

Management Liability Proposal Form

PROCOVER
UNDERWRITING AGENCY



AN IMPORTANT NOTICE TO THE APPLICANT - 'CLAIMS MADE' CONTRACTS OF INSURANCE

Please read and retain in your file

The proposed insurance is issued on a 'claims made' basis.
This means that the policy responds to: -

- 1 Claims first made against the insured during the policy period and notified to Procover Underwriting Agency Pty Ltd during that policy period, providing that the insured was not aware, at any time prior to the policy inception, of circumstances which would have alerted a reasonable person in the insured's position that a claim may be made against the insured; and
- 2 'Claims circumstances' notified pursuant to Section 40 (3) of the Insurance Contracts Act which states:

'Where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonable practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of insurance cover provide by the contract'

After policy expiry, no new claims can be made on the expired policy even though the event giving rise to the claim may have occurred during the policy period.

If during the policy period you become aware of circumstances which a reasonable person in your position would consider may give rise to a claim, and which you fail to notify us during the policy period, we may not cover you under a subsequent policy for any claim which arises from these circumstances.

When completing the proposal you are obliged to report and provide full details of all circumstances of which you are aware and which a reasonable person in your position would consider may give rise to a claim.

It is important that you make proper disclosure (see Duty of Disclosure, below) so that your cover under any new policy with us is not compromised.

Pursuant to the Insurance Contracts Act 1984 your duty to disclose all relevant information is set out below.

RETROACTIVE LIABILITY

The proposed insurance may be limited by a retroactive date either stated in the schedule or endorsed onto the policy. Where the retroactive cover by the proposed policy is subject to such date, then the policy does not cover any claim arising from any actual or alleged act, error, omission or conduct occurring prior to such retroactive date.

YOUR DUTY OF DISCLOSURE: -

Before you enter into a contract of insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk, and, if so, on what terms.

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

Your duty however, does not require the disclosure of matters:

- that diminishes the risk to be undertaken
- that is of common knowledge
- that your insurer knows, or in the ordinary course of his/her business, ought to know
- as to which compliance with your duty is waived by the insurer

Please note: Your duty of disclosure continues after the proposal form has been completed until the policy is entered into - i.e. until the date we receive instructions to bind cover.

Furthermore, please note that information contained in your website is not considered to satisfy your duty of disclosure and all material facts regarding the risk should be disclosed in the Proposal.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

PRIVACY

Lloyds and its agent are bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendment (Private Sector) Act 2000 (the Act). This sets out the basic standards relating to the collection, use, disclosure and handling of personal information.

Personal Information is essentially information or an opinion about a living individual whose identity is apparent or can reasonably be ascertained from the information or opinion. Information will be obtained from individuals directly where possible. Sometimes it may be collected indirectly. Only information necessary for the arrangement and administration of Lloyds business by Lloyds, its agents and their representatives will be collected. This includes information necessary to accept the risk, to assess a claim, to determine competitive and appropriate premiums.

Lloyds and its agents disclose personal information to third parties who they believe are necessary to assist them in doing. These parties will only use the personal information for the purposes we provided it to them for (or if required by law).

When you give Lloyds and its agents personal information about other individuals, we rely on you to have made or make them aware that you will or may provide their personal information to us, the types of third parties we may provide it to, the relevant purposes we and the third parties we disclose it to will use it for, and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done or will not do either of these things, you must tell us before you provide the relevant information.

You are entitled to access your information if you wish and request correction if required. You may also opt out of receiving materials sent by Lloyds by contacting Procover Underwriting Agency Pty Ltd on 02 9307 6600.

Contact details for Procover Underwriting Agency are:

Procover Underwriting Agency Pty Ltd
Level 5, 97-99 Bathurst Street, Sydney NSW 2000
Phone +61 2 9307 6600
Fax +61 2 9307 6699

KEY FACTORS

These questions reflect the key factors that are taken into account when determining your premium.

For Your Information

- 1 Answer all questions. Blanks &/or dashes, or answers 'known to underwriters or brokers' or 'N/A' are not acceptable & will delay consideration of this proposal.
- 2 If there is insufficient room to complete a question, please attach a signed & dated addendum.
- 3 Any documents attached to the proposal form are part of the proposal.
- 4 Where appropriate, please tick the yes or no box that best indicates your reply.

CORPORATION DETAILS

1. Name

Full legal name of the corporation and subsidiaries

abn

date(s) of commencement

tax credits claimed

--

%

are you registered for gst?

Yes No

2. Address

(a) Principal Address

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(b) Website Address

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3. Business Activities

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4. Legal Status

(a) Is the Corporation Listed on the Australian Stock Exchange?

Yes No

(b) Are any shares in the corporation traded on any public exchange?

Yes No

5.

Does the Corporation or Group have any overseas operations?

Yes No

If Yes, please provide details of location, nature of activities and size of operations:

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6.

Is the Corporation a subsidiary of another entity?

Yes No

If Yes, please provide the name of the group and the ultimate holding company:

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7.

(a) Has there been any acquisitions, mergers, takeovers or sales of any company or subsidiaries in the past 5 years?

Yes No

(b) Is there any acquisitions, mergers, takeovers or sales of any company or subsidiaries proposed in the next 2 years?

Yes No

If Yes, please provide full details:

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8.

Does any shareholder(s) directly or beneficially hold more than 25% of the issued shares or voting rights?

Yes No

If so, please provide the name of the shareholders and the amounts held:

name of shareholder

amount held

\$
\$
\$

DIRECTORS DETAILS

9. Please supply the following details

	1	2	3	4
name of all directors	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
age	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
qualifications	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
date appointed	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
years experience as a director	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

10.

- (a) Has any director or officer ever been declared bankrupt? Yes No
- (b) Has any board member been a director of a company that has been declared bankrupt, placed in administration or entered a scheme of arrangement with creditors? Yes No
- (c) Has any director ever faced disciplinary proceedings or sanctions or been deregistered by any professional association arising from their position as a director or company officer? Yes No

If you have answered Yes to either (a), (b) or (c) please supply details:

11. Outside Directorships

Do any of the Directors or Officers of the Corporation hold a board position in any other entities at the request of the Corporation? Yes No

If Yes, please provide details of other such entities:

name of outside entity	type of entity	% shareholding
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

FINANCIAL DETAILS

12.

- (a) Have you traded profitably for the past 2 full financial periods? Yes No
- (b) Please provide the Group Total Gross Consolidated Revenue for the last full financial year.
- (c) Do the Directors consider the Corporation and Group to be solvent? Yes No
- (d) Is there any additional information which changes the financial position as detailed above which may materially affect the Corporations ability to pay it's debts as and when they fall due? Yes No

If Yes, please provide full details:

IF INSOLVENCY COVER IS REQUIRED UNDER THE POLICY, PLEASE COMPLETE THE FOLLOWING QUESTION

13. Please provide the following details as at your last full financial year end

current assets	this year	last year	current liabilities	this year	last year
<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$"/>	<input type="text" value="\$"/>
total assets	<input type="text" value="\$"/>	<input type="text" value="\$"/>	total liabilities	<input type="text" value="\$"/>	<input type="text" value="\$"/>
total intangible assets	<input type="text" value="\$"/>	<input type="text" value="\$"/>	total debts / loans	<input type="text" value="\$"/>	<input type="text" value="\$"/>
full year profit / loss	<input type="text" value="\$"/>	<input type="text" value="\$"/>			

EMPLOYMENT PRACTICES DETAILS

14. Total Staff numbers at financial year end for entire company/group

	this year	last year
Total employee numbers	<input type="text"/>	<input type="text"/>
Number of staff resigned or terminated in the last 12 months	<input type="text"/>	<input type="text"/>

15.

Were there any employer initiated terminations in the past 2 years? Yes No

If Yes, please provide full details including numbers and reasons for terminations:

16.

Are there any events anticipated to lead to any employer initiated terminations in the next 2 years? Yes No

If Yes, please provide full details:

17.

Do you have written procedures regarding employee and industrial relations issues? Yes No

FIDELITY DETAILS

18. Does the Corporation have procedures in respect to the segregation of duties regarding

- | | | |
|---|------------------------------|-----------------------------|
| (a) Signing cheques, issuing funds transfers or authorising payments? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (b) Refunding money or returning goods? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (c) Reconciliation of bank statements? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| (d) Is there an annual physical stock take which is independently verified? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

TRUSTEE DETAILS

19.

Does any Director or Officer of the Corporation act as a trustee of a corporate superannuation fund (OTHER THAN any industry, master or self-managed fund) established for the benefit of the Corporations employees? Yes No

If Yes, please provide full details:

TAX AUDIT DETAILS

20.

(a) Is the Corporation involved in any tax avoidance schemes in any way?

Yes No

If Yes, please provide full details:

(b) Has the Corporation ever been subject of an ATO audit or Enquiry?

Yes No

If Yes, please provide full details:

DETAILS OF INSURANCE COVER

21.

(a) Does the Corporation presently carry or, has it ever carried, Management Liability Insurance?

Yes No

If Yes, please supply details:

insurer	expiry date	limit of indemnity	premium
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

(b) Has the Corporation or any director or officer ever been refused this type of insurance, or had similar insurance cancelled, or had an Application of renewal declined, or had special terms imposed?

Yes No

If Yes, please supply details:

(c) Please state the amount of preferred Total Sum Insured

\$

Please provide the number of staff located in each State, Territory or overseas to assist in calculating stamp duty.

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O'Seas	TOTAL
<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

CLAIMS DETAILS

22.

(a) Has there been or is there now pending any action or litigation against the Corporation or any directors or officers which may have been covered by the insurance now being proposed if such cover was in place at the time the action or litigation was first bought?

Yes No

(b) After enquiry, is any director or officer aware of any circumstances which they believe may give rise to a future claim which could fall within the scope of the insurance now being proposed?

Yes No

If Yes, please provide full details:

CLAIMS DETAILS (CONT')

23.

Is there now or has there been in the past any action, litigation or proceeding against the Corporation under any law, statute or regulation, or any investigation or inquiry which may lead to such actions? Yes No

If Yes, please provide full details:

24.

In the past 3 years have there been or, after enquiry, are you aware of any employment practices related claims or any circumstances which may lead to a claim? Yes No

If Yes, please provide full details:

25.

In the past 3 years have there been or, after enquiry, are you aware of any employee fraud or dishonesty related claims or any circumstances which may lead to a claim, for loss exceeding \$5,000? Yes No

If Yes, please provide full details:

These questions reflect the key factors that are taken into account when determining your premium.

I/WE HEREBY DECLARE THAT:

My/Our attention has been drawn to the Important Notice at the beginning of this Proposal form and further I/We have read these notices carefully and acknowledge my/our understanding of their content by my/our signature/s below.

The above statements are true, and I/we have not suppressed or mis-stated any facts and should any information given by me/us alter between the date of this Proposal form and the inception date of the insurance to which this Proposal relates I/we shall give immediately notice thereof.

I/We authorize Procover Underwriting Agency Pty Ltd, to collect or disclose any personal information relating to this insurance to/from any insurers or insurance reference service.

I/we have provided information about another individual I/we declare that the individual has been or will be made aware of that fact.

I/we also confirm that the undersigned is/are authorized to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form, and I/we complete this Proposal form on their behalf.

To be signed by the Chairman/President/Managing Director (minimum 2 signatures).

Applicant ①

NAME

TITLE

SIGNATURE

DATE (DD/MM/YY)

Applicant ②

NAME

TITLE

SIGNATURE

DATE (DD/MM/YY)

It is important the signatory/signatories to the Declaration is/are fully aware of the scope of this insurance so that all questions can be answered. If in doubt, please contact your insurance broker since non-disclosure may affect an Insured's right of recovery under the policy or lead to the policy being voided.