

# Mid Market Management Liability

## Proposal Form

### Completing the Proposal Form

Please read the “Statutory Notice” before completing this proposal form.

If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned. Include all requested underwriting information and attachments.

It is agreed that whenever used in this proposal form, the term ‘Applicant’ shall mean the Organisation and all its Subsidiaries.

The liability coverage section of this policy is written on a claims made basis and will cover only claims first made during the policy period or any extended reporting period. The liability to pay damages and settlements will be reduced and may be exhausted by the payment of defence costs.

Please read the entire policy and the proposal form carefully.

### A. General Information

1. Name of Applicant		2. Years in Business	
3. Applicant’s Principal Address			
4. Nature of Applicant’s Business			
5. If the Applicant has operations in more than one location, please specify how many locations			
6. Does the Applicant have any overseas operations? If yes, please specify all locations.			<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Is the Applicant a private company?			<input type="checkbox"/> Yes <input type="checkbox"/> No

### B. Specific Information

Proposal	Coverage	Limit of Liability Requested			
		<input type="checkbox"/> \$1 million	<input type="checkbox"/> \$2 million	<input type="checkbox"/> \$5 million	<input type="checkbox"/> Other
	Directors & Officers Liability	<input type="checkbox"/> \$1 million	<input type="checkbox"/> \$2 million	<input type="checkbox"/> \$5 million	<input type="checkbox"/> Other
	Employment Practices Liability	<input type="checkbox"/> \$1 million	<input type="checkbox"/> \$2 million	<input type="checkbox"/> \$5 million	<input type="checkbox"/> Other
	Trustees Liability	<input type="checkbox"/> \$1 million	<input type="checkbox"/> \$2 million		
	Internet Liability	<input type="checkbox"/> \$1 million	<input type="checkbox"/> \$2 million		
	Kidnap, Ransom & Extortion	<input type="checkbox"/> \$1 million			
	Crime	<input type="checkbox"/> \$250,000	<input type="checkbox"/> \$500,000	<input type="checkbox"/> \$1 million	
	Statutory Liability	<input type="checkbox"/> \$250,000	<input type="checkbox"/> \$500,000		
Supplemental Proposal	Miscellaneous Professional Liability	Refer proposal			

### C. Directors and Officers Liability

1. Name(s) of Directors	
2. Name of shareholders and percentage of shares owned in the Applicant greater than 15%:	
3. Is the Applicant anticipating any merger, acquisition, divestment or offering (whether public or private) of securities within the next twelve months? If Yes, please attach details.	<input type="checkbox"/> Yes <input type="checkbox"/> No

### C. Directors and Officers Liability (Continued)

#### 4. USA Operations

Does the Applicant conduct business in the USA? If yes, please provide:

Yes  No

a) Total Assets of the Applicant's operations in the USA

\$

b) Total Revenue derived from operations in the USA

\$

#### 5. Work Health and Safety

Does the Applicant have:

a) A safety management system in place?

Yes  No

b) A safety management system that complies with AS/NZS 4801?

Yes  No

c) Systems that recognise contractors, volunteers, work experience students and labour hire employees as workers?

Yes  No

d) An audit program of its safety management system to ensure it remains effective and up to date in managing health and safety risks in the workplace?

Yes  No

e) Effective hazard and incident reporting procedures?

Yes  No

f) Procedures in place to identify and notify officers of their duty under WHS laws?

Yes  No

Any further information relevant to your OH&S/WHS obligations - please comment:

#### 6. Financials

The Applicant's audited or externally prepared Financial Statements for the most recent financial year are required. Have these been attached to this proposal form?

Yes  No

### D. Employment Practices Liability

1. Total number of local employees (including full time, part time and casual)

2. Total number of overseas employees (including full time, part time and casual)

3. How many directors and/or employees left the Applicant in the last six (6) months?

4. Does the Applicant anticipate any retrenchments or layoffs within the next twelve (12) months? If Yes, how many?

Yes  No

5. How many of the Applicant's employees earn over \$80,000?

6. Does the Applicant have formal employment contracts with employees earning over \$80,000?

Yes  No

7. Does the Applicant use outside employment counsel for employment advice?

Yes  No

8. Does the Applicant have a full time Human Resources Manager? If not, how is this function handled?

Yes  No

9. Does the Applicant have a policy that advice must be sought from the Human Resources Manager prior to terminating an employee?

Yes  No

10. Does the Applicant have a written progressive disciplinary program?

Yes  No

### E. Trustees liability

(Please note that cover is not available where superannuation monies are managed by an industry fund or form part of a master fund)

1. Is the Superannuation Scheme predominantly Accumulation?

Yes  No

2. Is an external Investment Manager used?

Yes  No

3. Is the Superannuation Scheme externally administered?

Yes  No

### F. Internet Liability

1. Identify the internet site (including URL) for which coverage is sought

2. The date the site first went on line?

3. Does the Applicant own a registered trademark in its domain name?

Yes  No

## G. Kidnap, Ransom and Extortion

(Please note that cover for travel to certain countries is excluded. Refer to the definition of Excluded Territories)

1. Please complete the following information regarding the foreign travel of the Applicant's employees:

Country	Number of Trips per year	Average Length of Stay	Number of Employees

## H. Crime Cover

Please answer the following questions for all domestic and international operations and specify in the box at the end of this section details of where controls and procedures of any locations are not consistent with the information provided here.

1. Are countersignatures required on all cheques?	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Are dual authorities required for all fund transfers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Is a monthly reconciliation conducted of all bank accounts by someone who does not handle deposits, sign cheques, have access to electronic or mechanical signatures or conduct funds transfers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Does the Applicant have custody or control over any funds, accounts or material of any client?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Does the Applicant maintain a master list of authorised suppliers?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Does the Applicant require dual verification of the addition of new vendors to the master vendor list?	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Is the master vendor list reviewed annually to verify the vendors remain authorised?	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. What stock does the Applicant hold?	
9. Does the Applicant perform a physical inventory check of stock and equipment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
10. Is the inventory check reconciled against inventory records by a person who does not participate in the inventory check?	<input type="checkbox"/> Yes <input type="checkbox"/> No
11. Are reference checks undertaken of potential employees for the past 5 years of their employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No
12. Are procedures in place to prevent persons who approve new hires also being able to add them to the payroll?	<input type="checkbox"/> Yes <input type="checkbox"/> No
13. Is each corporate location subject to periodic external audits?	<input type="checkbox"/> Yes <input type="checkbox"/> No
14. Are audit reports furnished to senior management and the board of directors with all recommendations prioritised by the level of risk they pose to the Applicant?	<input type="checkbox"/> Yes <input type="checkbox"/> No
15. How many employees are there in your internal audit department (Please state Nil if you do not have one)?	
16. Does the audit schedule include all operations in all locations?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If not, specify what the schedule does encompass.	
17. Does the Applicant use precious metal, stone or other high value items in the manufacturing or processing of goods? If yes, what is the valuable item and what controls are in place to prevent it's theft?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If not, specify what the schedule does encompass.	

Use this space to outline where the controls and procedures of any locations are not consistent with the information provided here.

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## I. Loss & Insurance History

1. Is the Applicant, its directors, officers or any other person proposed for coverage aware of any facts or circumstances which he or she has reason to suppose might afford valid grounds for any future claim(s) that would fall within the scope of the proposed coverage or which indicate the probability of any such claim(s)? If Yes, please provide details.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Within the last three (3) years, has the Applicant, its directors, officers and/or any other proposed insured person been the subject of any complaint, suit, inquiry, investigation or notice of a hearing from any State, Territory or Federal regulatory body or any other party? If yes, please attach details.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Within the last three (3) years, has the Applicant discovered any employee dishonesty, burglary, robbery, disappearances, destruction or forgery losses? If yes, please attach details.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Has the Applicant been declined, had cancelled or non-renewed any insurance policies for any of the coverages for which it is applying? If yes, please attach details.	<input type="checkbox"/> Yes <input type="checkbox"/> No

## J. Stamp Duty

1. Please state the total number of employees located in the following states and overseas:

NSW	VIC	ACT	QLD	SA	WA	TAS	NT	O/S

## K. GST

1. What is the Applicant's Australian Business Number?	
2. Does the Applicant intend to claim an Input Tax Credit for the premium of the proposed policy if provided?	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. If yes, to what extent is an Input Tax Credit being claimed by any and which Applicants? (e.g. answer - full claim or %)?	

Note: It is Chubb's intention to apply GST in accordance with the Input Tax Credit claimed by the Applicant.

## L. Declaration and Signature

Any person who, knowingly and with intent to defraud any insurance company or other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

The undersigned authorised officers of the Applicant declare that to the best of their knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and immediate notice will be given should any of the above information alter between the date of this proposal and the proposed date of inception of the insurance. Although the signing of the proposal does not bind the undersigned, on behalf of the Applicant, to effect insurance, the undersigned agree that this proposal and all attachments and schedules hereto and the said statements herein shall be the basis of and will be incorporated in the policy should one be issued.

The undersigned, on behalf of the Applicant, acknowledge that the Statutory Notice contained herein has been read and understood.

This proposal must be signed by the Applicant's Chairman of the Board, Managing Director or Chief Executive Director.

Date	Signature	Title

## Statutory Notice

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For the purposes of this statutory notice, Chubb Insurance Australia Limited ABN 23 001 642 020 AFSL 239687 means “we”, “us” and “our”.

### **Duty of Disclosure**

#### *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.

#### *What you do not need to tell us*

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.

If your policy, or a part of your package policy, provides cover on a claims made or claims made and notified basis, the following two sections will apply, but not otherwise.

#### *Claims-Made and Claims-Made and Notified Coverages*

These coverages apply only to claims that are either first made against you during the period of insurance or both first made against you and notified to us in writing before the expiration of the period of the insurance cover provided by the Policy. If your Policy does not have a continuity of cover provision or provide retrospective cover then your Policy may not provide insurance cover in relation to events that occurred before the contract was entered into.

#### *Notification of Facts That Might Give Rise to a Claim*

Section 40(3) of the Insurance Contracts Act 1984 only applies to the claims-made and the claims-made and notified coverages available under the Policy.

Pursuant to Section 40(3) of the Insurance Contracts Act 1984, and only pursuant to that section, if you give notice in writing to us of facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of such facts but before the insurance cover provided by the Policy expires, then we are not relieved of liability under the Policy in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the Policy.

### **Other Important Information**

#### **Subrogation**

You may prejudice your rights with regard to a claim if, without prior agreement from us, you make agreement with a third party that will prevent us from recovering the loss from that, or another party.

Your policy contains provisions that either exclude us from liability, or reduce our liability, if you have entered into any agreements that exclude your rights to recover damages from another party in relation to any loss, damage or destruction which would allow you to sustain a claim under your policy.

#### **Utmost Good Faith**

Every insurance contract is subject to the doctrine of utmost good faith which requires that parties to the contract, including third parties, should act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of cover provided by us.

#### **Not A Renewable Contract**

Cover under your policy will terminate at expiry of the period of insurance specified in your policy document. If you wish to effect similar insurance for a subsequent period, it will be necessary for you to complete a new proposal form prior to the termination of your current policy so that terms of insurance and quotation/s can be agreed.

## **Change Of Risk Or Circumstances**

It is vital that you advise us of any departure from your “normal” form of business (i.e. that which has already been conveyed to us). For example, acquisitions, changes in location or new overseas activities. Please refer to the territory clause of your policy and the sanctions limitations contained therein.

## **Privacy Statement**

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Chubb Insurance Australia Limited (Chubb) is committed to protecting your privacy. This document provides you with an overview of how we handle your personal information. Our Privacy Policy can be accessed on our website at [www.chubb.com/au](http://www.chubb.com/au).

### **Personal Information Handling Practices**

#### *Collection, Use and Disclosure*

We collect your personal information (which may include sensitive information) when you are applying for, changing or renewing an insurance policy with us or when we are processing a claim in order to help us properly administrate your insurance proposal, policy or claim.

Personal information may be obtained by us directly from you or via a third party such as your insurance intermediary or employer (e.g. in the case of a group insurance policy).

When information is provided to us via a third party we use that information on the basis that you have consented or would reasonably expect us to collect your personal information in this way and we take reasonable steps to ensure that you have been made aware of how we handle your personal information.

The primary purpose for our collection and use of your personal information is to enable us to provide insurance services to you. Sometimes, we may use your personal information for our marketing campaigns, in relation to new products, services or information that may be of interest to you.

We may disclose the information we collect to third parties, including service providers engaged by us to carry out certain business activities on our behalf (such as assessors and call centres in Australia). In some circumstances, in order to provide our services to you, we may need to transfer personal information to other entities within the Chubb Group of companies (such as the regional head offices of Chubb located in Singapore, UK or USA), or third parties with whom we or those other Chubb Group entities have sub-contracted to provide a specific service for us, which may be located outside of Australia (such as in the Philippines or USA). Please note that no personal information is disclosed by us to any overseas entity for marketing purposes.

In all instances where personal information may be disclosed overseas, in addition to any local data privacy laws, we have measures in place to ensure that those parties hold and use that information in accordance with the consent you have provided and in accordance with our obligations to you under the Privacy Act 1988 (Cth).

#### *Your Choices*

In dealing with us, you agree to us using and disclosing your personal information as set out in this statement and our Privacy Policy. This consent remains valid unless you alter or revoke it by giving written notice to our Privacy Officer. However, should you choose to withdraw your consent it is important for you to understand that this may mean we may not be able to provide you or your organisation with insurance or to respond to any claim.

#### *How to Contact Us*

If you would like a copy of your personal information, or to correct or update it, please contact our customer relations team on 1800 815 675 or email [CustomerService.AUNZ@chubb.com](mailto:CustomerService.AUNZ@chubb.com).

If you have a complaint or would like more information about how we manage your personal information, please review our Privacy Policy for more details or contact the Privacy Officer, Chubb Insurance Australia Limited, GPO Box 4907, Sydney NSW 2001, Tel: +61 2 9335 3200 or email [Privacy.AU@chubb.com](mailto:Privacy.AU@chubb.com).

## About Chubb in Australia

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Chubb is the world's largest publicly traded property and casualty insurance company. With operations in 54 countries, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients. As an underwriting company, we assess, assume and manage risk with insight and discipline. We service and pay our claims fairly and promptly. The company is also defined by its extensive product and service offerings, broad distribution capabilities, exceptional financial strength and local operations globally. Parent company Chubb Limited is listed on the New York Stock Exchange (NYSE: CB) and is a component of the S&P 500 index. Chubb maintains executive offices in Zurich, New York, London and other locations, and employs approximately 31,000 people worldwide.

Chubb, via acquisitions by its predecessor companies, has been present in Australia for over 50 years. Its operation in Australia (Chubb Insurance Australia Limited) provides specialised and customised coverages, including Marine, Property, Liability, Energy, Professional Indemnity, Directors & Officers, Financial Lines, Utilities, as well as Accident & Health insurance, to a broad client base. Chubb is a major insurer of many of the country's largest companies. With five branches and over 500 staff in Australia, it has a wealth of local expertise backed by its global reach and breadth of resources.

More information can be found at [www.chubb.com/au](http://www.chubb.com/au)

## Contact Us

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Chubb Insurance Australia Limited  
ABN: 23 001 642 020 AFSL: 239687

Grosvenor Place  
Level 38, 225 George Street  
Sydney NSW 2000  
O +61 2 9335 3200  
F +61 2 9335 3411  
[www.chubb.com/au](http://www.chubb.com/au)

Chubb. Insured.<sup>SM</sup>