, must be notified to the insurer during the currency of the policy. Such a policy will not provide indemnity for claims, or possible claims, notified after the policy expires.

**NEW CLAIMS**

Any quotation we have obtained on your behalf is based on the understanding that there will be no deterioration in the claims experience between the date insurers quoted their terms and the inception date of the cover. If claims do occur during this period, insurers have the right to revise the terms quoted or even withdraw their quotation.

**HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, REMOVAL OF SUBROGATION RIGHTS**

You may prejudice your rights to a claim if, without prior agreement from your insurer, you make any agreement that could prevent the insurer from recovering the loss from a third party. These 'hold harmless' clauses are often found in leases, licences and contracts for maintenance, supply, construction and repair.

**INSURING THE INTEREST OF OTHER PARTIES**

If you require the interest of another party to be covered by the policy, you MUST request this. Most policies will attempt to exclude indemnity to other parties (e.g. mortgagees, lessors, principals etc.) unless their interest is expressly noted on the policy.

**SEVERAL LIABILITY**

Where your policy cover is provided by more than one insurer it is important to note that each insurer is only responsible to the extent of their individual subscription and there is no obligation for that insurer to make up the shortfall of any other subscribing insurer in a claim or return premium payment.

**CONFIRMATION OF TRANSACTION**

You may contact us by telephone or in writing to confirm any transaction under your policy, such as renewals and endorsements. If necessary, we will obtain the information for you from the insurer.

**COOLING OFF PERIOD FOR RETAIL CLIENTS**

If you are a retail client as defined in the Corporations Act 2001 as amended (the ‘Act’), you may be entitled to a minimum 14 day cooling-off period during which you may return the insurance policy and receive a refund of the insurance premium paid (less amounts lawfully deducted), subject to the requirements of the Act and the terms and conditions of your policy.This does not affect any other cancellation rights you may have under your policy. Please check your policy and schedule upon receipt to be sure you have the cover you require. If the cover does not meet your needs, please contact your Marsh Pty Ltd (Marsh) adviser for advice as to your rights.

**REMUNERATION AND OTHER INCOME**

Our principal remuneration for arranging insurance on your behalf is either by way of commission paid by the Insurer and/or a fee including a service fee and an administration fee to be paid by you. In the event of a mid-term broker appointment, Marsh reserves the right to retain all commission, fees and charges. **In addition to** the above Marsh and companies within the Marsh group of companies may receive income from insurers as follows: interest earned on insurance monies passing through our bank accounts; profit commissions or profit shares paid by insurers on specific classes of business; administrative service fees or expense reimbursements for limited specific services we provide to insurers as part of the placing or claims process. We will disclose any potential conflict of interest not included above which may occur and affect our relationship.

**REFUND of PREMIUMS**

In the event of any refund premium being allowed for the cancellation or adjustment of this insurance policy, Marsh reserves the right to retain all brokerage, fees and charges.

**RECEIVING INFORMATION ABOUT OTHER PRODUCTS AND SERVICES**

Marsh may, from time to time, offer you information about products and services which may be of interest to you. Please notify us if you do not wish to receive such additional information.

**BINDING AUTHORITY**

Please note that this insurance is being effected under an authority to bind cover on behalf of the insurer and that in arranging this policy we are acting as agent for the insurer.

**BINDING AUTHORITY**

This insurance is underwritten by Key Underwriting Pty Ltd (KEY) under an authority to bind cover on behalf of the insurer. In underwriting this insurance, KEY may delegate authority to certain employees of JLT. KEY and those employees of JLT act as agents of the insurer and not as your agent. JLT and KEY are related companies and KEY is an Authorised Representative (no. 403803) of JLT.

**PRIVACY POLICY**

Marsh is committed to the protection of your privacy and is bound by the Australian Privacy Principles for the handling of your information.

Marsh’s Privacy Policy can be examined by accessing our website [www.marsh.com.au](http://www.marsh.com.au) or by obtaining a copy from your Marsh adviser or the Marsh Privacy Officer (email: privacy.australia@marsh.com or on telephone number +61 2 8864 7688).

**SERVICE DIFFICULTIES**

We would like to know if you are not satisfied with our services. If you have any difficulties please contact your Marsh adviser or our Complaints Manager. Marsh subscribes to the Australian Financial Complaints Authority (AFCA) (1800 931 678), which is a free consumer service, and the General Insurance Broker’s Code of Practice. Additional information is available from your local Marsh office.

**FINANCIAL SERVICES GUIDE (FSG)**

Please refer to Marsh’s FSG [here](https://www.marsh.com/au/financial-services-guide.html) for information on the services offered by Marsh. It is designed to assist you in making a decision whether to use any of the services offered

**IF THERE IS ANY PART OF THE ABOVE THAT YOU DO NOT UNDERSTAND OR YOU REQUIRE FURTHER EXPLANATION, PLEASE CONTACT US IMMEDIATELY.**