



Locked Bag 11, Royal Exchange NSW 1225, DX 1140 Sydney  
Telephone (02) 8272 4800 Facsimile (02) 9247 2411 Free Call 1800 252 263

## DIRECTORS AND OFFICERS LIABILITY INSURANCE PROPOSAL FORM

### IMPORTANT NOTICES

- Please answer every question fully, incomplete answers will not be accepted and may result in a delay in terms being issued.
- If there is insufficient space to provide answers please continue on a separate (letter headed) sheet of paper.
- Any documents attached to the proposal form are part of this proposal.
- Copies of most recent audited financials are to be attached to this proposal form.

### DETAILS OF THE APPLICANT

<b>Insured Name:</b>			
<b>ABN / ACN:</b>			
<b>Address of Head Office:</b>			
<b>Phone:</b>		<b>Fax:</b>	
<b>Email:</b>		<b>Website:</b>	
<b>Date Established:</b>		<b>Stamp Duty Exempt:</b>	YES / NO
<b>Nature of Organisation:</b>			
<b>Type of Organisation:</b>	Not for Profit <input type="checkbox"/> Public Company <input type="checkbox"/> Private Company <input type="checkbox"/> Limited by Guarantee <input type="checkbox"/> Other <input type="checkbox"/>		

### GENERAL UNDERWRITING INFORMATION

- |   |          |
|---|----------|
| 1. Has any claim been made, or proceedings issued against any of the Assured Persons personally or jointly, arising out of activities as Directors or Executive Officer of any Club or Business?  | YES / NO |
| 2. Is any person proposed for coverage aware of any factors or circumstances which they have reason to suppose might afford valid grounds for any future claim(s) which would fall within the scope of the proposed cover, or which indicate the probability of any such claim? | YES / NO |
| 3. Has the Applicant ever had a similar policy cancelled or been refused this type of cover?  | YES / NO |
| 4. Has the Applicant been involved in any acquisitions or mergers?  | YES / NO |
| 5. Is the Applicant Listed on the Australian Stock Exchange and/or any Foreign Stock Exchange?  | YES / NO |

If answered YES to any of the above please supply details:

### DETAILS:

### COVER REQUESTED

COVER	REQUIRED	LIMITS AVAILABLE	REQUESTED LIMIT
1. Directors & Officers Liability	YES / NO	\$1,000,000 to \$10,000,000	Limit: \$
2. Employment Practices Liability	YES / NO	Maximum \$1,000,000	Limit: \$
3. Organisation Defence Costs	YES / NO	Maximum \$50,000	Limit: \$
4. Fidelity Guarantee	YES / NO	\$50,000 or \$100,000	Limit: \$
5. Gambling Risk Extension	YES / NO	20% of Directors & Officers Limit	Limit: \$



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**PREVIOUS / CURRENT INSURANCE**

1. Do you currently have any cover in place?

YES / NO

If YES, please complete the following table:

<b>Name of Insurer:</b>	
<b>Limit of Indemnity:</b>	
<b>Expiry Date of Policy:</b>	
<b>Retroactive Date:</b>	
<b>Total Premium Paid:</b>	

**ORGANISATION INCOME & EMPLOYEE DETAILS**

<b>Total Number Of Members:</b>		<b>Total Membership Fees:</b>	\$
<b>Number of Directors:</b>		<b>Number of Employees:</b>	
<b>Number of Volunteers:</b>		<b>Total Asset Value:</b>	\$
<b>Annual Trading Turnover:</b>	\$	<b>Financials Attached:</b>	YES / NO

**DIRECTORS AND OFFICERS**

Please complete the following:

Full Name	Club Position	Qualifications	Length of Service
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			



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**EMPLOYMENT PRACTICES LIABILITY (EPL) – QUESTIONNAIRE**

Please complete the following questions only if EPL coverage has been selected.

Does the Applicant:

- 1. Use employment application forms during the hiring process? YES / NO
- 2. Have a written policy on discrimination and sexual harassment including an internal complaint procedure? YES / NO
- 3. Post in place clear to all employees and applicable for employment all notices required by law? YES / NO
- 4. Inform all supervisory personnel in writing of their responsibility to give prompt notice of any claims, incidents or allegations? YES / NO
- 5. Have any closings, consolidations, lay-offs / staff reductions (greater than 10% of the workforce), mergers or acquisitions in the last 24 months? YES / NO
- 6. Has insurer ever declined or refused to renew or imposed any restrictive conditions on any similar insurance? YES / NO

If answered YES to any of the above please supply details:

**DETAILS:**

7. Outline the number of employees of the applicant for the past 3 years (with Year 1 being the most recent):

	Year 1	Year 2	Year 3
Full time Employees			
Part time Employees			
TOTAL Employees			

8. Indicate below the salary range of employees.

	Number of Employees	% of Total
\$30,000 or less per year		
\$30,001 to \$100,000 per year		
\$100,001 & over per year		

9. Which individual in the organisation is responsible to handle all employment related matters:

Name	
Title	
Does this Individual review all Employment Terminations?	YES / NO

10. Does the applicant currently have General Liability Insurance? YES / NO  
If YES, please provide:

Insurer	
Limit of Liability	



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FIDELITY GUARANTEE – QUESTIONNAIRE

Please complete the following questions only if Fidelity Guarantee coverage has been selected.

- 1. Are your operations audited by an external auditing company? YES / NO
If Yes, by whom & frequency?
2. Are these audits made for each entity to be covered? YES / NO
3. Is there an auditor's letter to management currently on file relating to internal control weaknesses and recommendations to improve these weaknesses? If Yes, please supply a copy. YES / NO
4. Has Management prepared a reply? If Yes, please supply a copy. YES / NO
5. Have these Recommendations been complied with? YES / NO
6. Are internal audits performed in addition to or in place of the outside audits? YES / NO
If Yes, how often?
7. If an external auditing company is not required, who is responsible for auditing the books within the organisation and what does the audit entail?
DETAILS:

BANK ACCOUNT AND FINANCIAL CONTROLS

Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others?

- 1. Signing cheques, authorisation of payments or cheque requisitions (inc. Capital Expenditure) above \$2,000? YES / NO
2. Issuing funds transfer instructions? YES / NO
3. Amending funds transfer procedures and/or instructions? YES / NO
4. Opening new bank accounts? YES / NO
5. Investing in and custody of securities and valuables (inc. but not limited to bank cheques, travellers cheques, bills of exchange, precious metals and the like? YES / NO
6. Refund of monies or return of goods above \$2,000? YES / NO
7. Disbursement of assets of any superannuation or employee benefit fund? YES / NO
8. Awarding contracts following a tender? YES / NO
9. Are computerised cheque writing operations segregated from departments that authorise cheques? YES / NO
10. Are bank statements independently reconciled with internal records and customer accounts by persons not authorised to deposit/withdraw funds, issue funds transfers instructions or dispatch accounts to customers? YES / NO
11. Are wages/salaries independently checked against personnel records for unusual or excessive payments? YES / NO
12. Is all supporting documentation validated before authorising any form of payment? YES / NO

If any answer above is NO, please explain why not and how duties are conducted currently:

Four horizontal lines for providing details if any answer is NO.

EMPLOYEE CLASSIFICATION, EMPLOYMENT AND HUMAN RESOURCE CONTROLS

- 1. Do you maintain a written anti-fraud policy which is distributed throughout the entire organisation (please supply a copy of the policy if available)? YES / NO
2. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
(a) Undertake independent checks in their employment history? YES / NO
(b) Undergo a process to ensure their suitability for the position? YES / NO
(c) Are employees handling cash, accounts or negotiable instruments required to take uninterrupted holiday of at least two weeks every calendar year during which they are required to stay away from the premises AND perform no duties for you? YES / NO



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**EMPLOYEE CLASSIFICATION, EMPLOYMENT AND HUMAN RESOURCE CONTROLS CONTINUED...**

CLASS	CLASSIFICATION OF EMPLOYEES	NO. OF EMPLOYEES
<b>A</b>	Employees having responsibility for money or negotiable instruments stock and/or accounts.	
<b>Class 1</b>	Executives, Officials and Employees other than those referred to in Classes 2 and 3.	
<b>Class 2</b>	Executives, Officials and Employees primarily engaged in duties as cashiers, treasures, paymasters, accountants handling money or negotiable instruments. Indoor sales staff handling money or negotiable instruments. Stock and Stores Supervisors.	
<b>Class 3</b>	Employees engaged in outdoors handling money or negotiable instruments. Employees primarily engaged in the delivery of goods.	
<b>Class 4</b>	Contractors / Sub-Contractors engaged in handling money or negotiable instruments.	
<b>B</b>	All other employees not having responsibility for money or other negotiable instruments, stock and/or accounts) Eg. Typists, Office Staff not included in (A), Factory Hands, Labourers, Mechanics and the like.	

**LOSS EXPERIENCE**

- Have you ever had an Insurer decline a proposal, impose special terms, cancel or refuse to renew a Crime or Fidelity Insurance Policy? YES / NO

If the answer above is **YES**, please explain details:

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**GAMBLING RISK EXTENSION – QUESTIONNAIRE**

Please complete the following questions only if Gambling Risk Extension coverage has been selected.

- What is your Nett Annual Poker Machine Turnover? \$
- Are Player Information Brochures and Signs on Display? YES / NO
- What is your limit for the cashing of personal cheques? \$
- Are details of any person winning a prize above \$100 published without their consent? YES / NO
- Are gambling inducements offered? YES / NO
- In the last 12 months, has there been any circumstance which may give rise to a claim against the Insured or any Individual who seeks cover under the policy? YES / NO

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### **YOUR DUTY OF DISCLOSURE**

Before you enter into a contract of general insurance with us, you have a duty (under the Insurance Contracts Act 1984) to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of insurance and, if so, on what terms. You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however, does not require the disclosure of a matter:

1. that diminishes the risk to be undertaken by the Insurer; that is of common knowledge;
2. that is of common knowledge;
3. that your insurer knows, or in the ordinary course of his business, ought to know; and
4. as to which compliance with your duty is waived by the Insurer.

### **Consequence of Non Disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure- is fraudulent, we may also have the option of avoiding the contract from its beginning.

### **CLAIMS MADE POLICY**

This policy is a claims made policy of insurance. This means that the policy covers you for claims made against you and notified to the Insurer during the period of insurance. The policy does not provide cover in relation to:

- events that occurred prior to the inception date;
- subject to what is said in the next paragraph, claims made after expiry of the period of insurance even though the event giving-rise to the claim may have occurred during the period of insurance;
- claims notified or arising out of circumstances notified under any previous policy; claims made against you prior to commencement of the period of insurance; claims for the current period of insurance or on previous proposal form-

However, where you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before 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 expiry of the period of Insurance.

### **CLAUSE OF NON-DISCLOSURE**

In addition to providing all basic information necessary to enable us to place the risk, you must ensure that you are complying with your legal duty of disclosure of all material matters relating to the risk. In particular, you must satisfy yourself as to the accuracy and completeness of the information you provide to insurers.

In this respect, you must provide all information relating to the risk, whether favourable or not, which would influence the judgement of a prudent insurer in determining whether he will take the risk, and, if so, for what premium and on what terms.

If all such information is not disclosed by you, insurers have the right to avoid the contract (subject to the provision on the Insurance Contracts Act 1984) from its commencement which may lead to claims not being met.



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**SUBROGATION RIGHTS**

**Where another person is liable to compensate you for your loss or damage otherwise covered by a Policy, but you have agreed with that person either before or after the loss or damage occurred to the effect that you would not seek to recover any compensation from the person, your Underwriters will not cover you for any such loss or damage unless such agreements are declared and allowed by specific mention in the policy document.**

**I have read and understood the provisions of the Australian Corporations Securities and Legislation shown and important notices shown above and the advise that the policy now proposed is a claims made policy.**

**DECLARATION BY THE PROPOSER**

The undersigned authorised Officer at the Club acknowledges that the above statements are true, that we have not suppressed or misstated any facts, and 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. Although the signing of this proposal form does not bind the undersigned on behalf of the club to effect insurance, the undersigned on behalf of the club, agrees that this form and the said statement shall be of the contract should a policy be issued.

<b>Signed:</b>	
<b>Capacity:</b>	
<b>Organisation / Club:</b>	
<b>Date:</b>	

It is important that the officer signing the Declaration above is fully aware of the scope of this insurance so that these questions can be answered correctly. Enquiries should be made to all the Directors/Committee to ensure full disclosure. If in doubt, please contact your Broker since non-disclosure may affect the Club's right of recovery under the policy or lead to avoidance of the Policy.

**AUSTRALIAN CORPORATIONS SECURITIES & LEGISLATION**

To assist with your consideration of this cover the following definition of an officer of a corporation is found in the Corporations Act 2001.

Officer of a corporation means:

- (a) a director or secretary of a corporation; or
- (b) a person:
  - (i) who makes, or participates in making, decisions that affect the whole, or a substantial part, of the business of the corporation; or
  - (ii) who has the capacity to affect significantly the corporation's financial standing; or
  - (iii) in accordance with whose instructions or wishes the directors of the corporations are accustomed to act (excluding advice given by the person in the proper performance of functions attaching to the person's professional capacity or their business relationship with the directors or the corporation); or
- (c) a receiver, or receiver and manager, of the property of the corporation; or
- (d) an administrator of the corporation; or
- (e) an administrator of a deed of company arrangement executed by the corporation; or
- (f) a liquidator of the corporation; or
- (g) a trustee or other person administering a compromise or arrangement made between the corporation and someone else.