



## **Financial Institutions Civil Liability Insurance - Proposal Form**

### **Note of Applicant**

Please note that this proposal form is being completed by the **Applicant** on behalf of all Insureds (as defined in the policy).

For the purpose of this proposal form:

- **Addendum** means any supplemental addendum to this proposal form completed and signed by the **Applicant**.
- **Applicant** means the entity requesting insurance and any of its Subsidiaries (as defined in the policy).
- **AUM** means Assets/Funds Under Management.
- **Fund** includes all trusts, investment trusts, funds, partnerships, or other similar entities.
- **Investment Banking** means mergers and acquisitions, corporate advisory/finance, facility issuance, corporate restructuring or securities underwriting.
- **NAV** means Net Asset Value.
- **Proposal** means this signed proposal form, the statements, warranties, and representations herein and all attached supplementary information and materials and any **Addendum**.

**Please provide all monetary amounts in US\$ when completing the questions below.**

# 1. Applicant Details

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1.1 Name of the **Applicant**: \_\_\_\_\_

1.2 **Applicant's** main address: \_\_\_\_\_

\_\_\_\_\_

1.3 **Applicant's** country of registration: \_\_\_\_\_

1.4 How long has the **Applicant** been in continuous operation? \_\_\_\_\_

1.5 Has the **Applicant** been involved in, or been the subject of, any merger, acquisition, tender offer, buy-out or change in equity structure in the past 5 years?  Yes  No

If 'Yes', please provide full details:

\_\_\_\_\_

\_\_\_\_\_

1.6 Is the **Applicant** or any of its directors or officers aware of any plans for a merger, acquisition, tender offer, buy-out or a change in equity structure?  Yes  No

If 'Yes', please provide full details:

\_\_\_\_\_

\_\_\_\_\_

1.7 Please provide details of any party with an entitlement to greater than 10% of the ownership interests in the **Applicant**.

Shareholder	% Held
_____	_____
_____	_____
_____	_____

1.8 For the purpose of **Key Man Loss** coverage, please nominate three individuals whose death or permanent disability would have a material adverse effect on the **Applicant's** business, detailing their position held and age:

	<i>Name</i>	<i>Position at the Applicant</i>	<i>Age</i>
(a)			
(b)			
(c)			

1.9 Please state in respect of the **Applicant** the total:

<i>Number of staff</i>	<i>Current Year, 20</i> <input type="text"/>	<i>Previous Year, 20</i> <input type="text"/>	<i>US (Current Year)</i>	<i>Turnover (last year)</i>
(a) permanent employees				
(b) temporary staff and outsourced employee roles				
(c) personnel/training staff				
(d) dedicated compliance department staff				
(e) dedicated internal audit staff				
(f) directors and officers				
(g) sales staff, professional staff and any employees directly involved with third parties				
(h) support staff				

1.10 Please state the percentage split between distribution channels used by the **Applicant**:

<i>Type of distribution channel</i>	<i>Current Year %, 20</i> <input type="text"/>	<i>Previous Year %, 20</i> <input type="text"/>	<i>% in the US (Current Year only)</i>
(a) advisory staff/professional/sales staff			
(b) directly (via mail, telephone, etc)			
(c) tied-agents			
(d) independent agents			
(e) internet/e-commerce			

1.11 Does the **Applicant** monitor/audit the quality of service and advice provided by individuals, for which the **Applicant** is responsible, but who are not under its daily control and supervision (e.g. agents)?  Yes  No

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## 2. Applicant Services

2.1 Please provide the approximate percentages of the **Applicant's** total revenues which were derived from the following activities:

<i>Activity</i>	<i>Current Year%, 20</i> <input type="text"/>	<i>Previous Year %, 20</i> <input type="text"/>	<i>% in US (Current Year)</i>
(a) Loans			
(i) Retail			
(ii) Commercial			
(iii) Syndication			
(b) Trade financing			
(c) Securities trading/dealing			
(ii) Execution			
(ii) Advisory			
(d) Commodities trading/dealing			
(e) Derivatives or specialist trading/dealing			
(f) Structured financial product advice			
(g) Acting as securities broker/dealer			
(h) Acting as custodian/depositor or managing agent for securities or money			
(i) <b>Investment Banking</b>			
(j) Financial, investment or economic advisor with regard to venture capital			
(k) Financial, investment or economic advisor with regard to all other investments			
(l) Trust services (administration of trusts, estates or guardianships)			
(m) <b>Fund(s)</b> Management			
(n) Provision of insurance products or services			
(o) Acting as a dividend disbursement agent, redemption or subscription agent, warrant or script agent, fixed or paying agent, tax withholding agent, escrow agent, registrar, transfer agent or clearing agent			
(p) Acting as a tax planner and/or tax advisor to trusts, estates and individuals			
(q) Acting as a real estate broker, or providing surveying or conveyancing services			
(r) Sale of traveller cheques, certified cheques or money orders, or administration or sale of credit cards, or credit card services			
(s) Provision of legal advice to third parties			

(t) Leasing			
(u) Foreign exchange			

**Please list any other services or activities not stated above on a separate sheet**

- 2.2** Are all new products subject to a 'New Product Approval Process' which includes sign off from the business unit manager, compliance and legal department?  Yes  No  
 If 'No', please provide full details on a separate sheet.
- 2.3** Are all publications, marketing literature, or other product services communications (electronic or documentary), subject to legal review prior to their release to third parties?  Yes  No  
 If 'No', please provide full details on a separate sheet.
- 2.4** Are all advisory services rendered subject to written agreement, contractual agreement, service agreement or a letter of appointment?  Yes  No  
 If 'No', please provide details on a separate sheet.

### **3. Internal Controls**

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- 3.1** Does the **Applicant** have a fully staffed and appropriately qualified Internal Audit Department?  Yes  No  
 If 'Yes', to whom does the head of the Internal Audit Department report?

Name/Title: \_\_\_\_\_

If 'No', please detail why the **Applicant** does not have an Internal Audit Department and then proceed directly to question 4:

\_\_\_\_\_

\_\_\_\_\_

- 3.2** Are regular audits conducted by the Internal Audit Department on a risk critical basis?  Yes  No
- 3.3** Does the Internal Audit Department periodically perform independent checks on:
- (a) segregation of duties?  Yes  No
  - (b) accuracy of records?  Yes  No
  - (c) reporting procedures to management/clients?  Yes  No
  - (d) management and supervisory procedures?  Yes  No
  - (e) training requirements and competency of staff?  Yes  No
  - (f) suitability of advice provided to third parties?  Yes  No
  - (g) adequacy of systems?  Yes  No
  - (h) authority levels (appropriateness and breaches)?  Yes  No

- 3.4 Are all recommendations made by Internal Auditors implemented as soon as possible?  Yes  No  
 If 'No', please provide full details on a separate sheet.
- 3.5 Have all recommendations from the most recent external auditors review been implemented?  Yes  No  
 If 'No', please provide full details of any outstanding matters and a timeline for completion on a separate sheet.

#### 4. Regulatory and Compliance

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- 4.1 Does the **Applicant** have a dedicated Compliance Officer/Department charged with ensuring compliance by all staff with applicable laws, principles, codes and guidelines?  Yes  No  
 If 'Yes', to whom does the head of the Compliance Department report?

Name/Title: \_\_\_\_\_

If 'No', please detail why the **Applicant** does not have a dedicated Compliance Officer/Department:

\_\_\_\_\_  
 \_\_\_\_\_

- 4.2 (a) Name of external law firms routinely acting for the Applicant: \_\_\_\_\_

\_\_\_\_\_  
 (b) Please detail the type of work for which external law firms are typically engaged: \_\_\_\_\_

\_\_\_\_\_

- 4.3 Has the **Applicant** or any entity proposed for insurance, or any of its directors, officers, partners or employees been subject to any regulatory investigation?  Yes  No  
 If 'Yes', please provide details on a separate sheet including details of any resulting disciplinary proceedings, admonishments or recommendations.
- 4.4 If applicable, are all recommendations made following a regulatory visit fully implemented?  Yes  No  
 If 'No', please provide full details on a separate sheet.
- 4.5 Does the Compliance Officer/Department monitor the **Applicant's** operations to ensure compliance with applicable data protection and privacy laws, principles, codes and guidelines?  Yes  No

## 5. Services

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- 5.1 Does the **Applicant** require insurance cover for **Internet Banking/ E-Commerce** services which it provides to third parties:  Yes  No
- 5.2 Does the **Applicant** require insurance cover for **Fund(s) Management** services which it provides to third parties:  Yes  No
- 5.3 Does the **Applicant** require insurance cover for **Trust Services** which it provides to third parties:  Yes  No
- 5.4 Does the **Applicant** require insurance cover for **Trading Services** which it provides to third parties:  Yes  No
- 5.5 Does the **Applicant** require insurance cover for **Pensions, Investments and Insurance Product Sales** which it provides to third parties:  Yes  No
- 5.6 Does the **Applicant** require insurance cover for **Investment Banking** which it provides to third parties:  Yes  No

The Insurer may request the **Applicant** to complete an **Addendum** in respect of the above services.

## 6. Claims Information

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**This Section MUST be completed by the Applicant.**

- 6.1 Is the **Applicant** aware, after full enquiry, of any form of client complaint (brought by a client, or on their behalf by a regulator)?  Yes  No  
If 'Yes', please provide full details on a separate sheet.
- 6.2 Has any claim been brought against the **Applicant** or any of its directors, officers, partners, trustees or employees during the last 5 years?  Yes  No  
If 'Yes', please provide full details on a separate sheet.
- 6.3 Does the **Applicant**, or any of its directors, officers, partners, trustees or employees, after full enquiry, have any knowledge of any act, omission, event or circumstance which could give rise to a claim?  Yes  No  
If 'Yes', please provide full details on a separate sheet.

## 7. Required Information

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Please enclose with this proposal form:

- The latest Annual Report and Financial Accounts of the **Applicant**.
- A copy of standard engagement letters and/or service agreements.
- A copy of the most recent external auditors letter to management regarding internal controls and managements letter of response
- Any supplementary information which is material to any questions herein (on the **Applicant's** company letterhead paper).

## Declaration

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The undersigned authorised Chairman of the Board, President or General Partner of the **Applicant**:

- declares that this **Proposal** has been completed after full enquiry and that the statements and particulars herein are true and that no material facts have been misstated or omitted; and
- agrees that if the information supplied in this **Proposal** changes between the date of this **Proposal** and the effective date of the insurance, he/she (undersigned) will, in order for the information to be accurate on the effective date of the insurance, immediately notify the Insurer of such changes, and the Insurer may withdraw or modify any outstanding quotations and/or authorisations or agreements to bind the insurance; and
- agrees that this **Proposal** shall be the basis of the contract should a policy be issued, and it will be attached to and become part of the policy.

Signed .....

Title .....

(Must be signed by Chairman of the Board, President or General Partner)

Company .....

Date .....

***Signing this proposal form does not oblige the Applicant to purchase any insurance.***