

Your policy constitutes your contract with Insurers, you should check it to ensure that you are happy with the declared sums insured and the terms and conditions that are applicable. Furthermore, as your proposal form forms the basis of the contract with Insurers and or Underwriters you should make certain that all the information shown is accurate and to the best of your belief.



- *If the policy or register does not fulfil your requirements in any way, it should be returned to us for amendment.*
- *If there is a change in your circumstances which could affect your risk, you should notify us immediately.*
- *If any matter or incident occurs which might result in a claim under the terms of your policy, it is again imperative that you let us know immediately, reporting all the relevant facts.*
- *If you are unfortunate enough to suffer a loss and a statement of fact is given to the police, always ask for a copy before you sign it so that you know what you have said. Insurers like to see this information and it helps to record the circumstances of the incident for future reference.*

This booklet contains information relevant to your business which we hope you will find useful. In attempting to provide a complete service, we have put together a number of suggested security procedures, drawn from our specialist experience. These suggestions, when implemented, will reduce and control your risk - thereby presenting fewer opportunities for misfortune to occur. *If you require any further assistance, please contact Leonard Ormonde of M & N Insurance Service Limited 248 Hendon Way London NW4 3NL on 020 8202 4474 (Fax 020 8202 1943) or The London Diamond Bourse & Club 020 7404 4022.*

## **SAFETY & SECURITY**

### **'Opening & Closing Procedures'**

When securing premises, strict opening and closing procedures should be adopted whenever possible. As a general rule, it is a task that should not be undertaken alone. It is far better for two responsible, alert colleagues to carry out the procedure acting in tandem.

- *The person with the keys to any safe or strong room etc. should wait outside while a colleague enters the premises.*
- *The person inside should then undertake a thorough search of the premises, criminals often effect entry overnight and secrete themselves on the premises to await the arrival in the morning of staff carrying keys to safes.*
- *When the search is complete, a suitable visual sign or a call should be made to your colleague carrying a mobile phone to inform them that it is safe for them to enter the premises. If available, always carry your portable panic alarms.*
- *If you share premises with other tenants and there are WCs on the landing/s, make sure that these rooms are kept locked as thieves often use these locations to launch their attacks. This applies especially during business hours.*

Whatever method you chose, you should agree a code / system in advance, so if anything untoward happens, you can alert the waiting colleague outside that all is in order - or alternatively that the alarm be raised immediately!

A similar procedure should be adopted when securing the premises at the close of business. One person leaves with the safe / strong room keys, and only when a suitable distance away gives a pre-arranged signal

to a waiting colleague that everything is in order. The waiting colleague then secures the premises on leaving it.

***Please remember that at night, or during temporary closure during the day, you may only leave goods out of the safe/s up to the sum declared on the proposal form. If you intend go above this limit, you must notify us beforehand, failure to do so can result in Insurers refusing indemnity in the event of a claim.***

## **GENERAL SECURITY PROCEDURES**

When opening or closing the premises follow the agreed procedure using at least two people whenever possible. When opening or closing do not admit anybody until you are ready to commence trading - unless you know them. Keep stock out of public reach by locking the counters, displays and window enclosure doors. Make sure that the glass on your display cabinet/s is secured with strong glue and brackets to prevent thieves from lifting the glass with a coin to steal the stock. If the entrance to your premises is on a landing, fit mirrors set at angles and cameras to eliminate those "hidden" areas.

- ***Never: allow customers to view more than one item at a time.***
- ***Never: display a pad or roll, etc as one item across counters.***
- ***Never: leave customers alone with stock.***
- ***Never: leave shops unattended - always make sure that staff cover is sufficient.***
- ***Never: leave goods unattended.***

In so far as retail shops are concerned, it is worthwhile adopting a procedure whereby the front door is closed if you are showing unknown customers expensive pieces of jewellery. Hide your main video recorder and have a working dummy video recorder on view. Monitor the quality of your tapes and change them when appropriate.

- ***Avoid working alone on the premises. If extra hours are necessary, co-ordinate hours of work with colleagues so that you are never alone.***
- ***Change or dress window displays only when the shop is closed.***
- ***At night, remove all keys to the safe/s and lock keys to the display units inside a safe.***
- ***Vary the times of visits to the bank, Assay office or customers etc and when carrying large sums of cash, ensure you are accompanied.***
- ***Use panic buttons when under attack – or even if in doubt – better safe than sorry.***

Never leave stock or cash unattended in motor vehicles. If you have to take stock home, you must not leave it unattended unless secured inside a locked safe. Whenever deliveries are made to the premises, check the quantities and weights carefully. Note any discrepancies on the documentation before you sign it and report the matter accordingly. Keep safes closed as much as possible during the course of trading.

Always be on the lookout for:

- ***Snatches***
- ***Diversions - watch for thieves working in pairs or bigger teams as "confusion" can often be a creative ruse.***
- ***Theft by trick, substitution, or sleight of hand.***
- ***Bogus delivery men, tradesmen, sales representatives, or anybody suspicious-especially when you are opening or closing.***

## *SECURITY AWARENESS*

Display security posters in a prominent position, eg. "Video Scan with recording". The "Time Lock" stickers should be displayed on your safes or in an area where they can be seen by callers or visitors.

## *PROTECTIONS MAINTENANCE*

Your Insurers have agreed to underwrite certain risks of your business on the basis of the information supplied to them.

This includes its security protections and safeguards, and those referred to in the proposal, which form the basis of the acceptance. **Therefore, the protections and safeguards must not be withdrawn or varied in a such a way that it could be interpreted as a being to the detriment of your insurance.** If at any time your protections are reduced (as a result of faulty equipment, or withdrawal of police response etc.) then your insurers must be notified immediately. Whenever such a problem occurs or if you are in any doubt, call us and we will advise you accordingly.

**Please ensure that following an activation of the alarm, either you or a key holder or a key holding service are able to attend the premises immediately.**

## *FALSE ALARM PROCEDURE*

Continual false alarms can eventually result in police response being withdrawn. Good communications however, can reduce the likelihood of having your service withdrawn. **Immediately a false alarm occurs in it is imperative to:**

1. Identify and rectify the problem.
2. Renew any faulty parts, if it persists. If the problem is a line fault, report it in writing and ensure that you obtain an acknowledgement.
3. Keep copy correspondence to show your policing authority as evidence of your attention to the problem.
4. If you receive a letter from the police warning of a service being withdrawn, advise us immediately.
5. After consulting with us, monitor the alarm condition yourself by instructing your alarm Central Control to call you or your appointed key holders to attend your premises. Never do this alone - it may be a genuine alarm condition or a ruse to get you to the premises. There are many helpful security aids such as mobile phones, portable panic alarms etc. to assist you in these circumstances. Of course, if the alarm is a genuine one, call the police directly.
6. If ever your service is suspended, it is vital that you adopt a procedure similar to that indicated above. Please feel free to ask us about anything you may wish to implement, so that we may obtain Insurers agreement. Most police forces will respond to a citizen's report of a crime, even if the response to that particular premises has been suspended. Police forces also usually respond when a panic alarm is activated - even if service has been withdrawn.

Whatever you do, take steps to avoid suspension - respond to police notices and let them know that you are attending to the problem and always keep us advised. Your business is at risk and the benefits of your policy may be seriously reduced if your alarm is not operating fully.

Many small businesses consider it unnecessary to maintain detailed stock records - their system is often gauged by stock held or balance of funds (or overdraft) at the bank. Many Insurers accept this situation, but just as nobody pays for goods without tangible proof of receipt, Insurers are unable to issue payment of claims which cannot be substantiated by supporting documentation. When dealing with stock, remember the basis of valuation you selected when you completed the proposal form. If you opted for cost plus 10%, you must reflect this increase in all the subsequent sections of cover. The trauma of armed robbery, for instance, is unpleasant enough, but when insufficient records are kept the situation is a further compounded.

Inadequate records and inability to demonstrate a loss will inevitably lead to a compromise settlement. In such cases, there are no hard and fast rules. Each claim is treated on its own merits, and factors such as personal injury, previously losses and a trading history will all colour an Insurer's attitude to a claim. This can reflect the degree of compromise in the settlement offered.

If insured, your consequential loss of profits policy will only provide cover for a reasonable period required to reinstate business to its former level. It is likely that the delays caused by inadequate records will not be allowed within a commercial environment.

Most companies maintain purchase and sales ledgers and undertake annual stock checks. If these are the only available records, then with a great amount of work, it may be possible to reconcile the purchases and sales right back to the last stock check and estimate the amount of that has been stolen. This rarely leads to an exact settlement, and the delays caused can be lengthy. It is our experience that losses incurred in a compromise settlement generally outweigh cost-savings achieved through inadequate record keeping.

For manufacturers and wholesalers, it may not be possible to have an itemised stock record like an owner of a retail shop, however, a continuous record of goods sold or purchased by weight would be acceptable to Insurers. This fact should be noted on the proposal form. For retailers, it might be worthwhile taking a weekly or monthly video of stock held on display as this would assist matters in substantiating a loss.

Additionally, there are other benefits in maintaining a comprehensive record system. For example:

- 1. All stock movements are automatically recorded.*
- 2. The ability to trace from supply through the manufacturing process to sale.*
- 3. Historical and current stock valuations.*
- 4. Replacement cost ability allowing for fluctuating gold prices.*
- 5. Simple stocktaking.*
- 6. Management reporting and analysis of sales and costs.*

There are a number of computerised stock recording systems suitable for various aspects of the jewellery trade. Many policyholders appear to believe that their business is unlikely to suffer an armed robbery. Such an attitude is foolhardy and short-sighted. Think ahead and make the investment in comprehensive up-to-date, stock-keeping records.

In the event of a claim, the company that is in a position to demonstrate concisely the loss it has suffered, should receive favourable treatment from its Insurers by swift settlement.

It is often common practice for goods to be entrusted to an outside party, sometimes as part of the

manufacturing process or for repair or on approval. A formal approbation note traditionally establishes that ownership remains with the supplier, and that responsibility lies with the outside party when goods are released on approval. However, the terms between manufacturers and outworkers, for instance, are often not so clearly defined. In order to establish correct trading terms, the following procedures are recommended:

### ***Outwork manufacturing***

Ideally, each “outwork” or delivery note should state that goods entrusted are the outworker’s responsibility, and that any loss, damage or shortage is to be borne by them. It is advisable to incorporate a wording such as: “These goods are passed to you, but shall remain our property at all times. They are passed to you on the express understanding that you are your responsible at all times for any loss or damage, howsoever caused, and that you will insure and take all responsible steps to ensure their safekeeping”.

Where documentation of such procedures is less formal, it may well be easier to establish Terms of Trading with regular outworkers by dispatching a letter to them. This will casually establish a form of contract between you, and you will be able to state the responsibility of each party therein.

### ***Approbation goods***

There are several accepted forms of wording to be used on Approbation Notes which should accompany goods entrusted to an outsider. It is always advisable to use one of them. Here is an example:

"The goods listed below are delivered for inspection only and remain the property of ABC Company Ltd and are subject to their order. The goods will be returned immediately upon demand, and until returned to them and actually received will remain at your risk from all hazards, regardless of loss or damage. No right or power is given to you to pledge or otherwise dispose of this merchandise regardless of prior transactions. A sale of this merchandise can only be affected and title will pass only if, as and when the said ABC Company Ltd shall agree to such sale and a bill of sale tendered."

It is essential to state clearly the quantities and / or weights of the entrusted goods. It is not sufficient to accept traditional informality and trust as a precedent for lax trading terms. These days it is imperative to demonstrate where responsibility lies. Normally each party, if adequately covered, will be insured to protect their own rights and interests. Wording so used in this section are for guidance only.

The laws regarding ownership and title are complex and you are advised always to take expert legal advice.

**Please be careful to whom you entrust your goods as you should remember that the policy will not cover you for loss of or damage by theft or dishonesty or dishonest deception committed by:**

- a) **any servant or traveller or messenger in your exclusive employment, or**
- b) **any customer or broker's customer or agent in respect of property entrusted to them by you, or your servants or agents.**

## ***TRAVELLING WITH JEWELLERY***

A Jewellers block policy has traditionally provided extensive cover for sales people who carry expensive jewellery, precious stones or metals. As stated earlier, always be on the look-out for anything out of the ordinary. Once in your car, lock the doors and windows. If your car suddenly develops a puncture or engine trouble or the like, make contact with the Police and seek immediate advice. Be aware that people might try to stop and attack you by appearing to be helpful. Pointing at your wheels is the classic ruse. We strongly recommend that when carrying goods that you are in possession of a mobile phone. It would also be prudent to carry a list of the items that are in your control during the trip.

**Never put your business papers in the same bag/s as your goods**, as these may be required to substantiate your loss. If you think that you are being followed, or if the environment does not seem safe, you should make contact with the Police. Always vary the routes you use. Although appointments with customers have to be made, try not to be too specific about the time, especially when meeting new customers. High value items should be kept on your person using the special trade carrying jackets where possible. Be careful when showing your goods in a jewellers shop. The public in a shop may notice your goods and may follow you.

The carrying bag should attract the least attention. There are now bags on the market that have detonating devices that emit smoke in the event of a snatch. Please contact us for further information. Whilst the scope of cover is very wide, there are few specific exclusions, however this does not really relieve the policy holder of their duty of care, - a prerequisite of any insurance policy, so beware of the implications for example:

### ***Hotel Rooms***

This is generally not excluded, which means that the risk is covered, however, each set of circumstances must be considered on its own merits. Always use the hotel safe/s whenever possible. If you have the benefit of a 24 hour unattended vehicle cover, it may be better to leave the goods in your car whilst you have dinner or breakfast, but always remove the goods to the hotel safe/s or your room when you retire for the night. You must not leave jewellery in any hotel room when it is unattended.

### ***Unattended vehicles***

This clause is excluded from a Jewellers Block Policy, unless cover has been requested and agreed by Insurers. If you wish to avail yourself of this additional cover, then a clear definition of cover is required. It can be on the following basis:

- Full 24 hour cover or
- Limited between certain hours or
- Restricted to leaving the goods unattended in petrol forecourts.

**Please do not rely upon legal case history definition of unattended vehicle for your protection.**

### ***Leaving goods with customers***

This is generally not excluded. This is a good way to offload your range. Remember that each situation must be assessed on its own merits. Only leave goods with customers if the location is safer and more secure than the alternatives. A good practice is to obtain a receipt from the people with whom you have deposited the goods.

### ***The boot or passenger compartment***

Where should one carry the goods? Over the years many clients have suffered losses whilst carrying goods within the confines of the vehicle. We strongly recommend that the car boot is the safest place, providing of course there is adequate security. For example, a very stout hardened steel chain which ought to be threaded through your sample case(s) and padlocked to a security point in the car boot. For added protection against surprise attack you may also fit a padlock and chain which has to be undone in order to release the boot lid more than say 6 - 9 inches.

**Remember that even if you do have these protections in operation, you will not be insured for unattended goods from vehicles unless you have specifically requested cover in the first instance. Estate cars should not be used, when carrying stock.**

### ***Car alarm***

An up to date good quality alarm is essential, even if you do not purchase the extra unattended vehicle cover. It is likely to cause delays and aggravation to a thief. It needs to incorporate a back-up power supply, ignition immobiliser, and automatic setting with silent entry gained by key switch.

### *Car identification*

Remove any ID relating to the garage that supplied you with the vehicle. It tells a thief who to ask for a set of duplicate keys! It is said that the best of security codes used for genuine customer identification have a failure rate of 20%. Personal number plates are fun, but make it easy to identify your car as do stickers on windows etc., so it is best to avoid these.

### *On the Road*

Be wary of people asking you for directions as they approach your car or as you approach your car. If after leaving your car in good order and on returning you notice that one or more of your tyres appear/s flat, please inform the police immediately of your suspicions as this is a classic ruse used by thieves.

### *Sending goods by post*

All goods sent through the post must be sent using Special Delivery, previously known as Registered Post. When the highest compensation is selected, Insurers normally waive the standard policy excess in the event of a claim, provided of course that this basis has been agreed with Insurers. Where a maximum limit per parcel has been agreed, you should be careful to not to exceed the overall Outside Limit for any one loss. Only approved courier services such as Brinks Matt and Malca Amit should be used.

The following is a clause that was introduced 2003 by the Royal Mail and you should be aware of the implications. "4.3 the customer shall not post any package under the terms of this agreement which contains any item whose value is more than £2,500 or if the contents are a prohibited item in terms of this scheme. If the customer does post such items in breach of this clause then the customer shall indemnify Royal Mail against all such costs incurred and all claims made against Royal Mail resulting from such a breach."

This means that any customers sending items over £2,500 will not receive compensation from Royal Mail if the item is lost. They will normally be able to claim from the loss from their own underwriters. Whereas at present the excess is deemed to have been paid by the Royal Mail, if they refuse to pay compensation where goods are valued at over £2,500, the customer will have to pay any excess. Meetings have been held with Royal Mail who advised that this limit has been agreed with their trade union as part of their assessment of risk to staff from this service and it is possible that Royal Mail will be unable to raise this limit without revising safety and security procedures.

Following our telephone conversation with Linda Sicolo who operates from the Chairman's office she has confirmed to us on 05.07.04, that the above condition applies ONLY to Special Delivery items where the guaranteed delivery time is before 9.00am the following day. If however customers send items of value that are in excess of £2,500 when the guaranteed delivery time is before NOON the following day, they will receive full compensation and will not be held liable for costs incurred referred to above.

### *Life Assurance - Term Assurance - Personal Accident - Permanent Health*

If you add Personal Accident cover to your policy, it will pay out either a weekly wage and or an agreed lump sum in the event of loss of limb/s or other injuries. Those who travel on the road are more exposed to danger and it would therefore be considered prudent to take out additional protection. If you wish to consider this matter further, please feel free to consult one of our Independent Financial Advisers.

**NOW THAT YOU HAVE INSURED YOUR STOCK, YOU AS AN INDIVIDUAL ARE FAR MORE IMPORTANT AND CANNOT BE REPLACED.**

**COVER COULD INCLUDE eg: Share Protection, Loans & Overdrafts to the bank, Key Man cover, with or without critical illness, Tax Free Income for your family/ies. You could also consider insuring the lives of your key suppliers, as their illness or demise could have severe repercussions on your business. Directors and Officers insurance that protect your personal liability in a number of areas.**

**Terrorism Cover :** This cover has now been deleted and unless you purchase this additional cover, you will not be insured for this peril.

**Legal Expense Cover** provides protection in a number of areas. It covers disputes between yourself and your customer or suppliers and covers issues relating to employment law such as unfair dismissal.

**Directors & Officers** insurance can cover your personal liability on various issues such as the information you provide to your bankers and trading partners as well as the way you handle your staff.

**General** We take this opportunity to remind you that the proposal form bears a declaration that all information in it is correct and that no material facts have been withheld. We would stress therefore that should you have forgotten any fact, however irrelevant it may seem to you, for example:

- *details of other businesses (past or present) that you have or are involved with that have suffered a loss(es) even after a five year period, or*
- *if underwriters have imposed terms on your business as a result of a single or series of claims or have refused to issue or have cancelled cover or*
- *if you have any criminal record, or*
- *if you have been made bankrupt*

You let us know immediately so that we may be able to rectify any records with Insurers prior to any claims occurring. Failure to do so may well result in Insurers refusing indemnity. The foregoing applies equally to individuals and to Directors of Limited Companies.

This document is given to you as a guideline on various aspects of cover that are applicable to a Jewellers Block Policy and it does not constitute part of your policy document and it is intended as a guideline only. For avoidance of doubt in relation to your own policy wording, we suggest that if you wish, you should contact your own legal advisers for clarification of the terms and conditions contained within your policy.

**In addition to Jewellers Block Cover, we specialise in many other areas of insurance, please feel free to contact the office with your insurance requirements.**