



# **PROPOSAL FORM**

## **FOR DIRECTORS & OFFICERS AND MANAGEMENT LIABILITY**

Lion Underwriting Pty Ltd  
ABN 33 604 592 467    AFSL No: 491793

# IMPORTANT NOTICE TO THE PROPOSER ON COMPLETION OF THIS PROPOSAL FORM

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## 1. DUTY OF DISCLOSURE

You have a duty to disclose relevant information to the insurer, when completing this proposal form and at other times during the policy period (for example when you renew the insurance or request a change to the policy terms). Your duty is described below:

### **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:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- 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.

## 2. PRIVACY

At Lion Underwriting Pty Ltd (Lion Underwriting) we are committed to protecting your privacy. The information provided will be treated in confidence and, where relevant, in compliance with the Privacy Act 1988. We collect, use and disclose your personal information, and in some cases personal or sensitive information about you, to assess your application and provide a quote for the insurance cover (including obtaining risk carrier confirmation where necessary), on behalf of the insurer. This information is used to issue and administer your policy, to provide insurance services, and, where appropriate, to assist in the assessment of a claim. For some classes of insurance, the underwriter may use sensitive personal data about you where this is necessary to decide whether it is willing to insure you and on what terms (for example criminal convictions). We also may use it to:

- Contact you to provide information about your insurance policy;
- Deal with brokers, risk carriers and reinsurers; and
- Operate our business including offering information and to market and promote our services to you.

If you don't provide us with full information, we may not be able to provide you with any, some, or all of the features of our products or services.

This may include information collected from third parties such as your insurance broker.



We provide information such as your personal details and business circumstances to relevant third parties including your insurance carriers, brokers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us, Insurers, (including their re-insurers, legal advisers, loss adjusters or agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both to the disclosure of such information to us and its use by us as set out above.

We do not trade, rent, or sell your information. We may disclose your information to recipients in Australia, UK, Singapore, Japan, USA, People's Republic of China and Switzerland for the purpose of providing our services to you. If a recipient is not regulated by laws which protect your information in a way that is similar to the Privacy Act, we will take reasonable steps to ensure that they protect your information in the same way we do or seek your consent before disclosing your information to them.

You have the right to request for a copy of your information and to request to have any inaccuracies corrected.

Our Privacy Policy contains more information about how to access and correct the information we hold about you and how to make a privacy related complaint, including how we will deal with it. Ask us for a copy by contacting us on (07) 3445 6300 or visiting our website ([www.lionunderwriting.com.au](http://www.lionunderwriting.com.au)).

### 3. PRESENTATION

This proposal form must be completed and signed by an authorised individual, a partner, principal or director of the Proposer.

All questions must be answered. If not applicable, state N/A.

If there is insufficient space to provide answers, additional information should be provided on the Proposer's letter-headed paper.

Where applicable to the Proposer's business, product/services brochures, standard contract conditions, terms and conditions, waivers and disclaimers, commercial agreements and letters of appointment should be provided.

Failure to present insurers with information in an appropriate manner may adversely influence the ability or willingness of insurers to offer terms.

### 4. GUIDANCE

The contract of insurance will be arranged by Lion Underwriting Pty Ltd (ABN 33 604 592 467, AFSL 491793) acting as agent for the relevant insurer (Insurer). We do not act as your agent. When acting as agent of the insurer, we may place the policy with an APRA-regulated insurance company, certain underwriters at Lloyd's of London or a direct offshore foreign insurer or unauthorised foreign insurer (subject to law). When we act under a binder, we will notify your broker of this arrangement. A binder agreement allows us to issue the policy and handle claims as if we are the insurer. In other cases, we may place your policy on an 'open market' basis.

The precise scope and breadth of policy coverage is subject to the specific terms and conditions of the policy wording. You should refer to the policy wording for full information, including in relation to:

- the basis on which claims can be made;
- your cancellation rights; and
- the identity of the parties covered under this insurance.

If in doubt as to the meaning of any question contained within this proposal form or the issues raised in Disclosure and/ or Presentation, advice should be sought from Lion Underwriting via your insurance broker.

### 5. CONTACT

If you would like to discuss this further, we can be contacted at;

**Tel.:** (07) 3445 6300  
**Email:** [admin@lionunderwriting.com.au](mailto:admin@lionunderwriting.com.au)  
**Website:** [www.lionunderwriting.com.au](http://www.lionunderwriting.com.au)

ADDITIONAL INFORMATION SHOULD BE PROVIDED ON SEPARATE SHEETS CLEARLY IDENTIFIABLE AS FORMING PART OF THE PROPOSAL FORM ON THE PROPOSER'S LETTERHEAD.

## INSURED DETAILS

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1. Full name of the Insured:
2. Trading name:
3. ABN:
4. GST registered: Yes      No
5. Trading Address:
6. Postal Address:
7. Policy period:      Inception Date:    /    /      Expiry Date:    /    /
8. Contact number:
9. Website address:
10. Email address:
11. Date business established:      /      (month/year)

## COMPANY DETAILS

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12. Where is the Company incorporated?
13. Date of Incorporation:
14. Is the Company (please select **ONE** option from below):
  - Private
  - Not-for-Profit association (non share capital company) or registered charity
  - Publicly listed on any stock exchange or securities market
  - A Limited Liability Partnership (LLP)
  - Unincorporated Association
  - Other (please give details below):
15. Please describe the nature of the Company's operations &/or Industry:

## FINANCIAL INFORMATION

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**16.** Has the Company published reports and accounts in the last two latest consecutive financial years, which show:

Qualified reports by independent auditors or accountants? Yes No

Litigation or disputes or contingent or extraordinary liabilities? Yes No

If **Yes**, please provide further details:

**17.** Can the Company pay any and all of its debts as they fall due? Yes No

If **No**, please provide further details:

**18.** Please state:

Gross Total Revenue:

Net Profit:

Gross Total Assets:

Gross Total Liabilities:

Total Number of Directors

Total Employees (excluding volunteers):

Please state Global Total Assets in USA (if applicable):

Total Number of Volunteers

**19.** Stamp Duty Split: Please provide the approximate percentage of your activities (based on fee income) applicable to each State or Territory

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Overseas
%	%	%	%	%	%	%	%	%

## ACQUISITION, MERGERS & CLAIMS

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**20.** During the last five years has;

a) The name of the Company been changed? Yes No

b) Any acquisition or merger taken place? Yes No

c) The capital structure of the Company changed? Yes No

d) Any divestiture taken place? Yes No

e) Any tender offer been made? Yes No

If **Yes** has been answered to any of the above, please provide details on a separate sheet of paper in accordance with presentation above.

- 21.** After full and reasonable investigation, does the Directors and Officers and/or the Company and/or the employees and/or the trustees and/or the committee members have any knowledge of the following:
- |   |     |    |
|---|-----|----|
| a) 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) Any event of the sort referred to in question 21a) having taken place in the last 24 months?   | Yes | No |
| c) Any claims, or circumstances which may give rise to a claim, or any disciplinary proceedings or any complaints 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 or the Applicant in respect of the legal liabilities or loss to which this Application Form relates? | Yes | No |
- If **Yes**, please provide details:

## OPTIONAL COVERAGE EXTENSIONS WORLD WIDE INCLUDING USA, ENTITY EMPLOYMENT PRACTICES LIABILITY, CRIME, STATUTORY, INTERNET

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- 22.** Is insurance sought in respect of:
- |  |     |    |
|--|-----|----|
| a) United States of America?   | Yes | No |
| If <b>Yes</b> , please answer the following:   |     |    |
| i) Does the Company have any Employees or Locations or Assets or Shares or Funds or Subsidiary Companies domiciled or incorporated in the United States and/or earn Gross Revenue in the United States of America in excess of 30% of Total Gross Revenue? | Yes | No |
| ii) Does the Company have ADR's?   | Yes | No |
| If <b>Yes</b> please confirm:      Sponsored/Un-sponsored - Level      Percentage traded   |     |    |
| iii) Any other debt or equity instruments in the USA?  | Yes | No |
| If <b>Yes</b> please provide details:  |     |    |
| b) Entity Employment Practices Liability:  | Yes | No |
| If <b>Yes</b> : Limit required:  |     |    |
| c) Crime Insurance (If <b>'YES'</b> then answer the Crime Supplementary Questionnaire)   | Yes | No |
| If <b>Yes</b> : Limit required:  |     |    |
| d) Entity Liability: other than cover required as per 22b & 22c.   | Yes | No |
| e) Statutory Liability:  | Yes | No |
| If <b>Yes</b> : Limit required:  |     |    |
| f) Internet Liability:   | Yes | No |
| If <b>Yes</b> : Limit required:  |     |    |

**23.** Only answer if the answer to 22b) Entity Employment Practices Liability is **'YES'**:

- |  |     |    |
|--|-----|----|
| a) Does the Company have written procedures, contracts of employment, personnel files, and 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 24 months?                         | Yes | No |
| d) Has there been more than 10% of the employees of the Company resign, or made redundant, or dismissed during the last 24 months?               | Yes | No |
| e) Does the Company plan to make any amendments to the employee benefits package in the next 24 months or has done so during the last 24 months? | Yes | No |
| f) Does the Company pay an average annual gross salary of more than the equivalent of AUD 250,000 to any full-time employee?                     | Yes | No |

## MAJOR SHAREHOLDERS

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- 24.** Does any person or entity hold (beneficially or otherwise) more than ten percent (10%) of the issued share capital of the Company? Yes No

If **'YES'**, please provide details of the shareholder(s) and percent shares owned:

- 25.** Is cover required in respect of any employee of the Company or subsidiary for any position in any Outside Company which is held at the specific request or on behalf of the Company or Subsidiary? Yes No

If **'YES'** please provide details in the table below:

Outside Company Name	Country	Sector	Listed?	
			Yes	No
			Yes	No

## PREVIOUS COVERAGE & LIMITS REQUESTED

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- 26.** Does the Company have D&O coverage in place? Yes No

If **'YES'**, please answer the following:

- On what date did the first D&O policy become effective?
- If known, what is the retro-active date as stated on the current policy (if 'none' or 'not known', state 'N/A')?
- What is the current policy Limit?
- What is the current premium?
- What is the name of current insurer?

**27.** Please select which of the following Limits of Liability are sought for quotation. Please also state currency in question.

1,000,000

2,000,000

5,000,000

10,000,000

Currency:

Other (please state)

## CLAIMS INFORMATION

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**28.** Regarding all of the types of insurance to which this application form relates AFTER FULL ENQUIRY:

- |  |     |    |
|--|-----|----|
| a) Has the Company or any person proposed for cover suffered any loss which could have been covered under the proposed policy?   | Yes | No |
| b) Is the Company or any person proposed for cover aware of any facts, circumstances, acts or omissions which may give rise to any future claims under the proposed policy?  | Yes | No |
| c) During the last three years, has the Company or any person proposed for cover been the subject of any complaint, suit, inquiry or notice of a hearing from any State, Territory or federal regulatory body, or any other party? | Yes | No |
| d) Has the Company or any person proposed for cover ever been refused, had cancelled or non-renewed any similar insurance cover?   | Yes | No |

If you have answered **Yes** to the above, please provide full details:



# DECLARATION

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By signing this proposal form you consent to Lion Underwriting using and disclosing the information we may hold about you in accordance with the Privacy section of this proposal form and our Privacy Policy, which can be found on our website - [www.lionunderwriting.com.au](http://www.lionunderwriting.com.au).

[In this section 'you' refers to the Proposer]

By signing this Declaration, you declare that

- you have read and understood the Important Notice information in this proposal form;
- to the best of your knowledge and belief, the statements, representations and particulars contained in this proposal form are true and complete;
- after full enquiry having been made, you have not omitted, suppressed or mis-stated any material facts which may be relevant to the Insurer's consideration of this proposal form;
- you undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed; and
- you have the authority to complete and sign the proposal form on behalf of the entity who will be insured under this policy.

By signing this Declaration, you confirm you understand that

- the information you provide in this proposal form will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided;
- the application for insurance may not be accepted for coverage and that, if your application is accepted, you have no coverage unless and until we have received payment of the premium and a policy schedule has been issued to you;
- signing this form does not bind you or the Insurer to complete the insurance; and
- if your business acquires, merges with or absorbs another business during the period of insurance, the Insurer will require similar information in relation to that business and may charge an additional premium.

Insured's Name:

Date:

Position:

Insured's Signature:

Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal form. A signature is required before a contract of insurance can be made.

We recommend that you should keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.

# CRIME SUPPLEMENTARY QUESTIONNAIRE

Only answer if the answer to 22d) is **YES**

- |     |  |     |    |
|-----|--|-----|----|
| 1.  | Is the principle of dual control and independent validation applied with regard to all payments, including the drawing and signing of cheques and the use and of electronic funds transfers, opening new bank accounts or amending approved signatory details. | Yes | No |
| 2.  | Please confirm that no individual can control the appointing of suppliers or the awarding of contracts from commencement to completion without referral to others.   | Yes | No |
| 3.  | Please confirm the maximum value of money, securities, precious metals and/or jewelry at any one location. \$  |     |    |
| 4.  | Are bank statements independently reconciled by those not permitted to make payments, including the drawing and signing of cheques and the use of electronic funds transfers, at least every 30 days?  | Yes | No |
| 5.  | In connection with any acquisition, are all recommendations arising from the pre- acquisition due diligence process immediately implemented?   | Yes | No |
| 6.  | Have all recommendations by External Auditors regarding internal controls been compiled with following your last audit?  | Yes | No |
| 7.  | Are monthly management reports examined for variances against budget forecasts and such variances investigated?  | Yes | No |
| 8.  | Are wages/salaries independently checked against personnel records for unusual or excessive payments?  | Yes | No |
| 9.  | When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:  |     |    |
|     | a) obtain written references covering, at least, their previous 3 years employment history?  | Yes | No |
|     | b) undergo a process to ensure their suitability for the position?   | Yes | No |
| 10. | Is an independent physical count of stock, raw materials, work in progress and finished goods undertaken at least half yearly and is this count reconciled against stock records?  | Yes | No |
| 11. | Are unique passwords used to give various levels of entry to the computer depending on the users' job functions?   | Yes | No |
| 12. | Are passwords automatically withdrawn when people leave?   | Yes | No |
| 13. | Can payment instructions only be made to accounts which are pre-determined as an approved beneficiary?   | Yes | No |

If any of the above questions are answered '**NO**' please provide full details on a separate **HEADED** sheet.