



Proposal Form – Insurance Brokers Professional Liability

I. Applicant Details

Name of Insured:	
Address(es):	
Web Site Address:	
Establishment Date:	

II. Business Activities

2. Please state the following details:

Number of Partners/Directors/Principals: _____

Number of Professional Employees: _____

Number of Other Technical Staff: _____

Number of Trainee Staff: _____

Number of Non-Technical Staff (i.e. administration, clerical, typists etc.): _____

3. Please give the following details of all Partners/Directors/Principals:

Name	Qualifications	Years in Industry	Years as Partner /Director/Principal

If a Partner/Director/Principal has been working in the relevant industry for less than 3 years, we will require a brief resume outlining career details.

4. Please state, during the past 5 years:

(a) has the name of the Insured(s) been changed? Yes No

(b) has any other business(es) been purchased, merged or consolidated with the Insured? Yes No

If “yes”, please provide details on a separate sheet

5. Please provide details of any major new operations undertaken during the last 12 months or planned for the next 12 months:

6. Please give names of any professional organisations or associations of which the Insured or principals are members:

7. Please provide an estimate of the percentage of total annual fees for the last complete financial year from the following categories:

Personal Lines (excluding motor)	%	Life/Pensions	%
Private Motor	%	Endowments	%
Commercial Lines (excluding motor)	%	Mortgages	%
PHI/Medical	%	Marine/Aviation	%
Building Society Agency	%	Reinsurance	%
Other – please specify			%

8. Lloyd's

(a) Is the Insured a registered Lloyd's Broker? Yes No

(b) Does the Insured have any Lloyd's Agency Agreement, Lloyd's Umbrella arrangement or any other for the placement of business in Lloyd's? Yes No

If "yes", please provide full details.

9. Please give the following total gross fee income details:

Year	Hong Kong/China	USA/ Canada	Elsewhere
a) Previous Completed Financial Year			
b) Current Financial Year			
c) Estimate of next Financial Year			

10. Does the Insured operate any binding authority arrangement whereby an insurer or underwriter has granted the Insured authority to set rates, terms and conditions and/or handle claims without referral?

Yes No

If "yes", then what percentage of total brokerage income is derived from all your Binding Authorities during the last complete financial year? _____%

If "yes", then please complete Section IV - Binding Authority Supplementary

11. Has the Insured placed any insurance with insurers or underwriters outside of Hong Kong?
Yes No

If "yes", please provide details:

III. Risk Management

12. When dealing with Quotations, Renewal Terms or mid-term increases in the limit of indemnity does the Insured always confirm in writing:

- | | | |
|------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| (a) the name of the recommended insurer | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) the details of cover | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) the period of insurance | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) the premium | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (e) the period for which the quotation is open for | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (f) confirmation of binding cover | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (g) the date from when cover starts | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (h) the length of any extension of period of insurance and any special terms imposed by any extension of period? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

13. Does the Insured operate a diary system with manual back-up? Yes No

14. Does the Insured offer and promote continuous training? Yes No

If "yes", please provide details:

15. Are client funds kept in a properly designated client account which is separate from the bank account of the Insured? Yes No

IV. Binding Authorities Supplementary

If the Insured does not have any binding authority arrangement, then you can leave this section blank. However, if you do, then please provide the following details:

16. Name of Insurer(s) who grants the Binding Authority to the Insured(s)

17. The specific class of business to which the Binding Authority relates to (i.e. motor, household, public liability etc.)

18. What is the maximum limit permitted under the Binding Authority? _____

19. Is the Binding Authority in written form? Yes No

20. Is the Binding Authority for an annual period with a specific renewal date? Yes No
If "no", please provide details:

21. Does the Binding Authority specify those individuals who have authority under the agreement? Yes No

If "no", then do you restrict the authority only to senior staff who has a minimum of three years insurance experience? Yes No

If "no", please advise how do you ensure that the terms of the Binding Authority are not breached?

22. Does the Binding Authority state that the Insurer(s) will hold you harmless in respect of any error you make in the operation of the Binding Authority? Yes No

23. Does the Binding Authority state that you will indemnify the Insurer(s) in respect of any error you make in the operation of the Binding Authority? Yes No

24. Do you delegate the Binding Authority to any other party? Yes No

25. Is the Binding Authority:

(Please choose **one** of the following options)

(a) Non-discretionary with no deviation from the Binding Authority in respect of the type of risks, the rates, the period of insurance or the policy wording, applicable, as specified in the Binding Authority? Yes No

(b) Non-discretionary with no deviation from the Binding Authority in respect of the type of risk, the period of insurance or policy wording applicable but with a limited amount of deviation permissible to the extent of discounts or loadings specifically outlined within the Binding Authority? Yes No

(c) Non-discretionary with no deviation from the Binding Authority in respect of the type of risk and wording applicable but deviation permissible in respect of the period of insurance or non-specified discounts or loadings? Yes No

(d) Discretionary Binding Authority with no limits in respect of the type of risk, relating, wording or the period of insurance? Yes No

26. Do you place reinsurance in respect of the Binding Authority? Yes No

27. Do you have a claims handling authority/ settlement authority? Yes No

If "yes", what is the financial limit of the authority? _____

V. Fraud & Dishonesty Coverage

28. If the Insured wishes to have coverage for Fraud/ Dishonesty, please complete the following:

(a) Has the Insured(s) sustained any loss or claim through the fraud or dishonesty of any person?

Yes No

If "yes", please specify

(b) Is the Insured(s) aware of any allegation or occurrence of fraud or dishonesty at any time committed by any past or present partner, director or employee?

Yes No

If "yes", please give details and state precautions taken to prevent a reoccurrence.

(c) Does the Insured(s) always require satisfactory references or only when engaging senior employees?

Always Senior Appointments Only

Nature of Reference

Written Verbal

(d) Is any employee allowed to sign cheques on his/her signature alone for values exceeding US\$50,000?

Yes No

If "yes", please give details on a separate sheet.

(e) How frequently are checks carried out on all entries in the cash book with paying-books, receipts, counterfoils and vouchers and reconciled with bank statements including the balance of cash and unrepresented cheques, independently of employees receiving or banking monies, in respect of monies belonging to the Insured as well as in trust on behalf of others?

Weekly Monthly Quarterly Other (please specify)

(f) Are client funds kept in a properly designated client account which is separate from the bank account of the Insured?

Yes No

VI. Insurance & Loss History

29. Is any partner, director or principal after inquiry, aware of any claims ever been made against the Insured(s) or their predecessors in business or any of the present or former partners, directors or principals? Yes No

30. Is any partner, director or principal after inquiry, aware of any circumstances or occurrences which may give rise to a claim against the Insured or their predecessors in business or any of the present or former partners, directors or principals? Yes No

If you have answered "YES" to questions 29 or 30, then full details of each matter must be advised before quotation can be considered. We must remind you that it is imperative to answer these questions correctly. **FAILURE TO DO SO COULD WELL PREJUDICE YOUR RIGHTS**, if a subsequently a claim should arise.

31. (a) Please list out details of previous Professional Liability Insurance carried during the past 3 years.

If none, then please check here

Period	Insurer	Limit	Excess	Premium

(b) Has any proposal for Professional Liability Insurance made on behalf of the Insured(s) or any predecessors in the business, or present partners/directors or principals ever been declined or has such insurance ever been cancelled or renewal refused or special terms imposed?

Yes No

If "yes", please advise reason(s).

32. (a) Please specify Limit of Liability desired:

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

(b) Deductible desired:

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE

VII. Declaration

I/We declare that the statements and particulars in this application/ proposal are true and that no material facts have misstated, misrepresented or suppressed after enquiry. I/ We agree that this application/ proposal, together with any other information supplied by me/ us shall form the basis of any contract of insurance effected between the Insurer and me/ us. I/ We undertake to inform the Insurer of any material alteration to those facts occurring before the renewal / completion of the contract of insurance.

Signed

Title
(to be signed by Partner/Director or Principal or equivalent)

Insured(s)

Date

VIII. Please Enclose with this Proposal Form

- A Brochure (if available)
- Copy of Standard Contract Terms (if available)

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