

Fraud and Professional Liability Financial Institutions



Proposal form

Completing the Proposal form

1. This application must be completed in full including all required attachments.
2. If more space is needed to answer a question, please attach a separate sheet with details.
3. The terms Proposer, whenever used in this proposal form shall mean the Policyholder listed below and all Subsidiary companies of the Policyholder for which coverage is proposed under this proposal.
4. The terms Policyholder and Subsidiaries have the same meaning in this proposal form as in the policy.

Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty at common law to disclose to us every matter you know, or could reasonably be expected to know that a prudent insurer would want to take into account in deciding whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however, does not require disclosure of a matter:

- that diminishes the risk to be insured;
- that is of common knowledge;
- that we know or in the ordinary course of our business we ought to know;
- that we indicate to you that we do not want to know.

Non-disclosure or misrepresentation

If you make a material misrepresentation to us, or if you do not comply with your duty of disclosure, we may treat your policy as if it never existed.

False statement and Fraudulent acts

Your policy is based on the information supplied to us by you or on your behalf. All statements made by you or on your behalf on the proposal and/or questionnaire, in support of this policy, on any claim form or in support of any claim must be true and correct. If you take any action or make any statement in connection with this policy or any claim made under it, which is fraudulent in any way or which is supported by untrue or incorrect information, we are entitled to avoid this policy and all benefits under it will be forfeited.

Privacy Act 1993

Zurich respects your privacy. The following is brought to your attention. However this does not apply to companies.

- (a) This Proposal collects personal information about you;
- (b) The information is collected by Zurich to evaluate the insurance being sought;
- (c) The intended recipient of the information is Zurich;
- (d) The information is being collected and held by Zurich;
- (e) The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory;
- (f) The failure to provide this information may result in your application for insurance being declined, or your insurance being void from the beginning;
- (g) You have rights to access, and correct this information subject to the provisions of the Privacy Act 1993.

Data sharing consent

In order to provide a seamless insurance service globally, Zurich may transfer any data Zurich has received from and any data it holds on the policyholder to other units of Zurich Insurance Group Ltd, such as branches, subsidiaries, or affiliates within Zurich Insurance Group Ltd, cooperative partners of Zurich Insurance Group Ltd, coinsurance and reinsurance companies located in the country of the policyholder or abroad. Zurich as well as such recipients may use, process and store the data, in particular for the purpose of risk evaluation, policy execution, premium setting, premium collection, claims assessment, claims processing, claims payment, statistical evaluation or to otherwise ensure Zurich's global insurance service delivery.

If a broker or agent is acting on behalf of the policyholder, Zurich is authorised to use, process and store data of the policyholder received from such broker or agent, and to forward to such broker or agent data of the policyholder relating to the execution of the policy and the collection of premiums and payment of claims.

Zurich may procure data from government offices and third parties relating to the policyholder to assess a claim in the event of loss or damage.

1 Applicant details

- (a) Name of applicant
- (b) Principle address Postcode
- (c) Date established
- (d) Nature of financial services provided
- (e) Is the applicant licensed by any regulatory authority? Yes No
If 'Yes', which authority
- (f) Has the applicant made any acquisitions during the last 3 years? Yes No
If 'Yes', please provide details

2 Revenue / Fees

- (a) Total revenue for the past 12 months
- (b) Total estimated revenue for the current 12 months
- (c) Please provide the percentage of revenue earned from the following activities:

Commercial loans	%	Personal loans	%
Leasing	%	Trade financing	%
Securities dealing	%	Mergers and acquisitions advice	%
Capital raising advice / Share placement	%	Securities dealing	%
Fund management	%	Venture capital / Private equity	%
Financial planning	%	Asset backed lending / Equipment finance	%
Private banking	%	Syndicated lending	%
Other (please specify)	%		
- Do any of the services offered include unit pricing? Yes No
If 'Yes', please note additional information may be required

3 Employees and locations

- (a) Total number of employees
- (b) Total number of locations
- (c) Number of overseas locations
- (d) Please provide list of overseas locations
- (e) Does the applicant conduct reference checks on all new employees prior to hiring? Yes No
- (f) Does the applicant have a requirement for employees to take at least 2 weeks uninterrupted leave per year? Yes No

4 Distribution

(a) Please describe your distribution network

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(b) Are agents subject to the same controls and compliance procedures as employees? Yes No

5 Audit

(a) Does the applicant maintain an internal audit department? Yes No
If 'No', is an external company engaged to provide internal audit function? Yes No

(b) How many employees work in the internal audit department?

(c) How often are internal audits conducted?

(d) Please provide copy of the internal audit plan

(e) Which firm provides external audit?

(f) How often are full external audits conducted?

(g) Does the external auditor review the system of internal controls and furnish written reports? Yes No

(h) Does the external auditor report directly to the board of directors? Yes No

(i) Has the firm rendered an unqualified opinion for each of the last 5 years? Yes No

(j) Have all recommendations been complied with as a result of the most recent audit report? Yes No
If 'No', have you adopted alternative arrangements to the satisfaction of your auditor? Yes No

6 Internal controls and procedures

(a) In respect of the transfer of funds or property to another organisation:

(i) Please describe the method of instruction, for example written, telephone, electronic etc:

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(ii) Are these instructions tested or subject to a call back procedure to an authorised person other than the individual initiating the transfer? Yes No

(b) Are duties segregated to that no individual can complete an activity from the beginning to the completion of the task without referral to another in respect of:

(i) Opening new bank accounts? Yes No

(ii) Disbursement of assets? Yes No

(iii) Signing cheques or authorising payments above \$10,000? Yes No

(iv) Custody of securities? Yes No

(v) If 'No', please provide details as to alternative arrangements

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7 Third party providers

Please provide a list of the applicant's service providers:

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8 Electronic security

(a) Does the applicant outsource any data processing? Yes No

If 'Yes', are the third party providers required to carry their own Professional Liability and Crime/Fidelity Insurance Covers? Yes No

(b) Have the service providers been authorised under written agreements? Yes No

(c) Does the applicant utilise any electronic funds transfer services (e.g. EFTPOS, BPay, Swift)? Yes No

(d) Describe the methods used to secure funds transfer instructions (e.g. encryption, message authentication, independent call backs)

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Are passwords used to afford varying levels of entry to the computer system depending on authorisation of the user? Yes No

9 Compliance

(a) Is there a written manual in place covering the following:

(i) Code of Ethics Yes No

(ii) Code of Conduct Yes No

(iii) Conflict of Interest Yes No

(b) Has the applicant provided any new services in the last 2 years? Yes No

If 'Yes', please provide details

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(c) Are the services offered provided under a written agreement? Yes No

(d) Are procedures in place to ensure financial advice being provided by an employee has been reviewed by a second person? Yes No

(e) Are all contracts, engagement letters, marketing material subject to a legal review prior to release? Yes No

(f) Does the applicant have a dedicated Compliance Officer? Yes No

(g) Has the applicant or any of the directors or officers been subject to a regulatory investigation? Yes No

10 Insurance details

- (a) Does the applicant currently purchase Fraud and Professional Liability Cover? Yes No
- (i) Insurer
- (ii) Limit
- (iii) Deductible
- (iv) Expiry date
- (b) What Limit of Liability is required for each section?
- (i) Fraud \$
- (ii) Professional Liability \$
- (iii) What Aggregate Limit of Liability is required for each policy period? \$
- (iv) What Deductible is required? \$

11 Claims / Circumstances

Professional Liability

- (a) Has the business or any principal, partner or director ever been refused insurance of the type proposed, had a similar policy cancelled or had special terms imposed? Yes No
- (b) Have any claim/s ever been made against the business or its predecessors or against any present or past principals, partners or directors? Yes No
- If 'Yes', please provide details
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- (c) Are any of the principals, partners or directors aware, after enquiry of all staff, managers and contractors, of any facts or circumstances which may give rise to a claim or claims of the type insured by this policy? Yes No

Fraud

- (a) Please give brief details of any loss or losses you have sustained (whether insured or uninsured), during the past five years which would have impacted upon the coverage you are now seeking had it have been in force at the time of such loss or losses.
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- (b) Unless the information has already been provided, please attach full details of the circumstances surrounding each loss and the corrective measures taken to prevent reoccurrence.
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- (c) Has any proposal for insurance of this nature been declined by any insurance company or has any policy been cancelled or renewal thereof refused? Yes No

12 Declaration

We (the undersigned):

- (a) acknowledge that we have read and understand the important notices contained in this proposal;
- (b) agree that this proposal, together with any other information or documents supplied, shall form the basis of any resulting contract of insurance;
- (c) acknowledge that if this application is accepted, the contract of insurance will be subject to the terms and conditions as set out in the policy wording as issued or as otherwise specifically varied in writing by Zurich;
- (d) declare after enquiry that the statements, particulars and information contained in this application and in any documents accompanying this application are true and correct in every detail and that no other material facts have been misstated, suppressed or omitted;
- (e) undertake to inform Zurich of any material alteration to those facts before completion of the contract of insurance.
- (f) understand that Zurich requires this and needs to retain this information in order to decide whether to accept this proposal and also that the Privacy Act 1993 entitles us to have access to and request the correction of this information;
- (g) understand Zurich is authorised to disclose information received from us to its advisors, reinsurers and to other insurers. We authorise Zurich to obtain, from any party, information that is, in Zurich's view, relevant to this proposal;
- (h) understand that the insurance will not be in force until this proposal has been accepted and cover confirmed by Zurich.

Name of Chairperson

Signature of Chairperson	Date
X	/ /

Name of Managing Director/Chief Executive Officer

Signature of Managing Director/Chief Executive Officer	Date
X	/ /

Please enclose with this Proposal Form:

- (a) Latest audited annual reports and interim reports of the applicant;
- (b) Copy of standard client contract(s); and
- (c) Organisational Chart.