

# PROPOSAL FORM

## FINANCIAL INSTITUTIONS PROFESSIONAL INDEMNITY



### The following documents must be submitted with this proposal form:

- (a) The latest Annual Report (and any Interim Report issued) and Financial Statements.
- (b) An organisation chart showing responsibilities and reporting lines to the Board of Directors.
- (c) A copy of the most recent auditors management letter
- (d) A copy of any Insurance Management Risk Survey the Proposer has undertaken.

### Proposal Form

1. All questions must be answered giving full and complete answers.
2. Please ensure that this Proposal Form is Signed and Dated.
3. This document is designed to be completed electronically.

**LAUW**

LONDON AUSTRALIA UNDERWRITING



## IMPORTANT NOTICES

### THIS POLICY

This policy is an important document. The policy wording and schedule together set out the cover provided, the amount insured and the terms and conditions of your insurance. Please read it carefully and keep it in a safe place.

London Australia Underwriting Pty Ltd, ABN 40 114 962 435, is a coverholder for certain Underwriters at Lloyd's. London Australia Underwriting Pty Ltd has the authority to bind this Policy on their behalf.

### YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about

### IF YOU DO NOT TELL US SOMETHING

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

### CLAIMS MADE POLICY

This Policy operates on a claims made and notified basis. This means that the Policy provides cover for **Claims** first made and **Notified** during the **Policy Period**, subject to the terms and conditions of the Policy.

The Policy does not provide cover in relation to Known Facts (as set out in the relevant exclusion) nor in relation to any actual or alleged act, error, omission or event before the Retroactive Date (if any) specified in the schedule (as set out in the relevant exclusion).

Where you give notice in writing to us of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the **Policy Period**, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the **Policy Period**. Those rights are in addition to any rights that you may have under the Policy.

### CONTINUITY CLAUSE

Where the word "policy" appears herein, the word "certificate" shall be deemed to be substituted therefore where the context allows.

### GOVERNING LAW AND SERVICE OF SUIT

**Underwriters** hereon agree that:

(a) in the event of a dispute arising under this Insurance, the **Underwriters** at the request of the **Insured** will submit to the jurisdiction of any competent Court in the Commonwealth of Australia. Such dispute shall be determined in accordance with the law and practice applicable in such Court.

(b) any summons notice or process to be served upon the **Underwriters** may be served upon the Lloyd's General Representative in Australia, Suite 2, Level 9, 1 O'Connell Street, Sydney, NSW 2000, who has authority to accept service and to enter an appearance on the **Underwriters'** behalf, and who is directed at the request of the Insured to give a written undertaking to the **Insured** that he will enter an appearance on the **Underwriters'** behalf.

(c) If a suit is instituted against any one of the **Underwriters**, all **Underwriters** hereon will abide by the final decision of any such Court or any competent Appellate Court.

### GENERAL INSURANCE CODE OF PRACTICE

LAUW and **Underwriters**, through Lloyd's, proudly support and agree to comply with the Insurance Council of Australia's General Insurance Code of Practice, except in relation to any claims adjusted outside Australia. The terms of the Code require us to be open, fair and honest in our dealings with you.

Any enquiry or complaint relating to this Insurance should be referred to the **Underwriters** in the first instance. If this does not resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to the Lloyd's **Underwriters'** General Representative in Australia, Suite 2, Level 9, 1 O'Connell Street, Sydney, NSW 2000, who will refer your dispute to the Policyholder and Market Assistance Department at Lloyd's of London. Complaints that cannot be resolved by the Policyholder and Market Assistance Department at Lloyd's of London may be referred to an appropriate external dispute resolution service. Further details will be provided at the appropriate stage of the complaints process.

**PRIVACY NOTICE**

LAUW and **Underwriters** are committed to compliance with the provisions of the Australian Privacy Principles and the Privacy Act 1988 (Commonwealth). In order for **Underwriters** to assess the risk of and provide you with insurance products and assess and manage any claims under those products, it is necessary to obtain personal information from you. If you do not provide us with this information, this may prevent **Underwriters** from providing you with the products or services sought.

If you provide us with information about someone else, you must obtain their consent to do so. LAUW and **Underwriters** may disclose your information to other insurers, their reinsurers, and insurance reference service or other advisers used by **Underwriters** or LAUW on behalf of **Underwriters** such as loss adjusters, lawyers or others who may be engaged to assist in claims handling, underwriting or for the purpose of fulfilling compliance and/or regulatory requirements. These third parties will all be contractually required to adhere to **Underwriters'** privacy obligations.

Our privacy policy contains information about how you can access the information we hold about you, ask us to correct and how you may make a privacy related complaint. You can obtain a copy of our privacy policy at <http://www.lauw.com.au/privacy-policy.php>.

Should you require access to your personal information, **Underwriters** may be contacted on (02) 8912 6400.

**A. PARTICULARS OF PROPOSER**

In respect of this proposal form the "Proposer" will be deemed to be the first named insured and all subsidiaries as listed in Appendix 1. for whom cover is sought. State the name, principal address and activity of the Proposer:

**1.** Company name:

**2.** Address:

**3.** Financial Services:

**4.** AFSL Number:

**5.** ACL Number:

**6.** Country or State of registration:

**7.** Type of company:

<input type="checkbox"/> Public	<input type="checkbox"/> Private	<input type="checkbox"/> Mutual	<input type="checkbox"/> Not for Profit
<input type="checkbox"/> Listed on the ASX - date of listing:			
<input type="checkbox"/> Listed on any Foreign Exchange - date of listing and Exchange:			
<input type="checkbox"/> Traded in any other way - Please state			

**8.** Directors / Shareholding:

Director	Shareholding

**9.** Date since the Company has continuously carried on business:

**10.** Do you require coverage for any Corporate or Non-Employed Authorised Representatives?  
 **Yes**    **No**   If Yes, please complete **Appendix 1** of this Proposal form

**11.** Please confirm the Total Gross Income for the past three years including any commissions or fees received from any person / entity named in Appendix 1 attaching:

Date as at: (dd/mm/yyyy)	Gross non-interest income (Fees and Commissions):	Gross Interest Income:	Total:

**12.** Percentage Income split derived from Wholesale versus Retail Clients

Wholesale %  Retail %

**13.** Percentage Income split between Fee for Service & Commission Revenue

Fee for Service %  Commission %

**14.** Does the Proposer have operations in the USA / Canada?

Yes  No If Yes, please confirm fee income and services provided:

USD\$  Services:

**15.** At the dates indicated what approximate percentage of the Proposer's Gross Total Revenues were derived from the following activities?

	(i)	(ii)	(iii)
Date as at: (dd/mm/yyyy)			
Loans:			
(i) Retail			
(ii) Commercial			
(iii) Interbank			
Leasing:			
Life Insurance Broking:			
Foreign Exchange Dealing:			
Options / Futures Trading:			
Securities Dealing Without Advice (Execution Only):			
Securities Dealing with Advice:			
Derivative & other trading not included above:			
Managed Discretionary Accounts:			
Commodities:			
Margin Lending:			
Investment Banking / Corporate Advisory: (Please complete Corporate Advisory Addendum)			
Mortgage Origination:			
Financial Planning: (Please complete Financial Advisers Addendum)			
Any other activity			
(i)			
(ii)			
(iii)			
(iv)			
Total			

**B. REGULATION / AUDIT / COMPLIANCE**

**REGULATION**

**16.** To which regulatory authorities are the Proposer accountable and when was the Proposer last investigated (including current investigations)?

Authority	Date of last investigation

**17.** Are there any outstanding issues from the investigation?

Yes  No

If Yes, please provide details including timeframe for implementation:

  


**18.** Did such an investigation result in disciplinary proceedings or admonishments?

Yes  No

If Yes, please provide details:

  


**EXTERNAL AUDIT**

**19.** Who are the Proposer's external Auditors?

**20.** Has the auditor changed in the past 3 years?

Yes  No

If Yes, please explain why:

  
  


**21.** Has the auditing firm made any material recommendations in their last two management letters?

Yes  No

**22.** Have all material recommendations been adopted?

Yes  No

If No, please explain why not:

  
  


**INTERNAL AUDIT**

**23.** How many people are employed in the Proposer's internal audit function?

**24.** Does the audit programme encompass independent checks on:

(a) Segregation of duties?

Yes  No

(b) Accuracy of records?

Yes  No

**COMPLIANCE**

**25.** Does the proposer have a Compliance Department?

Yes  No

**26.** Please supply details of training undertaken to meet your obligation for Authorised Representatives:

**27.** Please describe how directors and employees are kept abreast of compliance and regulatory issues throughout the group:

**RISK MANAGEMENT**

**28.** What procedures do you have in place to authenticate both:

(a) Requested changes to a third party vendor or customer bank account information held on record:

(b) Customer / client instructions to direct funds to a third party bank account recipient:

(c) If a call back procedure is required, is this to a previously established number:

Yes  No

If No, please explain why not:



**29.** Is there an independent validation of said requests by another member of staff:

Yes  No

If No, please explain why not:



**30.** What procedures are in place to validate internal fund transfer requests of the company's own funds to 3rd party recipients?

**31.** As part of:

i) Standard client agreement opening procedures; or

ii) Applications for investment accounts; or

iii) Otherwise in the course of your business:

Do customers / clients provide authority to operate cash management or other bank accounts on their behalf?

Yes  No

If Yes, please provide details and risk management procedures in place to prevent fraud and confirm level of such authority granted:

**C. CLAIMS / LOSS DETAILS**

**32.** Please describe in detail the Proposer's procedures for handling and dealing with the issues of complaint, litigation and potential claim notification at both head office and other locations. (Attach a separate sheet if necessary)

**33.** Has the Proposer ever had a policy of insurance cancelled or refused?

Yes  No

If Yes, please provide details:

**34.** After enquiry has any loss/circumstance, demand or claim of a type being the subject of this type of insurance been sustained by, identified, or made against the Proposer to which this application applies during the past 10 years.

Yes  No

If Yes, please complete the table below. State all claims / loss details whether insured or uninsured:

Date of loss	Nature of Claim / Loss (Please attach full details where appropriate including claimant <input type="checkbox"/> )	Amount Claimed (AUD \$)	Amount Paid (AUD \$)	Amount Outstanding (AUD \$)
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			
	<input type="checkbox"/>			

**35.** Please provide full details of corrective action taken to avoid recurrence of the said claims / losses.

Attach a separate sheet if necessary

**36.** After enquiry is the Proposer currently involved in any litigation as a defendant? (including counter-claims)

Yes  No

If Yes, please provide details:



**37.** During the last 10 years has the Proposer received any admonishment or what could be perceived as a critical directive from any regulatory authority?

Yes  No

If Yes, please provide details:



**38.** Is the Proposer for insurance aware, after enquiry, of any circumstances or incident which the Proposer has reason to suppose might afford grounds for any future claim such as would fall within the scope of the proposed insurance?

Yes  No

If Yes, please provide details:



**D. STAMP DUTY SPLIT**

**39.** 8. For the purpose of calculating Stamp Duty please confirm the number of employees in the relevant State of Australia:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

**E. DECLARATION FOR ALL SECTIONS**

**Other Material Facts**

Note: If there is any doubt as to what constitutes a material fact it should be declared. ALL the information requested in this proposal is material.

**40.** Are there any other material facts regarding the risk which should be disclosed to Underwriters for their consideration? (Attach a separate sheet if necessary)

Yes  No

If Yes, please provide a detailed explanation:

**DECLARATION**

We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the Proposer. After full enquiry, I/We also confirm that We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

We acknowledge that we have read and understood the content of the Important Notice contained in this proposal.

**This Proposal must be signed by a senior owner, Partner, Officer or Director of the Company and at least one other Officer authorised to sign on behalf of the company.**

Name:	Date:	Signed:
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	
Capacity:	Company:	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	

Name:	Date:	Signed:
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	
Capacity:	Company:	
<input style="width: 95%;" type="text"/>	<input style="width: 95%;" type="text"/>	



**APPENDIX 1 – NON-EMPLOYED AND CORPORATE AUTHORISED REPRESENTATIVES**

**After enquiry**

Please note that should fee income disclosed below for any one Individual or Corporation exceed 25% of the Proposer's Gross Income declared in Question 9, a separate proposal form may be required.

Name of Corporation or Individual	Date Commenced as AR	Has the AR / CAR had any Claims in the past 10 years	Staff Numbers	Fee Income Past 12 Months Net of Commission or Fees Paid to Licence Holder / Proposer
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$
		<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes provide full details)		AUD \$

**1.** Please provide details of measures in place to monitor the compliance of Non-Employed and Corporate Authorised Representatives on an ongoing basis:

**2.** Are all Non-Employed and Corporate Authorised Representatives that do not utilize the License Holder's office as their principal place of work, subject to regular and surprise audits?

Yes  No If Yes, please provide full details such as frequency and scope: