

# Proposal Form for Financial Institutions



## Investment Management Insurance





## Important Notices

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### Claims-made and Notified Insurance

This Investment Managers Insurance policy wording contains some sections on a *claims-made and notified* basis. This means that those Sections of this Policy only cover claims first made against you during the period the Policy is in force and notified to the Insurer as soon as practicable in writing while the Policy is in force. The Policy may not provide cover for any Claims made against you if at any time prior to the commencement of this policy you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the *Insurance Contracts Act 1984* provides that where you gave notice in writing to the Insurer of facts that might give rise to a Claim against you as soon as was reasonably practicable after you became aware of those facts while this Policy is in force, the Insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it was made after the expiry of the Policy.

This Policy excludes prior claims and circumstances as outlined in the 'General Policy Exclusions – Prior Insurable Events' provision.

### Your Duty of Disclosure

Before you enter into a contract of insurance with the 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 of the insurance 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 general insurance.

Your duty however does not require you to disclose a matter:

- (i) that diminishes the risk to be undertaken by the Insurer;
- (ii) that is of common knowledge;
- (iii) that the Insurer knows or in the ordinary course of the Insurer's business as an insurer ought to know; or
- (iv) as to which compliance with your duty is waived by the Insurer.

### Non-disclosure

If you fail to comply with your duty of disclosure the Insurer may be entitled to reduce its 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 Notice

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This notice sets out how AIG Australia Limited (AIG) collects, uses and discloses personal information about:

- you, if an individual; and
- other individuals you provide information about.

Further information about our Privacy Policy is available at [www.aig.com.au](http://www.aig.com.au) or by contacting us at [australia.privacy.manager@aig.com](mailto:australia.privacy.manager@aig.com) or on 1300 030 886.

### How we collect your personal information

AIG usually collects personal information from you or your agents.

AIG may also collect personal information from:

- Our agents and service providers;
- other insurers;
- people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that you are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

### Why we collect your personal information

AIG collects information necessary to:

- underwrite and administer your insurance cover;
- maintain and improve customer service; and
- advise you of our and other products and services that may interest you.

You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling your insurance cover or reducing the level of cover, or declining claims.

### To whom we disclose your personal information

In the course of underwriting and administering your policy we may disclose your information to:

- entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of your policy;
- banks and financial institutions for policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to you; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which you have a claim and such other countries as may be notified in our Privacy Policy from time to time.



You may request not to receive direct marketing communications from AIG.

### **Access to your personal information**

Our Privacy Policy contains information about how you may access and seek correction of personal information we hold about you. In summary, you may gain access to your personal information by submitting a written request to AIG.

In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

### **Complaints**

Our Privacy Policy also contains information about how you may complain about a breach of the applicable privacy principles and how we will deal with such a complaint.

### **Consent**

If applicable, your application includes a consent that you and any other individuals you provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

### **Dispute Resolution Process**

We are committed to handling any complaints about our products or services efficiently and fairly.

If you have a complaint:

- (i) contact your insurance intermediary and they may raise it with us;
- (ii) if your complaint is not satisfactorily resolved you may request that your matter be reviewed by management by writing to:  
The Compliance Manager  
AIG  
Level 12, 717 Bourke Street  
Docklands VIC 3008
- (iii) if you are still unhappy, you may request that the matter be reviewed by the Insurer's Internal Dispute Resolution Committee. We will respond to you with the Committee's findings within 15 business days.
- (iv) if you are not satisfied with the finding of the Committee, you may be able to take your matter to the insurance industry's independent dispute resolution body. This external dispute resolution body can make decisions with which we are obliged to comply.

### **General Insurance Code of Practice**

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We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way that claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request.



## General Information

To assist in the assessment of terms, please attach the following information with the Proposal Form:

- Latest Annual Report or audited Financial Statements for the Policyholder and Fund(s);  Yes  No  N/A
- Prospectus, information memorandum or equivalent disclosure document(s) issued;  Yes  No  N/A
- Fund Performance report(s); and  Yes  No  N/A
- CVs or biographies of all directors, officers, managers and key personnel.  Yes  No  N/A

### Details of Proposed Policyholder

1. (a) Name of Policyholder: \_\_\_\_\_
- (b) Address of Head Office: \_\_\_\_\_
- (c) Country or State of Registration: \_\_\_\_\_
- (d) Website Address: \_\_\_\_\_
- (e) Company registration number (e.g. ABN): \_\_\_\_\_
- Dunn & Bradstreet Number: \_\_\_\_\_
- (f) Australian Financial Services License number \_\_\_\_\_

2. (a) Please specify staff numbers by location for the Policyholder and all of its Subsidiaries:

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Overseas

- (b) Please complete the below for the Policyholder and all of its Subsidiaries:

- (i) Business activities description:

- (ii) Income derived from activities including annual and performance fees as well as other income:



(c) Please Complete the below for all Funds including any past funds requiring cover:

Fund / Mandate Name	Service / Activity: Trustee Fund Manager Investment Advisory Responsible Entity  Other, please specify	Date Established / Registered? Date Ceased	Asset Size <sup>1</sup>		Nature of Fund Assets <sup>2</sup>	Listed	Gearing	Use of Derivatives	Discretionary Management	No. of Fund Members		US Investors <sup>3</sup>	Does any one member(s) hold greater than 15% of the total Fund Assets
			This Year	Last Year						Retail	Wholesale		
		MM/YYYY	AU\$m			Y/N	%	Y/N	Y/N		Y/N	Y/N	

**Note 1** Please provide the market value of the Funds' assets. Please note if an alternative calculation is used then please outline reasons and methods in an attached document.

**Note 2** For example: Cash, Fixed Interest, Equities, Derivatives, Mortgages, Direct Property, Primary Production, Film Schemes, Time-Sharing Schemes etc

**Note 3** If US Investors, please provide details in relation to the number and FUM



3. Is the Policyholder or any of its Subsidiaries: Ticker: \_\_\_\_\_
- (a) Listed on the Australian Stock Exchange?  Yes  No
- (b) Listed on any foreign stock exchange(s) or traded in any other way?  Yes  No

If Yes, Details e.g. Ticker, exchange etc. \_\_\_\_\_

4. In the last 3 years, have there been any acquisitions, divestments or Funds ceasing operation?  Yes  No

*If the answer to the foregoing is "Yes", please provide further information on a separate sheet.*

5. Does the Policyholder or any Fund have any dealings with or activities in, the United States of America?  Yes  No

*If the answer to the foregoing is "Yes", please provide further information on a separate sheet.*

6. Does the Policyholder or any of its Subsidiaries have any policy in place currently that provides cover of a similar nature to that available under Investment Management Insurance?  Yes  No

*If "Yes", please provide the previous policy details below:*

- (a) Type of Policy: \_\_\_\_\_
- |                                 |                                  |  |    |  |
|---------------------------------|----------------------------------|--|----|--|
| (b) Covers & Limit of Liability | Directors and Officers Liability | <input type="checkbox"/> Yes <input type="checkbox"/> No | \$ |  |
|                                 | Professional Indemnity           | <input type="checkbox"/> Yes <input type="checkbox"/> No | \$ |  |
|                                 | Crime / Fidelity Guarantee       | <input type="checkbox"/> Yes <input type="checkbox"/> No | \$ |  |
- (c) Limits aggregated  Yes  No
- (d) Insurer: \_\_\_\_\_
- (e) Policy Number: \_\_\_\_\_
- (f) Expiry Date: \_\_\_\_\_



## Directors' & Officers' Management Liability

Please respond to the following questions with respect to the Policyholder and all of its Subsidiaries.

### Business Information

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1. Since the date of the latest Financial Statements:
- (a) Have there been any developments which adversely impact the financial position of the Policyholder or any Fund?  Yes  No
- (b) Does the Policyholder or any Fund anticipate incurring a significant one time changes to earnings, or having to re-state earnings, in the next 12 months?  Yes  No

*If the answer to either of the foregoing is "Yes", please provide further information on a separate sheet.*

2. Has the Policyholder or its Subsidiaries changed their External Auditor in the last 24 months? Are there any plans to rotate or change their External Auditor in the next 12 months?  Yes  No

*If "Yes", please provide further information:*

3. (a) Has an external review of the Policyholder's or any Fund's compliance and disclosures been undertaken?  Yes  No
- (b) Has the Policyholder and all of its Subsidiaries complied with all recommendations?  Yes  No  N/A

*If "No", please provide comments on a separate sheet.*

### Outside Directorships

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3. Do any Insured Persons serve at the specific request or direction of the Policyholder or any of its Subsidiaries, as a director or officer, trustee, governor or equivalent of any entities which are not Subsidiaries?  Yes  No

*If the answer to the foregoing is "Yes", please provide further information on a separate sheet.*





## Professional Civil Liability

Please respond to the following questions with respect to the Policyholder and all of its Subsidiaries.

### Services

1. Who conducts the following roles / services:
- Trustee / RE \_\_\_\_\_
- Custodian \_\_\_\_\_
- Asset / Fund Manager \_\_\_\_\_
- Administrator \_\_\_\_\_
- Legal \_\_\_\_\_
- Sales \_\_\_\_\_
- Stockbroker / dealing \_\_\_\_\_
2. (i) Is unit pricing or an associated activity conducted by the Policyholder?  Yes  No
- (ii) Are any finance related or administrative activities outsourced to third party service providers?  Yes  No
- If the answer to either of the foregoing is "Yes", please provide further information on a separate sheet.*
3. Is coverage required for any other entity or agent for whom the Policyholder would be legally Responsible?  Yes  No
- If "Yes", please provide the relationship to the Policyholder and the function / activity*

### Compliance and Reporting

3. (i) Do you have a dedicated Compliance Officer or committee to review compliance, policies and procedures?  Yes  No
- (ii) Do you they conduct regular reviews to confirm compliance with fund constitution or mandate?  Yes  No
- (iii) Do they report directly to the board and escalate any anomalies immediately?  Yes  No
- (iv) Do external auditors audit all operations at least annually including business continuity plans?  Yes  No
- (v) Have all recommendations by external auditors regarding internal controls been complied with following the last audit?  Yes  No
- If "No", please provide details on a separate sheet.*
4. What is the frequency and nature of disclosure to investors?
- |                | Monthly                  | Quarterly                | Annually                 |
|----------------|--------------------------|--------------------------|--------------------------|
| Verbal         | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Written Report | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Email / Letter | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |



## Crime Protection

Please respond to the following questions with respect to the Policyholder and all of its Subsidiaries.

### Recruitment Procedures

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1. When recruiting or promoting employees to positions of trust, are independent checks undertaken into their employment history?  Yes  No

### Internal Controls

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2. Are wages/salaries independently checked against personnel records for unusual or excessive payments?  Yes  No
3. Are duties segregated so that no individual can control any payment, payment process or funds transfers from commencement to completion without referral to others?  Yes  No
4. Is all supporting documentation validated before authorising payments or funds transfers?  Yes  No
5. Are bank statements independently reconciled with customer accounts by persons not authorised to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers?  Yes  No
6. Are requests to change employee or suppliers' bank account details independently verified?  Yes  No

### Computer Systems

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7. (i) Is access to internal systems restricted to those that require access to those systems to perform their job function?  Yes  No
- (ii) Is access removed / withdrawn upon the person ceasing employment?  Yes  No
8. Are programmes protected to detect unauthorised changes?  Yes  No
9. Are all computer systems protected by virus detection and repair software?  Yes  No

### Funds Transfers

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**"Fund Transfers" means any instruction (other than cheques) given to a Financial Institution to pay or deliver funds.**

10. What is the approximate value of annual fund transfer?
11. What is the method(s) of funds transfer instruction (e.g. written, electronic, computer, telephone etc.):
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12. Can payment instructions be made to any account which has not been pre-agreed?  Yes  No
13. Are all fund transfer instructions subject to a verification and authentication process?  Yes  No
14. Do you secure fund transfer instructions (e.g. through the use of passwords, encryption, code words, call back or other authentication)?  Yes  No

### Voluntary Surrender / Social Engineering

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15. How many individuals within the organisation are authorised to approve or execute funds transfers?



16. Do you have a written Policy, and have you made Employees aware of the risks of fraudulently induced payment scams such as "CEO Fraud", "Social Engineering", Voluntary Surrender", "Fake Presidents", "Business E-Mail Compromise", and fraudulent vendor invoices and vendor payment diversion?  Yes  No
17. With respect to funds transfer requests from an Employee of the Insured, do the Insured's policies and procedures require:
- a) the Employee who received the request to verify the identity of the requesting Employee and his/her authority to request such transfer, payment or delivery of funds (through a call back to a telephone number on record or an email to the address on file)?  Yes  No
  - b) the Employee receiving the request to obtain two approval signatures for such transfer, payment or delivery of funds?  Yes  No
18. With respect to a funds transfer requests from a vendor, do the Insured's policies and procedures require:
- a) confirmation that the vendor is in fact owed such requested amounts?  Yes  No
  - b) an Employee to perform a call back or send an e-mail to the address on file with an authorized vendor contact in advance of any change to confirm that vendor's bank account information?  Yes  No
  - c) the Employee receiving the request to obtain two approval signatures for such transfer, payment or delivery of funds?  Yes  No
19. Are the same controls described in Questions 3) and 4) above consistent throughout all locations globally? If not, please provide details.  Yes  No
20. Are all employees authorised to approve or execute funds transfer requests required to attest that they have read and understand the policies and procedures described in Questions 3) and 4) above?  Yes  No

*If "No" to any of the above questions, please provide full details on a separate sheet. If applicable, include the circumstances, any allegations, loss incurred (including defence costs, representation costs, settlements, judgements, and any insurer reserves), and details of any remedial action taken.*



## Claims Information

1. Having made appropriate enquiries:

- (a) Has the Policyholder or any of its Directors or Officers or employees been involved in or have they knowledge of any fact or circumstances involving any civil or criminal actions or administrative proceedings with any violation of any laws regulating competition, fair trade laws, securities laws or regulations, copyright laws or patent laws which may give rise to a Claim under the proposed policy?  Yes  No
- (b) Has the Policyholder or any of its Directors or Officers or employees been involved in or have they knowledge of any fact or circumstances involving any representative actions, class actions or derivative suits which may give rise to a Claim under the proposed policy?  Yes  No
- (c) Is the Policyholder or any of its Directors or Officers or employees aware of:
- (i) Any facts which might give rise to a claim being made against, investigations into, or loss suffered by the Policyholder, any Insured Entity, Fund, or Outside Entity, or any of their Insured Persons, Directors or Officers, Employees or Outside Entity Directors which may be covered under this policy if it commences?  Yes  No
- (ii) Any facts which would cause a reasonable person to believe that the Policyholder or its Subsidiaries, or a Fund, might suffer a direct financial loss as a result of fraud or dishonesty?  Yes  No
- (d) Has:
- (i) any Claim been brought against the Policyholder, any Insured Entity, Fund, or Outside Entity, or any of their Insured Persons, Directors or Officers or Employees?  Yes  No
- (ii) The Policyholder, any Insured Entity, Fund, or Outside Entity, suffered any direct financial loss as a result of any fraud, dishonesty or malicious act?  Yes  No

*If "Yes" to any of the above questions, please provide full details on a separate sheet. If applicable, include the circumstances, any allegations, loss incurred (including defence costs, representation costs, settlements, judgements, and any insurer reserves), and details of any remedial action taken.*



## Declaration and Consent

We declare that we have made all necessary enquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. We agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, we will give immediate notice thereof to the insurer.

We acknowledge receipt of the **Important Notices** contained in this proposal and that we have read and understood the content of that Notice.

We consent to AIG collecting, using and disclosing personal information as set out in AIG's privacy notice in this proposal and the policy. If we have provided or will provide information to AIG about any other individuals, we confirm that we are authorised to disclose the other individual's personal information to AIG and also to give the above consent on both our and their behalf.

**We confirm that we are authorised by the Policyholder and its directors and officers to complete, sign and submit this proposal on behalf of the Policyholder and its directors and officers.**

**To be signed by the Chairman and an Executive Officer**

SIGNATURE:

NAME:

TITLE:

DATE:

SIGNATURE:

NAME:

TITLE:

DATE:

Head Office

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