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LLOYD'S JEWELLERS' BLOCK PROPOSAL FORM

Underwriters shall rely upon each and every response given in this Proposal Form in deciding whether to insure this risk and if so at what premium, terms and conditions. Underwriters regard every response to be material to their decisions with respect to this risk. Failing to answer or answering any question incorrectly could invalidate any policy of insurance written by Underwriters for this risk. All questions must be answered giving full details applicable to each location separately. If there is insufficient space to answer any question or questions fully answer on a separate sheet or sheets of paper, sign and date such supplementary sheet(s) and attach them to this Proposal Form. Should a policy be written by Underwriters for this risk it may have more restrictive limits and coverage than requested in this Proposal Form. Any coverage granted shall be restricted to the terms, conditions, exclusions and limitations set out in the policy. Property will only be covered within and between the U.S.A., Puerto Rico and Canada unless otherwise specifically agreed in writing by Underwriters.

1. OUR BUSINESS AND PREMISES

(a) The name of the Assured is to be:

(b) Our business or trade name is:

(c) State the names of all individual owners, partners (general or limited) and directors and officers of the business and how long each has been engaged in the jewellery trade in the U.S.A. and Canada?

Name	U.S.A./Canada	Name	U.S.A./Canada
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(d) Our premises, hereinafter referred to as the premises, are located at:

Number	Street	Floor	Room or Suite	City	State/Province	Zip/Postal Code
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(e) (i) State whether any part of **the premises** is shared with or occupied by any other party.

(ii) Is there any common access to **the premises**?

(iii) Does any other party have access to **the premises** from any other part of the building?

If the answer to (e)(i), (ii) or (iii) above is yes, please give details.

(f) The number of entrances open to the general public are and not open to the general public are

(g) What are your usual business hours and days of business?

(h) When and where was your business organized?

(i) When did your business first operate in **the premises**?

(j) Do any of the persons specified in 1(c) above have other premises used for the purpose of conducting jewellery trade?

If so give full details including why cover is not required under this Policy?

2. SALES DURING THE LAST 12 MONTHS

(a) What percentage of your sales were:

- (i) Wholesale %
- (ii) Retail %
- (iii) Pawnbroking %

(b) Did you manufacture any of your stock?

If so state the percentage of sales derived from manufacturing%

(c) What percentage of your sales represented repairs?%

3. EMPLOYEES

(a) How many employees and commission salespersons:

- (i) did you have working within the premises during the last year?
- (ii) do you have currently working within the premises?

(b) What will be the minimum number of employees, owners, partners, directors and officers within the premises at any time:

- (i) when open for business, including lunchtimes?
- (ii) when opening or closing, whether for business or not?
- (iii) other than (b)(i) and (ii) above?

(c) Do you obtain references and details of previous loss history for all new persons, including commission salespersons?

4. LOSS RECORD

State all losses (insured or uninsured) incurred by you, your business, all of the persons named in 1(c) above, and all jewellery businesses of which such persons are or have been individual owners, partners, directors, or officers, which occurred during the past 5 years involving property of the types set out in 6 below and premises buildings.

Business	Name/Assured	Date of Loss	Full circumstances of Loss	Amount of Loss	Amount Paid	Date Paid	Insurer
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5. CANCELLATIONS OR DECLINATIONS

Has any insurer even cancelled, declined to accept, renew or to continue any insurance against the risk of loss or damage to the types of property set out in 6 below or premises buildings in respect of:

- (a) any of the persons named in 1(c) above?
- (b) this or any other business for which any of the persons named in 1(c) above are or have been individual owners, partners, directors or officers?

If so please give full details.

6. LIMITS OF INSURANCE REQUIRED

1. Stock (including other people's goods)

A. At the premises \$.....

Show Window Sub-Limits	When Open for Business		When Closed for Business	
	Protected	Unprotected	Protected	Unprotected
(i) in any one window	\$.....	\$.....	\$.....	\$.....
(ii) in all windows	\$.....	\$.....	\$.....	\$.....

B. (i) In the custody of:

(a) dealers or \$.....

(b) contractors and workmen \$.....

in the jewellery trade not in the employment of or associated with the Assured.

Note: (i) Stock deposited for safekeeping while travelling is covered under D below.
(ii) Commission salespersons are not deemed to be dealers.

(ii) In safe or vault of a bank or safe deposit company

C. In course of transit by:

- | | | | | |
|-------|-----------------------|---------|---------------------------------------|---------|
| (i) | Registered Mail | \$..... | (iv) Other carriers (please specify): | |
| (ii) | Registered Airmail | \$..... | (a) | \$..... |
| (iii) | Armoured car services | \$..... | (b) | \$..... |
| | | | (c) | \$..... |

D. Elsewhere but excluding stock which is or could be covered under Sections A, B or C above or which is otherwise limited: \$.....

6. 2. Money in Locked Safe at **the premises** against the peril of Safe Burglary. \$.....
3. Patterns, Moulds, Models and Dies at **the premises**. \$.....
4. Furniture, Fixtures and Fittings, Equipment, Machinery and Tools at **the premises**. \$.....
5. The Assured's interest as tenant in improvements and betterments to **the premises**. \$.....

COVERAGE UNDER LIMITS 3, 4 & 5 ARE SUBJECT TO 80% CO-INSURANCE

7. EXTENSIONS OF COVERAGE

- (a) Do you wish to insure property against:
- (i) Flood? (Full particulars of flood exposure to be given)
 - (ii) Earthquake? (Available only when Fire and Extended Coverage are included)
- (b) (i) Do you wish to insure property at fairs, markets, shows and exhibitions which you plan to attend during the policy period?
If such coverage is required list the names, locations, values and limits required for each.
- (ii) Is coverage required for travel to and from such fairs, markets, shows and exhibitions?

8. OPTIONAL AND ADDITIONAL COVERAGES REQUIRED

- (a) Do you wish to insure property at **the premises** against Fire and Extended Coverage?
(If the answer to 8(a) is 'Yes' the appropriate rates must be inserted in the Section at the end of this form.)
- (b) State any other coverages required?

9. PREMISES PROTECTION (Attach copies of all Underwriters Laboratory Certificates in respect of questions 9 and 10.)

(a) **BURGLAR ALARM SYSTEMS**

Are **the premises** protected by a fully operating Mercantile Burglar Alarm System?

If so state:

- (i) Whether such system or systems are Central Station Alarms..... OR Local Alarms.....
- (ii) The Extent of Protection (1, 2 or 3)..... The Grade of Protection (A, B, AA, BB etc).....
- (iii) The name of the alarm company(s).....
- (iv) The Underwriters Laboratories Certificate No..... Expiration date.....
- (v) Whether the system incorporates an ambush or distress signal facility or feature?.....
- (vi) Whether the alarm company monitors and record each arming and disarming of the system?.....

9 (b) HOLDUP ALARM SYSTEM

Is there a Central Station Holdup Alarm System protecting **the premises**?

If so state:

- (i) The total number of signal buttons.....The number of portable signal buttons.....
- (ii) The name of the alarm company.....
- (iii) The Underwriters Laboratories Certificate No..... Expiration date.....

(c) **SECURITY CAMERAS**

- (i) Are **the premises** equipped with a Video Security system?
- (ii) Do all such systems incorporate recorders
- (iii) Are such systems in operation at all times when the Assured or an employee of the Assured is on the premises?

(d) **OTHER PROTECTIONS**

Does **the premises** have:

- (i) double door entry/exit system with mantrap?
- (ii) a buzzer entry/exit system?
- (iii) a uniformed armed guard?

If so state:

- (a) the hours of duty;
- (b) whether or not any such guard(s) is under contract from a licensed security firm;
- (iv) any other protections?
- (v) give details as to (i), (ii), (iii) and (iv) above.

10. GIVE FULL PARTICULARS OF:

Safe/Vault No.1

Safe/Vault No. 2

(a) **ALL SAFES AND VAULTS ON THE PREMISES**

in which property is kept including details of any Time Locks, and/or Relocking devices

fitted.

Name.....
Model.....
Underwriters Laboratory (U.L.)
Class or rating.....

Lock Details.....

Name.....
Model.....
Underwriters Laboratory
(U.L.)
Class or rating.....

Lock Details.....

10. (b) BURGLAR ALARM SYSTEMS

protecting each safe or vault

(i) **Complete Alarms**

Name.....

Central Station or Local.....

U.L. Cert No.....

Expiry date.....

Name.....

Central Station or Local.....

U.L. Cert No.....

Expiry date.....

(ii) **Partial Alarms.**

Name.....

Name.....

Central Station or Local..... Central Station or Local.....
 U.L. Cert No..... U.L. Cert No.....
 Expiry date..... Expiry date.....

11. PROTECTION MAINTENANCE

- (a) Are all the protections described in 9 and 10 above regularly maintained under contract with the installer or manufacturer and in accordance with the manufacturer's instructions?
- (b) Are you a member of the Jewellers' Security Alliance?

12. AT ALL TIMES WHEN THE PREMISES ARE CLOSED FOR BUSINESS THE STOCK INCLUDING OTHER PEOPLE'S GOODS WILL BE KEPT AS STATED BELOW:

- (a) At **the premises** the proportion by value of such property kept locked in each safe and vault as described and protected in 10 above will be:

Safe/Vault No.1	Safe/Vault No.2
.....%%

- (b) In safes or vaults of banks or safe deposit box companies the proportion by value of total stock, including other people's goods, will be:

Name and address of the bank or safety deposit company:

.....

13. (a) SHOW WINDOW DISPLAY AT THE PREMISES

Note: Show windows are only considered protected when: (a) glazed with Underwriters Laboratory Approved Burglary Resisting Glazing material or (b) they have swinging plate glass secondary to the window pane or (c) steel bars or a steel grille cover the entire window or (d) stock is displayed within a show or display case within the show window.

- (i) Number of show windows.....
- How many are:
- (a) protected as defined above?.....
 - (b) not protected as defined above?.....

(give full details of glazing material and any other protections to windows not protected as defined above)

- (ii) (a) Can the show windows only be accessed from the interior of **the premises**?
- (b) Are all show window, show and display cases within show windows fitted with key operated self locking locks?

If not give details.

(iii) During the term of Insurance the maximum value displayed	When Open for Business		When Closed for Business	
will not exceed:	Protected	Unprotected	Protected	Unprotected
(a) in any one window	\$.....	\$.....	\$.....	\$.....
(b) in all windows	\$.....	\$.....	\$.....	\$.....

(b) SHOW CASE DISPLAY WITHIN THE PREMISES

- (i) Is all show and display case and cabinet glazing material Underwriters Laboratory Approved Burglar Resisting Glazing Material?
- (ii) Are all show and display cases and cabinets fitted with key operated self locking locks?
- (iii) How are the show and display case and cabinet tops secured?
(State whether glued, cemented, clamped or any other method used)

14. BOOKKEEPING

- (a) (i) How often do you take and record an inventory supported by a physical count of all stock including other people's goods?
- (ii) How do you record inventories and physical counts? (e.g. computer, stockbooks, cards)
If computerised are hard copies produced and kept?
- (iii) Is your own stock accounted in your books, records and inventories at your original cost price?
If not what basis is used?
- (iv) Are all figures stated in this proposal form for your own stock shown at your original cost price?
If not state the basis used.

(v) Do you keep a perpetual inventory stock?

Note: Unless otherwise agreed by Underwriters in writing and endorsed on any policy subsequently written the basis of settlement of any claim will be as specified in General Conditions 4 and 5 of the Lloyd's O(L) Jewellers' Block Policy (USA) NMA2612 or (CANADA) NMA2613.

(b) Do your stock records and inventories record detail:

- (i) The date, description, and original cost price of all purchases of stock?
- (ii) The value, description, date of receipt and return of other peoples goods?
- (iii) The sale date and price of all goods sold?
- (iv) All other property away from **the premises** including sendings?

(c) Do you keep and maintain all entrustment and consignment notes and jeweller's, memoranda?

(d) Do your records show the names of all suppliers, consignors, memoholders, consignees, owners and purchasers in relation to (b) and (c) above?

15. INVENTORIES (as identified in Question 14 above) of all property wherever located.

If more than one premises give details for each.

(a) The last physical count inventory of our own stock was taken and recorded on (give date).....and was **exactly** \$.....

Pawnbrokers: Show separately amount actually loaned and unpaid plus accrued interest at legal rate on pledged property \$.....

(b) The previous physical count inventory of our own stock at least six months prior to 15(a) above was taken and recorded on (give date)and was **exactly** \$.....

Pawnbrokers: Show separately amount actually loaned and unpaid plus accrued interest at legal rate on pledged property \$.....

15. (c) The maximum value of our own stock during last twelve months did not exceed \$.....

Pawnbrokers: Show separately amount actually loaned and unpaid plus accrued interest at legal rate on pledged property \$.....

(d) The estimated **average** daily value of other people's property in our custody or control during the last twelve months, for any purpose whatsoever, whether insured or uninsured, was:

(i) Others in the jewellery trade \$.....

of which unset non-industrial diamonds was:%

(ii) For repair \$.....

(iii) Other customers \$.....

Note: This should NOT include property:
1. Pledged with pawnbrokers,
2. Of others in the jewellery trade deposited with the Assured for safekeeping only.

(e) **STATE THE NATURE OF STOCK** calculated from the last merchandise inventory set forth in Section 15(a) above: (excluding pledges)

1. Non-Industrial unset Diamonds%

2. Pearls (mounted and unmounted) not to include Simulated Pearls%

3. Other Unset Precious Stones%

4. Other Unset Semi-Precious and Imitation Stones%

5. Gold and Gold Chains%

6. Costume Jewellery%

7. Jewellery Mounted with Diamonds and Precious Stones%

8. Other Jewellery%

9. Watches, Watch Cases, including those in Precious Metals, those Mounted with Diamonds and Precious Stones and Attachments%

10. Other Watches, Cases, Movements, Parts%

11. Clocks (including cases, movements, parts)%

12. Silverware, Plated Ware, Pewter and Stainless Steel%

13. Jeweller's findings, Unset Mountings, Material for Manufacture%
14. Other stock (describe)%
- TOTAL%
-

15. (f) **STATE** as per last merchandise inventory as set forth in Section 15(a) above the percentage of:

1. jewellery under question 15(e) sections 5,6,7 and 8 above valued at \$250 or less%
per item
2. watches and clocks (including cases, movements and parts) valued at \$250 or less%
per item

16. STOCK INCLUDING OTHER PEOPLE'S GOODS IN THE CUSTODY OR CONTROL OF OTHERS IN THE JEWELLERY TRADE.

(a) During the last twelve months except as provided for in question 19.

- (i) The **average** total value of all such property was \$.....
- (ii) The **maximum** total value of all such property was \$.....
- (iii) The **maximum** total value of all such property with any one person or business was \$.....

(b) Do you only consign property under written agreements holding consignees responsible for all loss or damage?

17. STOCK INCLUDING OTHER PEOPLE'S GOODS KEPT IN SAFES OR VAULTS OF BANKS OR SAFETY DEPOSIT COMPANIES.

State:

(a) For what purpose and in what circumstances such facilities are used.

(b) During the last 12 months:

- (i) The average value of such property was \$.....
- (ii) The maximum value of such property was \$.....

(c) The names and addresses of banks and safety deposit companies.

18. SENDINGS

The **total value** of shipments during the last 12 months did not exceed:

(a) Within and between the United States of America, Puerto Rico and Canada by:

- | | | | | |
|-------|-----------------------|---------|---------------------------------------|---------|
| (i) | Registered Mail | \$..... | (iv) Other carriers (please specify): | |
| (ii) | Registered Airmail | \$..... | (a) | \$..... |
| (iii) | Armoured car services | \$..... | (b) | \$..... |
| | | | (c) | \$..... |
-

18. (b) To and between any other countries or territories by:

- | | | | | |
|-------|-----------------------|---------|---------------------------------------|---------|
| (i) | Registered Mail | \$..... | (iv) Other carriers (please specify): | |
| (ii) | Registered Airmail | \$..... | (a) | \$..... |
| (iii) | Armoured car services | \$..... | (b) | \$..... |
| | | | (c) | \$..... |

State any other countries or territories: _____

19. TRAVEL - PERSONS HAVING STOCK INCLUDING OTHER PEOPLE'S GOODS IN THEIR CUSTODY OR CONTROL OUTSIDE THE PREMISES DURING THE LAST 12 MONTHS.

Note: 1. All such properties carried and all persons who have carried such property outside **the premises must** be reported in this section. Commission salespersons **must** be identified as such and will only be covered under sub-limit 1D(i) specified in the Policy Schedule.

2. Unless specifically agreed in writing by Underwriters in advance and endorsed on the Policy, there shall be no coverage for property carried by persons not listed below other than messengers and travelling salespersons not carrying goods for the Assured prior to the inception date of this Policy, for whom cover shall not exceed \$10,000 or the Section 1D(ii) sub-limit specified in the Policy Schedule **whichever is the smaller amount.**
3. Cover for such property carried outside **the premises** only applies under policy section 1D.

(a) In cities or towns in which **the premises** are situated.

NAME AND HOME ADDRESS	Age	Position and Job Title	How long engaged as a salesperson in USA/Canada Jewellery Trade	Number of Days Travelling	Average Amount	Maximum Amount

(b) Elsewhere in the United States, Puerto Rico and Canada.

(c) Elsewhere (identify places):

20. PROPERTY OTHER THAN STOCK AND OTHER PEOPLE'S GOODS.

State the actual cash value of:

- (a) Patterns, Moulds, Models and Dies at **the premises** \$.....
- (b) Furniture, fixtures and Fittings, Equipment, Machinery and Tools at **the premises** \$.....
- (c) Tenants Improvements and Betterments to **the premises** \$.....

Note: Available only when the Assured is not the building owner.

21 OTHER MATERIAL FACTS

Are there any other material facts regarding the risk to be insured or the persons identified in 1(c) above, their employees and commission salespersons which should be disclosed to the Underwriters for their consideration?

If the answer is yes give a detailed explanation.

Note :	A material fact is one likely to influence assessment and acceptance of this risk, the premium charged and the terms and conditions imposed by Underwriters. If you are in any doubt as to what constitutes a material fact you should declare it. ALL the information requested in this proposal form is material.
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I/We declare that the answers and declarations above, whether in my own hand or not, are true and that I/We warrant that no material fact has been withheld or mis-stated and agree that should a policy be issued this Proposal Form will be attached to and form part of the policy and will form the basis of the contract with Underwriters. I/We agree that the answers and declarations shall constitute material warranties of any policy issued. I/We further understand that the Underwriters may declare any policy issued void in the event of any false statement, misrepresentation, omission or concealment in this Proposal Form whether made intentionally, innocently or accidentally.

Note :	This Proposal Form must be answered and the declaration signed and dated in ink by one of the persons named in 1(c) above.
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Date Signature of Proposer:

(Print name):

Position and Title held

within the business:

QUESTIONS TO BE ANSWERED BY BROKER

1. Do you know the Proposer or Proposed Assured personally?
If so for how long?
2. Did you receive this Risk direct from the Proposer?
3. Do you handle other insurance for the Proposer or Proposed Assured?

4. Is this risk a renewal to your brokerage?
If so how long have you placed insurance on this risk?
5. Have you visited the premises of the Proposed Assured?
6. Do you recommend the Proposed Assured and this risk for insurance?
7. If Fire and Extended coverage is required state contents FEC Rates for highest percentage of coinsurance permitted, as published by the rating organisation having jurisdiction. (If more than one location give rates at each)

Location 1 Rate.....with.....% Co.Ins.

Location 2 Rate.....with.....% Co.Ins.

Signature

Name of Brokerage

of Broker

Address

Print name

.....

Date

.....

9/3/95
NMA2615