

Procover Management Liability Proposal Form (Crime & Social Engineering Fraud)

Procover Underwriting Agency Pty Ltd
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IMPORTANT NOTICES

For the purposes of the Important Notices all references to:

- 'You' or 'Your' has the same meaning as the 'Insured' as defined in Section 5 - Definitions of the Policy.
- 'We', 'Us', 'Our' or the 'Insurer(s)' has the same meaning as defined in Section 5 - Definitions of the Policy.

BINDER AGREEMENT

The contract of insurance is arranged by Procover Underwriting Agency Pty Ltd (ABN 46 165 322 592, AR No. 453410) ('Procover') an Authorised Representative of Miramar Underwriting Agency Pty Ltd (ABN 97 111 534 797, AFSL 314176) acting under a binding authority as agent for the Insurer(s), certain underwriters at Lloyd's. Procover does not act as Your agent.

DEFINED TERMS

Words that are capitalized in this Proposal form and related documents have a special meaning as defined in the Policy wording.

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.

PRIVACY STATEMENT

In this Privacy Statement the use of 'We', 'Us' and 'Our' means the Insurer(s) and Procover unless specified otherwise. We are committed to the safe and careful use of Your personal information in the manner required by the *Privacy Act 1988* (Cth) and the Australian Privacy Principles and the terms of this Policy.

We collect Your personal information in order to assess Your application for insurance and, if Your application is accepted, to administer and manage Your insurance Policy and respond to any Claim that You make. To do this, Your personal information may need to be disclosed to reinsurers and service providers and related entities who carry out activities on Our behalf, such as assessors and facilitators, some of whom may be located in overseas countries. See the Privacy Policies/Notices set out below for further information.

Our contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing Us with Your personal information, You consent to the disclosure of Your personal information to reinsurers, service providers and related entities in overseas countries to enable Us to assess Your application, to administer and manage Your insurance Policy and to respond to any Claim that You make. If You consent to the disclosure of Your personal information to overseas recipients, and the overseas recipient handles Your personal information in a way other than in accordance with the Australian privacy laws, We may not be responsible for the handling of Your personal information by the overseas recipient.

If You choose not to provide Your personal information and/or choose not to consent and/or withdraw Your consent to the disclosure of Your personal information to overseas entities at any stage, We may not be able to assess Your application or administer and manage Your insurance Policy and respond to any Claim that You make.

Our privacy policies contain information on how You may access personal information that each of Us hold, or seek correction of Your personal information and information on how to make a complaint about the handling of Your personal information and how complaints are handled. If You require more information, You can access certain underwriters at Lloyd's Privacy Notice at <https://www.lloyds.com/help/privacy> and Procover's Privacy Policy at www.procover.com.au

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 a retroactive date, then the Policy does not cover any Claim arising from any actual or alleged act, error, omission or conduct occurring prior to the retroactive date.

CLAIMS MADE AND NOTIFIED INSURANCE

This Policy provides cover on a Claims – made and notified basis. This means that the Policy only covers Claims first made against You during the period the Policy is in force and notified to the Us as soon as reasonably 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 the 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* (Cth) provides that where You gave notice in writing to Us 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 the Policy is in force, We cannot refuse to pay a claim which arises out of those facts, when made, because it was made after the expiry of the Policy.

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 attachment.
- 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.

BROKER'S DETAILS

Broker details

Brokerage

AFSL

Contact Name

Email

Phone

CORPORATION'S 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

(b) Website

3. Business activities

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:

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:

7.

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

Yes No

(b) Are 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:

CORPORATION'S DETAILS (CONT)

8.

Does any shareholder(s) directly or beneficially hold more than 25% of the issued shares or voting rights? Yes No

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

Name of shareholder	Amount held
<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>
<input type="text"/>	\$ <input type="text"/>

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.

This financial year	Last financial year
\$ <input type="text"/>	\$ <input type="text"/>

(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 Corporation's ability to pay its debts as and when they fall due? Yes No

If Yes, please provide full details:

FINANCIAL DETAILS (CONT)

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
\$			\$		
Total assets			Total liabilities		
\$			\$		
Total intangible assets			Total debts / loans		
\$			\$		
Full year profit / loss					
\$					

EMPLOYMENT PRACTICES DETAILS

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

	This year	Last year	Type of Employees	number
Total Employee numbers			Directors, secretaries and officers:	
Number of staff resigned or terminated in the last 12 months			Full time Employees excl. the above:	
			Part time Employees:	
			Casual Employees:	
			Independent contractors incl. labour hire:	
			Total	

15.

Were there any employer initiated terminations in the past 12 months? 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 12 months? Yes No

If Yes, please provide full details:

17.

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

STATUTORY LIABILITY DETAILS

18.

Does the Corporation have quality assurance certification to ISO 000 series? Yes No

19.

Does the Corporation have procedures concerning workplace health and safety? If Yes: Yes No

(a) Is there a system in place to ensure these procedures are enforced? Yes No

(b) Is there a system in place to identify hazards and implement safety measures to reduce a risk of injury? Yes No

20.

Does the Corporation have procedures concerning protection of the environment? If Yes: Yes No

(a) Is there a system in place to ensure these procedures are enforced? Yes No

(b) Is there a system in place to identify hazards and implement measures to reduce environmental harm? Yes No

21.
Does the Corporation own and/or operate any forklifts? Yes No

22.
Does the Corporation own and/or operate any lifting or hoisting equipment? Yes No
If Yes, please advise the number of units and maximum lifting or hoisting capacity:

23.
Has the Corporation, any of its predecessors in business, any director or any Employees had in the past 5 years (other than speeding, drink driving & parking offences):

(a) A fine or Penalty in excess of \$2,500 imposed by any government or Regulatory Authority? Yes No

(b) Workplace or environmental incidents that warranted Investigation by a Regulatory Authority? Yes No

(c) A request, notice, direction or letter from any Regulatory Authority, including but not limited to any government transport authority, occupational health & safety authority and/or environmental protection authority to provide or produce any information, records or documentation? Yes No

(d) An audit by any Regulatory Authority, including but not limited to any government transport authority, occupational health & safety authority and/or environmental protection authority? Yes No

24.
Has the Corporation, any of its predecessors in business, any director or any Employees been required to attend any hearing, inquiry, prosecution or other commission that relates to the Corporation in the past 5 years? Yes No
If questions 23. (a) to (d) have been answered Yes, please attach comprehensive details of the incidents.

25.
Does the Corporation have National Heavy Vehicle Accreditation Scheme (NHVAS) or similar accreditation? Yes No

ONLY SPECIFIC TO INSUREDS WITHIN THE TRANSPORT INDUSTRY

26.
Does the Corporation have written Chain of Responsibility (CoR) procedures? Yes No
If Yes:

(a) Are these procedures annually reviewed internally to ensure compliance with the relevant Acts of Parliament? Yes No

(b) Are these procedures regularly audited by external consultants to ensure compliance with the relevant Acts of Parliament? Yes No

(c) Is there a system in place to ensure these procedures are enforced? Yes No

27.
(a) Does the Corporation operate in a radius outside 750km? Yes No
If Yes, please advise the percentage of income derived: %

(b) Do any of the Corporation's Subsidiaries operate in a radius outside 750km? Yes No
If Yes, please provide details of such Subsidiaries and the percentage of income derived:

Name of Subsidiary	Address	% of income derived

28.
Does the Corporation derive more than 10% of income from the transport of dangerous goods? Yes No
If Yes, please advise the percentage of income derived: %

CRIME DETAILS

29.

Does the Corporation complete an employment check prior to hiring new staff? Yes No

If Yes:

- (a) Does it include a criminal history check? Yes No
- (b) Does it include a reference check with prior employers? Yes No
- (c) Does it include a Credit check? Yes No
- (d) Does it include a verification of identification? Yes No

30.

- (a) Is a regular independent physical count of stock, raw materials, work in progress and finished goods undertaken, and is this reconciled against stock levels? Yes No
- (b) Is the inventory check reconciled against inventory records by a person who is not the sole person performing the inventory check? Yes No

If Yes, were any discrepancies identified? If NO, please provide details of what steps are undertaken to mitigate this exposure.

Are bank statements independently reconciled by persons not authorised to deposit/withdraw funds or to issue funds transfer instructions? Yes No

If No, please give detail what steps are taken to mitigate this exposure:

31.

Are the following operations always segregated so that no one person can control any function without referral?

- (a) Signing cheques or authorising payments (above \$5,000) Yes No
- (b) Completing electronic fund transfers Yes No
- (c) Opening new bank or supplier accounts Yes No
- (d) Issuing refund of moneys or goods/stock returns (above \$1,000) Yes No

If No, please provide details:

32.

Does the Corporation handle cash? Yes No

If Yes:

Provide details of each location that cash is held and the type of security at each location:

How often is cash deposited into the Corporation's bank accounts (e.g. weekly)?

Does the Corporation require Social Engineering Fraud cover which may be subject to an additional Premium? Yes No
If Yes, please complete the 'Optional Extension - Social Engineering Fraud Addendum' on page 11 of this Proposal form.

If We agree to provide the Social Engineering Fraud Optional Extension cover when requested by the Insured, the Insured will pay any additional Premium required and it will be shown on the Insured's Schedule as applying.

TRUSTEE DETAILS

33.

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 Corporation's Employees? Yes No

If Yes, please provide full details:

TAX AUDIT DETAILS

34.

(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 Australian Taxation Office audit or Enquiry? Yes No

If Yes, please provide full details:

DETAILS OF INSURANCE COVER

35.

(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

36.

- (a) Has there been or is there 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:

37.

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 any actions? Yes No

If Yes, please provide full details:

38.

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:

39.

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.

INADEQUATE SPACE TO ANSWER

If there is inadequate space to answer any information on this Proposal form or the Corporation needs to disclose something because of its Duty of Disclosure, please sign and attach a separate sheet to this Proposal.

FILES / ADDITIONAL DOCUMENTS

If the Corporation has additional documentation it needs to provide then please attach copies to this Proposal.

DECLARATION

I declare that:

- 1 I have read and understood the Important Notices set out in the Proposal.
- 2 I am authorised to complete and sign this Declaration on behalf of the Corporation.
- 3 I confirm that the answers and statements in this Proposal are true and correct and I have not withheld any information which may affect the decision to accept this Proposal or the terms and conditions of any insurance provided.
- 4 I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to inform the Insurer(s) as soon as reasonably practicable of any change in the particulars or statements contained in this Proposal.
- 5 I understand that if this Proposal is accepted, the insurance cover will be subject to the terms and conditions set out in the Policy.
- 6 I acknowledge that the particulars and statements contained in this Proposal shall form the basis of the contract of insurance should a Policy be issued and if any knowledge or information exists any Claim arising from this is excluded from the proposed insurance.
- 7 I further acknowledge that Procover on behalf of the Insurer(s) may decline this Proposal.
- 8 I consent to Procover and the Insurer(s) collecting, using, storing and disclosing personal information (including sensitive information) as set out in the Privacy Statement. Where I have provided personal information on behalf of another person I have complied with my obligations as set out in the Privacy Statement.
- 9 I have received or downloaded from the internet the Policy wording.

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 as non-disclosure may affect an Insured's right of recovery under the Policy or lead to the Policy being cancelled.

OPTIONAL EXTENSION – SOCIAL ENGINEERING FRAUD ADDENDUM

Does a Social Engineering Fraud Risk Management strategy exist and has the Corporation informed and alerted relevant staff at all locations of Social Engineering Fraud? Yes No

Does the Corporation's email server and/or Internet Service Provider (ISP) use any authentication methods at all locations? Yes No

If Yes, please provide details:

Does the Corporation verify new customers' or suppliers' bank account information (including names, addresses and bank account number) prior to initiating any financial transactions with third parties? (such as suppliers or customers) Yes No

Does the Corporation have call back procedures with customers or suppliers to authenticate any fund transfer instructions greater than \$20,000 prior to transfer? Yes No

Does the Corporation verify new customers' or suppliers' bank account information (including names, addresses and bank account number) prior to initiating any financial transactions with third parties? (such as suppliers or customers) Yes No

Does the Corporation have call back procedures with customers or suppliers to authenticate any fund transfer instructions greater than \$20,000 prior to transfer? Yes No

ADDENDUM DECLARATION

I declare that:

- 1 I have read and understood the Important Notices set out in the Proposal.
- 2 I am authorised to complete and sign this Declaration on behalf of all Applicants.
- 3 I understand that this Addendum forms part of the Proposal.
- 4 I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Insurer(s) of any change in the particulars or statements contained in this Addendum.
- 5 I confirm that the answers and statements in this addendum are true and correct and I have not withheld any information which may affect the decision to accept this Addendum or the terms and conditions of any insurance provided.
- 6 I understand that if this Addendum is accepted, the insurance cover will be subject to the terms and conditions set out in the Policy.
- 7 I acknowledge that the particulars and statements contained in this Addendum shall form the basis of the contract of insurance should a Policy be issued and if any knowledge or information exists any Claim arising from this is excluded from the proposed insurance.
- 8 I further acknowledge that Procover on behalf of the Insurer(s) may decline this Addendum.
- 9 I consent to Procover and the Insurer(s) collecting, using, storing and disclosing personal information (including sensitive information) as set out in the Privacy Statement. Where I have provided personal information on behalf of another person I have complied with my obligations as set out in the Privacy Statement.
- 10 I have received or downloaded from the internet the Policy wording.

Although the signing of this Addendum does not bind the applicants to effect insurance, I acknowledge that the particulars and statements contained in this Addendum and in the accompanying documents shall be the basis of the contract of insurance if a Policy is issued. I also acknowledge that the Addendum and the accompanying documents will be incorporated in the contract of insurance.

Applicant 1

NAME

TITLE

X

SIGNATURE

DATE (DD/MM/YY)

Applicant 2

NAME

TITLE

X

SIGNATURE

DATE (DD/MM/YY)