

# PROPOSAL FORM

## MANAGEMENT LIABILITY INSURANCE

### BENCHMARK



### Proposal Form

All questions must be answered giving full and complete answers.  
Please ensure that this Proposal Form is Signed and Dated.  
All declarations to be in Australian dollars.

# LAUW

LONDON AUSTRALIA UNDERWRITING



**IMPORTANT**

Please read these guidance notes before completing this Proposal Form. Please also see page 6 of this Proposal Form. Where further information is required please refer to your Broker.

**PLEASE NOTE**

This Proposal Form is for a CLAIMS MADE policy. A CLAIMS MADE policy only responds to claims made against the Insured and notified to the Underwriters during the period of insurance.

- This Proposal Form must be typed or completed in ink and signed and dated by the Proposer. Please answer every question in full and sign and date the Declaration before returning it to your broker.
- It is the duty of the Proposer to disclose all material facts to the Underwriters, as failure to do so may render any Policy voidable, or severely prejudice your rights in the event of a claim.
- For the purpose of this Proposal Form and for all purposes relating to any Policy issued pursuant to this Proposal Form, a 'material fact' shall be deemed to be one that would be likely to influence an Underwriter's judgment and acceptance of your Proposal Form. If you are in any doubt as what constitutes a material fact, you should consult your broker.
- Should there be any material change in the answers given to the questions contained in this Proposal Form prior to the inception of the Policy, the Proposer must notify the Underwriters and, at the sole discretion of the Underwriters, any outstanding quotations may be modified or withdrawn.
- Upon acceptance of the Underwriter's terms and conditions and payment of the premium, all information provided by the Proposer, including this Proposal Form, addenda (if applicable) and the guidance notes will be deemed to be incorporated in the contract between the Underwriters and the Insured and shall be deemed the basis of the contract of insurance.

SIGNING OF THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE UNDERWRITERS TO COMPLETE A CONTRACT OF INSURANCE

**1.** Full Name of the Company:

**2.** Address of the Registered Office of the Company:

**3.** Company Website Address:

**4.** Company ABN:

**5.** Please describe the nature of the Company's operations and/or industry involved in:

  
  
  

**6.** Was the Company incorporated in Australia with limited liability more than 12 months ago?  
 Yes  No  
Please state the date of incorporation

**7.** Does the Company have any of its shares or other securities listed on any stock exchange or other securities market?  
 Yes  No

**8.** Does the Company have any Employees or Locations or Assets or Shares or Funds or Subsidiary Companies domiciled or incorporated in the United States of America?

Yes  No

If "Yes" to any part of question 8, please provide full details or attach an addendum:


**9.** Is insurance sought for claims in respect of legal liabilities which fall within the legal jurisdiction of the United States of America?

Yes  No

If "Yes," does the Company earn Gross Receipts in the United States of America that exceed 30% of the Company's total Gross Receipts?

Yes  No

**10.** Does the Company have externally prepared reports and accounts in the two latest, consecutive financial years which show:

a) unqualified reports by independent accountants or auditors?

Yes  No

b) net profit (i.e. after tax, interest, etc)?

Yes  No

c) positive net worth (i.e. both balance sheets show that assets exceed liabilities)?

Yes  No

d) no litigation or disputes or contingent or extraordinary liabilities?

Yes  No

e) any and all of its debts can be paid as they fall due?

Yes  No

If "No" to any part of question 10, please provide full details:


**11.** For the most recent, fully-completed financial year, please state the following figures.

Gross Total Receipts:	AUD\$	Gross Total Assets:	AUD\$
Net Profit (Loss) After Tax:	AUD\$	Gross Total Liabilities:	AUD\$
IF ACTUAL FIGURES ARE NOT AVAILABLE THEN ESTIMATED FIGURES ARE ACCEPTABLE			

**12.** The following questions should only be answered by the Proposer after full and reasonable investigation has taken place to ascertain if the Company, Directors and Officers, employees, trustees or committee members of the Company have any knowledge relating to any of the events in question.

a) Is there any intention for the Company to be acquired by or merged with any other entity or for there to be any other material change in the ownership of the Company (including but not limited to, a management buy-out or an offering of its share capital or securities)?

Yes  No

b) Has any event of the sort referred to in question 12a) taken place in the last 12 months?

Yes  No

c) Is the Proposer aware of any claim, or circumstance which may give rise to a claim, or of any disciplinary proceeding or any complaint having been threatened or intimated or made (successfully or otherwise) against the Directors or Officers or the Company or the employees or the trustees or committee members of the Company in respect of the legal liabilities or loss to which this Proposal Form relates?

Yes  No

If "Yes" to any part of question 12, please provide full details or attach an addendum:


**13.** Can the Proposer confirm that all employee benefit and pension plans have no more than 5% of their investments in the shares or other securities of the Company and that these plans are adequately funded and are neither in deficit or 'run-off' and are approved without qualification by an appropriate independent third party?

Yes  No

**14.** Can the Proposer confirm that the following operations are always segregated so that no individual person can control any operation from start to finish without referral to another person?

a) Cheques being signed or payments being authorised above AUD\$10,000

Yes  No

b) Issuing funds transfer instructions

Yes  No

c) Amending funds transfer procedures

Yes  No

d) Opening new bank or supplier accounts

Yes  No

e) Refund of monies or return of goods above AUD\$10,000

Yes  No

**15.** Can the Proposer confirm that bank statements are always independently reconciled by persons who are not authorised to deposit and/or withdraw funds or issue funds transfer instructions?

Yes  No

**16.** Can the Proposer confirm whether an independent physical count of stock, raw materials, work in progress and finished goods is undertaken and whether the count is then reconciled against recorded stock levels? (Please write "N/A" if this question is not applicable)

Yes  No

a) How frequently is a count undertaken?

b) Were there any discrepancies discovered during the most recent count?

Yes  No

If "Yes" to question 16 b), please provide full details or attach an addendum:

**17.** Does the Company have an approved suppliers list that is regularly updated and checked by the Directors or Officers?

Yes  No

**18.** Can the Proposer confirm that all suppliers, service providers and outsourcing companies are:

a) vetted for competency, financial stability and honesty before being approved?

Yes  No

b) appointed under a written contract?

Yes  No

If "No" to any part of question 18, please provide full details:



**19.** Please answer the following:

a) Does the Company have written procedures, contracts of employment, personnel files and an employee handbook?

Yes  No

b) Does the Company minute all grievance and disciplinary hearings?

Yes  No

c) Does the Company expect there to be any redundancies or other reductions amongst its employees in the next 12 months?

Yes  No

d) Has the Company had more than 10% of its employees resign or be made redundant or be dismissed during the last 12 months?

Yes  No

e) Does the Company plan to make any amendments to the employee benefits package in the next 12 months or has it done so during the last 12 months (salary increases excluded)?

Yes  No

f) Please state the number of employees the Company has:

g) Please state the number of employees that earn more than AUD\$500,000 gross annually:

If "Yes" to question 19 c), d) or e), please provide further details:

  
  


**20.** Does any person or entity hold (beneficially or otherwise) more than 10% of the issued share capital of the Company?

Yes  No

If "Yes," please provide the names of the shareholders and the percentage of shares owned:

	%
	%
	%
	%

**21.** Please select which of the following Limits of Indemnity are sought for quotation:

AUD\$500,000     
  AUD\$1,000,000     
  AUD\$2,000,000     
  AUD\$5,000,000  
 AUD\$10,000,000     
  AUD\$20,000,000     
  Other (please state): \_\_\_\_\_

**STAMP DUTY**

For the purpose of calculating Stamp Duty, please confirm the number of employees in each relevant location:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

**DECLARATION**

The Proposer declares and warrants that after full and reasonable enquiry and to the best of his/her knowledge and belief all statements and particulars contained in this Proposal Form and (if applicable) any addenda hereto are true and that no information whatsoever has been withheld which might increase the risk of the Underwriters or influence the acceptance of this Proposal Form and that should the above particulars alter in any way confirms that he/she will advise the Underwriters as soon as is practicable.

The Proposer further declares and warrants that he/she has been duly authorised by the Directors and Officers and the Company to act as their agent in respect of all matters of any nature or kind relating to or affecting this Proposal Form and any ensuing Policy.

The Proposer understands that failure to disclose any material facts which would be likely to influence the acceptance and assessment of this Proposal Form may result in the Underwriters refusing to provide indemnity or voiding the Policy in every respect.

The Proposer hereby agrees and accepts that this Proposal Form and (if applicable) addenda hereto shall be the basis of the contract of insurance if entered into.

The Underwriters are hereby authorised, at their absolute discretion, to make any investigation and enquiry in connection with regard to this Proposal as they deem necessary.

**For and on behalf of (name of Company):**

Signature:

**SIGN** 

Name of Signatory:

Date:

Position:

**Position should be the Chairman or Managing Director or Chief Executive of the Company.**

**IMPORTANT NOTICES**

**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:

- (i) reduces the risk we insure you for; or
- (ii) is common knowledge; or
- (iii) we know or should know as an insurer; or
- (iv) 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**

This Proposal Form is for a Policy that operates on a claims made and notified basis. This means that the Policy provides cover for claims first made and notified during the period of insurance, subject to the terms and conditions of the Policy.

The Policy does not provide cover in relation to any known matters or facts nor any actual or alleged act, error, omission or event that occurred before the retroactive date (if any) specified in the Policy.

Where you give notice in writing to LAUW 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 period of insurance), 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 period of insurance. Those rights are in addition to any rights that you may have under the Policy.

**Privacy Notice**

LAUW and the Underwriters are committed to compliance with the provisions of the Australian Privacy Principles and the Privacy Act 1988 (Cth). In order for LAUW and the 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 that information, it may prevent LAUW and the Underwriters from providing you with the products or services sought.

If you provide LAUW and/or the Underwriters with information about someone else, you must obtain their consent to do so. LAUW and the Underwriters may disclose your information to other insurers, their reinsurers, an insurance reference service or other advisers used by the Underwriters (or LAUW on behalf of the 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 LAUW's and the Underwriter's privacy obligations.

LAUW's privacy policy contains information about how you can:

- (i) access the information that LAUW holds about you;
- (ii) ask LAUW to correct that information;
- (iii) make a privacy related complaint.

You can obtain a copy of LAUW's privacy policy at <http://lauw.com.au/privacy-policy.php>

Should you require access to your personal information, LAUW may be contacted directly on (02) 8912-6400.