



## Chubb Insurance Company of Australia Limited

A.B.N. 69 003 710 647 A.F.S. Licence No: 239778

Locked Bag No 13, Australia Square, 1215

Level 36, Tower Building, Australia Square, 264-278 George Street,  
Sydney, NSW, 2000

### FOREFRONT PORTFOLIO PROPOSAL FORM

#### Completing the Proposal Form

- Please read the "Statutory Notice" before completing this proposal form.
- Please answer all questions in full leaving no blank spaces.
- 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.

**THE LIABILITY INSURING CLAUSES OF THIS POLICY ARE WRITTEN ON A CLAIMS MADE BASIS. EXCEPT AS OTHERWISE PROVIDED, THE LIABILITY INSURING CLAUSES OF THE POLICY WILL COVER ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE NOTE THAT THE DEFENCE COSTS PROVISION OF THIS POLICY STIPULATES THAT THE LIMITS OF LIABILITY MAY BE COMPLETELY EXHAUSTED BY THE COST OF LEGAL DEFENCE. ANY DEDUCTIBLE AMOUNT MAY BE SIMILARLY REDUCED OR EXHAUSTED BY DEFENCE COSTS.**

The term '**Applicant**' means the proposed **Insured Organisation** and all of its subsidiaries, unless otherwise stated.

#### *PLEASE READ THE POLICY CAREFULLY*

1. Name of **Applicant**: \_\_\_\_\_ Year Established: \_\_\_\_\_

2. Principal Address: \_\_\_\_\_

3. Nature of **Applicant's** Business: \_\_\_\_\_

4. Does the **Applicant** have any overseas operations?  Yes  No

If, yes, please specify locations: \_\_\_\_\_

5. Is the **Applicant** a private company?  Yes  No

#### 6. **Directors and Officers Liability**

(a) Name of Directors: \_\_\_\_\_

(b) Name of shareholders and percentage of shares owned in **Applicant**: \_\_\_\_\_

(c) Is the **Applicant** anticipating any merger, acquisition, divestment or public offering of securities within the next twelve months?  Yes  No

7. **Insolvency**

The policy contains an insolvency exclusion. To enable us to consider removing this exclusion from the Directors and Officers' Liability Coverage Section: Insuring Clauses (A) and (B), please provide us with a copy of the Applicant's audited Financial Statements for the past two (2) years.

The Applicant is only required to provide the information requested below if audited Financial Statements for the past two years are **unavailable**. Please note that the insolvency exclusion will remain on the policy unless we receive and accept the financial statements as requested.

	<b>This year</b>	<b>Last year</b>
Total Assets	\$	\$
Total Liabilities	\$	\$
Total Revenue:	\$	\$
Total Net Assets:	\$	\$
Ater tax Profit (Loss):	\$	\$

8. **Employment Practices Liability**

- (a) Total number of local employees (including full time, part time and casual): \_\_\_\_\_
- (b) Total number of overseas employees (including full time, part time and casual): \_\_\_\_\_
- (c) How many directors and/or employees left the **Applicant** in the last six (6) months? \_\_\_\_\_
- (d) Does the **Applicant** anticipate any retrenchments or layoffs within the next 12 months?  
 Yes  No

If yes, how many? \_\_\_\_\_

- (e) How many of the **Applicant's** employees earn over \$50,000? \_\_\_\_\_
- (f) Does the **Applicant** have written employment procedures (eg Employee Handbook) that are available to each employee?  
 Yes  No

9. **Trustees Liability**

(a) Name of the **Applicant's** Superannuation Fund: \_\_\_\_\_

**Please note that cover is not available where superannuation monies are managed by an industry fund or form part of a Master Fund.**

- (b) Is the Superannuation Scheme predominantly Accumulation?  Yes  No
- (c) Is an external Investment Manager used?  Yes  No
- (d) Is the Superannuation Scheme externally administered?  Yes  No

10. **Employee Theft**

(a) (a) Does the person reconciling bank statements also sign cheques and/or handle bank deposits?  Yes  No

- (b) Does the person preparing cheque requisitions also sign cheques?  Yes  No
- (c) Are countersignatures required on all cheques?  Yes  No

(a) Is there an annual independent physical count of stock that is reconciled against inventory records?  Yes  No

(f) If funds transfer procedures are used: Who has authority to initiate a funds transfer? \_\_\_\_\_

- What are the limits of their authority? \_\_\_\_\_
- What procedures are in place for authenticating funds transfer instructions? \_\_\_\_\_

(g) Is there controlled/password access to all locations/computer terminals?  Yes  No

11. **Kidnap, Ransom and Extortion**

**Please note that cover for travel to certain countries is excluded. Please refer to policy for details.**

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
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

12. **Internet Liability**

(a) Identify the internet site (including URL) for which coverage is sought:  
\_\_\_\_\_  
\_\_\_\_\_

(b) The date the site first went on line? \_\_\_\_\_

(c) Does the **Applicant** own a registered trademark in its domain name?  Yes  No

- (d) Does the **Applicant** use third party trademarks on its site solely in order to increase the number of hits to its internet site?  Yes  No
- (e) Does the **Applicant** have a privacy policy posted on all of its internet sites?  Yes  No
- (f) Does the **Applicant** require review and approval of content by lawyers prior to allowing such content to be posted on its internet site?  Yes  No

13. **Loss & Insurance History**

- (a) Is any 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.  Yes  No
- (b) Within the last three years, has the **Applicant**, its directors, officers and/or any other proposed insured person been the subject of any complaint, suit, inquiry or notice of a hearing from any State, Territory or Federal regulatory, body, or any other party? If yes, please provide details  Yes  No
- (c) Within the last three years, has the **Applicant** discovered any employee dishonesty, burglary, robbery, disappearances, destruction or forgery losses?  Yes  No

If, yes, please provide details: \_\_\_\_\_

- (d) Has the **Applicant** been declined, had cancelled or non-renewed any insurance policies for any of the coverages for which it is applying?  Yes  No

If, yes, please provide details: \_\_\_\_\_

14. **False Information**

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 may result in a denial of insurance benefits or rescission of the policy.

15. **Limit of Liability**

What limit of liability does the **Applicant** require?

- \$500,000       \$1 million       \$2 million       \$3 million       \$5 million
- Other

16. **STAMP DUTY**

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

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	O/S

17. **GST**

- (a) **Applicant's** Australian Business Number: \_\_\_\_\_
- (b) Does the **Applicant** any other entity to be insured under the policy intend to claim an Input Tax Credit for the premium of the Policy?  Yes  No
- (c) If so, to what extent is an Input Tax Credit being claimed by the **Applicant** and any other entity to be insured? (e.g. answer – full claim or %)?

18. **Declarations and Signature**

The undersigned declares that to the best of his or her knowledge and belief that the statements set forth herein are true. Although the signing of this proposal does not bind the undersigned on behalf of the **Applicant** or its directors, officers or other insured person to effect insurance, the undersigned agrees that this proposal and its attachments shall be the basis of the contract should a policy be issued and shall be attached to and form part of this policy. The Company is hereby authorised to make any investigation and inquiry in connection with this proposal that it deems necessary.

This section of the proposal must be signed by the **APPLICANT'S CHAIRMAN OF THE BOARD, EXECUTIVE DIRECTOR OR MANAGING DIRECTOR ONLY**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Title

## **STATUTORY NOTICE**

### **A YOUR DUTY OF DISCLOSURE - CONTRACTS OF GENERAL INSURANCE**

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 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 disclosure of any matter: -

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows or, in the ordinary course of their business, ought to know;
- 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 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 its beginning.

### **B UTMOST GOOD FAITH**

Every insurance contract is subject to the doctrine of utmost good faith which requires that parties to the contract 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 the Insurer.

### **C CLAIMS MADE DURING THE PERIOD OF INSURANCE**

This policy provides cover on a "claims made" basis, which means that claims first advised to you (or made against you) during the period of insurance are covered, irrespective of when the incident causing the claim occurred.

### **D NOT A RENEWABLE CONTRACT**

Cover under this 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 the current policy so that terms of insurance and quotation/s can then be developed for your consideration.

### **E CHANGE OF RISK OR CIRCUMSTANCES**

It is vital that you should advise us of any departure from your "normal" form of business (i.e. that which has already been conveyed to the Insurer). For example, acquisitions, changes in location or new overseas activities.

### **F SUBROGATION**

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

Your policy contains provisions that either exclude the Insurer from liability, or reduce their 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 this policy.