



# Investment Managers Insurance Proposal Form

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## Important Information for the Applicant

Please read the following information before completing this Proposal

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### Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you may be aware of, or could reasonably be expected to be aware of, that is relevant to the insurers decision about insuring you and if so, on what terms.

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

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

- that diminishes the risk to be undertaken by the insurer;
  - that is common knowledge
  - that the insurer knows, or in the ordinary course of business as an insurer, ought to know;
  - as to which the duty is waived by the insurer.
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### Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their 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 the beginning.

It is therefore vital that you enquire of all entities comprising the insured, including senior staff, before completing the proposal form and before you sign any declaration confirming no change in the information disclosed.

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### Claims Made Policy

This proposal form is for Professional Indemnity Insurance which is a "Claims Made" policy. This means the policy covers you for claims made against you and notified to the insurer during the period of insurance.

It does not provide cover in relation to:

- events which occurred prior to the policy's retroactive date, if any, specified in the schedule;
- claims made, threatened or intimated before the period of insurance commenced;
- claims arising from factors or circumstances of which you first became aware before the commencement of the policy and which you knew or ought to have known, had the potential to give rise to a claim under the policy or any previous policy;
- claims arising from circumstances noted on the proposal form or any previous proposal form.
- Subject to what is said in the next paragraph, claims made after the period of insurance expires even where the event giving rise to the claim occurred during the period of insurance.

However, where you give notice, pursuant to Section 40 (3) of the Insurance Contracts Act, to the Insurer of facts that might give rise to a claim against you prior to the expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of insurance.

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## Average Provision

The insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under the policy bears to the amount paid to dispose of the claim.

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## Surrender of Waiver of any Right of Contribution or Indemnity.

Where another person or company would be liable to compensate you for any loss or damage otherwise covered by this policy, but you have agreed with that person or company either before or after the loss or damage occurred that you would not seek to recover any loss or damage from that person or company, the Insurer will not cover you under the policy or such loss or damage unless agreement of the Insurer was obtained beforehand.

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## PRIVACY ACT CLAUSE

PI Direct Insurance Brokers Pty Ltd is committed to protecting the privacy of the personal information you provide us. PI Direct collects uses and retains your personal information in accordance with the Privacy act 1998 (Cth) and the Australian Privacy Principles.

We need to collect the personal information on the applicable proposal form to consider your application for insurance and to determine the premium (if your application is accepted) when you are applying for, changing or renewing an insurance policy with us. This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application or a claim.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

We may disclose the personal information we collect:

- To our relevant employees involved in delivering our services;
- If your insurance broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts;
- To the insurance companies with whom we transact business;
- To the Lloyd's Syndicates we represent (which are located in the United Kingdom) ;
- To insurance reference bureau or credit reference bureau;
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia).

In those instances where your information is provided to an overseas insurer, we will try to tell you where those companies are located at the time of advising you.

Where we do disclose the information as above the recipient may hold the information in accordance with its own privacy statement / policies. Those may include, by way of example, disclosing the information to and storage of that information by its associated entities which may be located overseas. Full details can be found on the recipient's website. However, we can also provide a copy to you on request.

We may also be required to provide your personal information to others for purposes of public safety and law enforcement and if required by law or by a law enforcement body to do so.

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

For more information about how to access the personal information we hold about you, how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy, visit our website [www.pidirect.com.au](http://www.pidirect.com.au) or contact our Managing Director on 07 3387 2816.

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## Code of Practice

As a member of NIBA, P.I. Direct complies with the Insurance Brokers Code of practice. As a result, our clients can expect that we commit ourselves to high standards of customer service including a free and transparent complaints and compliance review process.

For more information regarding the Code and its requirements please contact PI Direct or visit [www.niba.com.au/codeofpractice/index.cfm](http://www.niba.com.au/codeofpractice/index.cfm)

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## Completion of Proposal Form

Please complete all questions fully. If there is insufficient space provided to answer any question, please provide details on your letterhead.

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## Section 1: Your Details

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1.1 Please state the full name of the Investment Manager and any other entities to be insured (collectively referred to in this form as the 'Proposers'):

Name: \_\_\_\_\_

Date Established: \_\_\_\_\_ Country of Registration: \_\_\_\_\_

ABN: \_\_\_\_\_ AFS licence number: \_\_\_\_\_

1.2 Are you registered for GST purposes? Yes      No

1.3 Principal Address of the proposer.

\_\_\_\_\_  
\_\_\_\_\_

Other Addresses:

\_\_\_\_\_  
\_\_\_\_\_

1.4 Contact Details:

Telephone No: \_\_\_\_\_ Mobile: \_\_\_\_\_

Email Address: \_\_\_\_\_ Website: \_\_\_\_\_

1.5 Please describe the business activities of the Proposers

**Please Note:** If any activities relate to Mortgage Fund or a Real estate Investment Trust please complete the attached addendum

1.6 During the last 3 years have there been:

- |   |     |    |
|---|-----|----|
| i. Any acquisition or merger involving the Proposers? | Yes | No |
| ii. Any change in capital structure of the Proposer?  | Yes | No |
| iii. Any change in name of the Proposers?             | Yes | No |

If "Yes", please provide details.

1.7 Are the Proposers licensed by any regulatory authority? Yes No

If "Yes", please provide details.

1.8 Are the Proposers?

- |  |     |    |
|--|-----|----|
| i. A Private Company?                        | Yes | No |
| ii. A Public Company?                        | Yes | No |
| iii. Listed on the Australia Stock Exchange? | Yes | No |
| iv. Listed on any foreign Stock Exchange?    | Yes | No |

If "Yes", please provide details.

v. Are the Proposer's shares traded in any other way? Yes No

If the answer to question (v) is "Yes" please provide details

1.9 Are there any directors who control 10% or more of the issued shares? Yes      No

If "Yes", please list the directors and the percentage of shares held.

Director	Percentage (%)
	%
	%
	%
	%
	%
	%

1.10 Does the Proposer require cover for any Outside Directorships? Yes      No

If "Yes", please **complete Schedule A attached**.

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## Section 2: **Your USA Exposures**

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2.1 Do the Proposers have any assets or employees in the USA? Yes      No

2.2 Does any fund, trust, managed investment scheme, or investment mandate have investors domiciled in the USA? Yes      No

2.3 Does any fund, trust, managed investment scheme or investment mandate have any assets or investments in the USA? Yes      No

If the answer to any of the Questions in Section 2 is "Yes" please provide full details

## Section 3: Your Income Details

3.1 Please list the actual & estimated fee income (excluding performance fee income) from the following professional services.

Professional Services	Previous Completed Financial Year	Current Financial Year Forecast	Next Financial Year Forecast
<b>12 Month Period Ending</b>	DD/MM/YY:	DD/MM/YY:	DD/MM/YY:
Fund Management	\$:	\$:	\$:
Trustee / Responsible Entity Services	\$:	\$:	\$:
Corporate Advisory	\$:	\$:	\$:
Property Management	\$:	\$:	\$:
Other (Please specify)	\$:	\$:	\$:
<b>Total</b>	\$:	\$:	\$:

3.2 Please list below any performance fee income for:

- i. Last Completed Financial Year \$ \_\_\_\_\_
- ii. Current Financial Year Forecast \$ \_\_\_\_\_

## Section 4: Particulars of Funds

4.1 Please complete Schedule B attached for all funds (including past funds), trusts, managed investment schemes, investment vehicles or investment mandates to be insured.

4.2 Please allocate total funds under management, as a percentage, to the most appropriate of the following categories of investors:

Funds under management	Percentage (%)
Institutional	%
High net worth individuals / Family offices	%
Self managed superannuation funds	%
Significant investor visa	%
Wholesale	%
Retail	%
<b>Total</b>	<b>100 %</b>



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## Section 5: Risk Management, Compliance & Audit Functions

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5.1 Please describe how compliance is handled, including policies and procedures and the persons responsible for this function:

Yes No

5.2 Please describe the procedures and checks in place to avoid a breach of any investment mandate:

5.3 Who audits:

i. The Fund

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ii. The Fund Manager

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iii. The Compliance Plans

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Have all recommendations of these auditors been implemented?

Yes No

If "No" please provide details

5.4 Please provide details of the Proposers' professional services providers or agents:

Trustee / Responsible Entity \_\_\_\_\_

Custodian \_\_\_\_\_

Administrator \_\_\_\_\_

Legal \_\_\_\_\_

Stockbroker / Dealing \_\_\_\_\_

Asset Manager \_\_\_\_\_

Sales Agent \_\_\_\_\_

Other \_\_\_\_\_

5.5 Do the Proposers segregate the following duties so that no one employee is permitted to control any transaction from commencement to completion?

i. Signing cheques or authorising payments of any nature above \$20,000.	Yes	No
ii. Issuing or amending funds transfer instructions.	Yes	No
iii. Opening new bank accounts	Yes	No

If the answer to any part of Question 5.5 is "No" please provide further details.

5.6 Please advise the average value of any one fund transfer. \$ \_\_\_\_\_

5.7 Please advise the maximum value of any one fund transfer: \$ \_\_\_\_\_

5.8 Please advise how frequently a transfer of maximum value would be undertaken. \_\_\_\_\_

5.9 Please advise the security measures in place for funds transfers such as call-back or other authentication procedures:

5.10 Do the Proposers have a 'social engineering fraud' risk management framework in place and have they alerted and educated relevant staff in all locations of the 'social engineering fraud / fake president fraud' issue? Yes      No

If "No" please provide detail on any additional controls you may have with regards to managing your exposure to social engineering.

5.11 Do you require and record confirmation (either verbal or written), obtained from contact information (either a phone number or e-mail address) already held on file, to authenticate changes to bank accounts or personal details requested by:

- i. Clients? Yes      No
- ii. Third party vendors or suppliers? Yes      No

If "No" to any of the above, please provide an explanation.

If instead this responsibility has been contractually outsourced to an external party such as an administrator or custodian bank, please provide details such as who this contracting party is and what additional controls you have with authenticating such changes.

5.12 A. Do you require and record confirmation (either verbal or written), obtained from contact information (either a phone number or email address) already held on file to authenticate all financial transfer instructions requested by:

- i. Clients? Yes      No
- ii. Third party vendors or suppliers? Yes      No

If "No" to any of the above, please provide an explanation

If instead this responsibility has been contractually outsourced to an external party such as an administrator or custodian bank, please provide details such as who this contracting party is and what additional controls you have with authenticating such changes.

B. If such confirmation is not obtained for all financial transfers, is this undertaken for transfers over a specific amount?

If "Yes" please advise amount. \$ \_\_\_\_\_

5.13 Is there an independent validation undertaken by another member of staff (not originating the change instruction) for:

- |   |     |    |
|---|-----|----|
| i. Changes to bank account or personal details? | Yes | No |
| ii. Financial transfer instructions?            | Yes | No |

If "No" to any of the above, please provide an explanation.

5.14 Are all computer passwords withdrawn when people cease employment? Yes No

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## Section 6: Your Claims History

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Please note that questions in this section relate to all parties seeking cover under this insurance policy and enquiries should be made of all those parties prior to answering these questions.

6.1 Has any partner or director of the Proposers had any fine or penalty imposed or ever been subject to any disciplinary proceedings or any regulatory or official inquiry? Yes No

6.2 Has a professional liability claim, directors & officers liability claim or crime loss ever been made against the Proposers (or any previous company name used by the Proposers), or any past or present partners, directors or employees of the Proposers? Yes No

6.3 Are the Proposers including any of its partners, directors or employees aware of any facts which might give rise to a professional liability claim, a directors & officers liability claim or crime loss? Yes No

If the answer to any of the questions in Section 6 is "Yes" please provide further details of the matter including the claimant, current status, amounts paid and insurer reserve amounts. Including the claimant, current status, amounts paid and insurer reserve amounts.

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## Section 7: **Your Insurance History**

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- 7.1 Do you currently hold any similar professional liability, directors & officers liability or crime insurance? Yes      No

If the answer is **Yes** please advise:

Name of Insurer: \_\_\_\_\_

Policy Period: \_\_\_\_\_ Policy Limit: \_\_\_\_\_ Excess: \_\_\_\_\_

- 7.2 Have the proposers ever had any entitlement to indemnity under any insurance policy denied, or otherwise affected due to non-disclosure, misrepresentation or breach of a policy provision? Yes      No

- 7.3 Has any insurer ever refused to provide terms or offer renewal terms to the proposers or has any insurance held by the proposers ever been avoided or cancelled by an insurer? Yes      No

If the answer to questions 7.2 or 7.3 is **Yes** please provide full details.

# Section 8: Your Cover Application

8.1 Limit of Liability sought:

i. \$ \_\_\_\_\_ ii. \$ \_\_\_\_\_ iii. \$ \_\_\_\_\_

8.2 Excess sought:

i. \$ \_\_\_\_\_ ii. \$ \_\_\_\_\_ iii. \$ \_\_\_\_\_

## Optional Extensions (If Available)

### 8.3 Cyber

Would you like the policy to be extended to provide cover for cyber liability, fines and penalties imposed due to privacy breaches; privacy regulatory expenses and mandatory notification costs incurred in respect of privacy breaches (all arising from the performance of professional services) and cyber extortion?

Yes No

If "Yes" please answer the following questions:

- i. Do the Proposers enforce a software update process with the installation of software patches? Yes No
- ii. Are critical patches prioritised and installed with immediate effect? Yes No
- iii. Do the Proposers encrypt all sensitive and confidential data stored on laptop computers and portable media? Yes No

If you have answered "No" to any of the above questions, please provide an explanation

- iv. Are the Proposers aware of any release, loss or disclosure of personally identifiable or confidential information in its care, custody or control, or anyone holding such information on behalf of the Proposer in the last three years? Yes No
- v. Are the Proposers aware of any systems related problem, extortion threat, or network outage, which is likely to lead to suffering a loss or claim that would be covered by this insurance? Yes No

If you have answered "Yes" to either question 8.3 iv or v please explain below or attach full details on a separate page

**8.4 Loss Mitigation**

Would you like the policy to be extended to pay for the reasonable direct costs and expenses you incur in taking action to rectify or mitigate the effects of any act, error or omissions that would otherwise result in a claim covered under the policy?

Yes No

**8.5 Proportionate Liability**

Would you like the policy to be extended to provide cover for liability you have assumed under a contract by reason of having contracted out of the operation of proportionate liability legislation? For example, the Civil Liability Act.

Yes No

**8.6 Reinstatement**

Would you like the policy to be extended so that in the event the limit of liability is exhausted, it is then reinstated once to cover future unrelated claims?

Yes No

**8.7 Statutory Liability**

Would you like the policy to be extended to provide cover for claims made against the Proposers for pecuniary penalties the Proposers are required to pay for contraventions of statutory civil penalty provisions and no fault criminal offences arising from the performance of their professional services?

Yes No

If "Yes" please advise the following:

- i. Have the Proposers ever suffered any civil fines and/or penalties in the past 5 years?

Yes No

**Directors & Officers Liability Optional Extensions**

**8.8 Additional Side A Limit**

Would you like the policy extended to provide an additional limit for directors if the limit of liability is exhausted due to the payments of amounts insured under Part B of the policy?

Yes No

**8.9 Company Securities Liability**

Would you like the policy to be extended to provide cover for claims made against the Proposers by holders of the Proposers' securities?

Yes No

If "Yes" please answer the following questions:

- i. Has there ever been, or is there now pending, any securities claims against the Proposers or any official inquiry into matter concerning the Proposer's securities?

Yes No

If "Yes" please provide details.

- ii. Are the Proposers aware of any facts which might give rise to a securities claim being made against the Proposers or which might give rise to an official inquiry into matters concerning the Proposers' securities?

Yes No

If "Yes" please provide details.

### 8.10 Employment Practices Liability

Would you like the policy to be extended to provide cover for claims made against the Proposers for employment related claims?

Yes No

If the answer to question 8.10 is "Yes", please answer the following questions:

- i. Do the Proposers have written employment procedures (eg: Employee handbook which is available to all employees?) Yes No
- ii. Has the Company had retrenchments over the past 12 months? Yes No
- iii. Does the Company anticipate any retrenchments in the next 12 months? Yes No

If the answer to questions 8.10 ii or iii is "Yes" please provide full details.

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## Section 9: Stamp Duty

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- 9.1 Please provide the approximate percentage split of your employees applicable to each State or Territory for stamp duty calculations.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	O/s	Total
%	%	%	%	%	%	%	%	%	%



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## Section 10: **Additional Information Required**

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Please attach the following:

Information memorandum or product disclosure statements for all funds (including past funds), trusts, managed investment schemes, investment vehicle or investment mandates to be insured.

A sample compliance plan.

Latest annual report of the fund manager, including audited financial statements.

Copy of trust deed.

Business plans if the Proposers are a start-up operation.

ASIC A5 Business Description and B1 Organisational Competence documents.

Annual report for all funds (including past funds), trusts, managed investment schemes, investment vehicle or investment mandates to be insured.

Any quarterly update of the fund performance.

CVs of key personnel.

CV's of compliance committee members.

A copy of the organisation chart.

A copy of the Proposers' standard client contracts.

A copy of the Proposers' complaints register.

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## Section 11: Your Declaration

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I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgement and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

**I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.**

Name of Proposer: \_\_\_\_\_

**Signed by / on behalf of all Partners / Directors / Principals**

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Dated: \_\_\_\_\_

# Outside Directorships Addendum

Name of Outside Entity	Does the Outside Entity provide an indemnity for the outside Director(s)?	Does the Outside Entity have current D&O Insurance?	If Yes, who is the D&O Insurer?	What is the D&O Policy Limit?	What is the D&O Policy Number & Period of Insurance	Is the Outside Entity listed on any Stock exchange?	Is the Outside Entity incorporated in the United States of America, Canada or any of their territories or protectorates?

## Schedule B: Schedule of Funds

(including past funds), trusts, managed investment schemes, investment vehicle or investment mandates to be insured.

Fund Name	Date Established/ Registered	Asset Size		Nature of Fund Assets	Listed / Unlisted (If Listed, please advise location)	Discretionary/ Non- discretionary Management	Wholesale / Retail Investors	Minimum Investment Required	Number of Investors	Current Gearing Level
		This Year	Last Year							