



MANAGEMENT LIABILITY PROPOSAL

IMPORTANT NOTICES

Your Duty Of Disclosure

This Policy is subject to the Insurance Contracts Act 1984. Under that Act you have a duty of disclosure.

Before you take out insurance with us, you have a duty to tell us of everything that you know, or could reasonably be expected to know, that is relevant to our decision to insure you and to the terms of that insurance. If you are not sure whether something is relevant you should inform us anyway.

You have this duty until the relevant insurance contract is entered into

You have the same duty before you renew, extend, vary, or reinstate your insurance contract.

Your duty however does not require disclosure of matters that:

- Reduce the risk
- Are common knowledge
- We know or, in the ordinary course of our business, ought to know
- We have stated we do not want to know

If you do not comply with your duty of disclosure, we may be entitled to:

- Reduce our liability for any claim
- Cancel the contract
- Refuse to pay the claim
- Avoid the contract from its beginning, if your non-disclosure was fraudulent.

Don't Prevent Our Right of Recovery

This policy contains a provision which states that if you surrender your right to seek recovery from another party for a loss covered by the policy, we have a right to reject any claim from you in relation to that loss.

We Are An Agent

Sterling Insurance Pty Limited (Sterling) is an authorised agent for the underwriters (i.e. insurers), for the purpose of entering into contracts of insurance with intending insured parties and for the dealing with and settling of claims thereunder. At no time do we act in the capacity of agent for the insured or intending insured parties, in either capacity or any other capacity.

Insufficient Space in this Proposal Form

If there is insufficient space in this proposal form for you to fully answer any questions or provide the requested information, please attach a page with the additional information.

Sanctions

We are bound by legislation which over-rides the policy when it involves any individual, organisation and/or country listed in a sanctions list as generated by Australia, United States of America (USA), European Union (EU), and United Kingdom (UK). Consequently, all your operations are required to comply with all applicable sanctions legislation.

Reasonable Care

You must take reasonable precautions to prevent injury and/or damage to third party property, prevent the manufacture and/or sale and/or supply of defective products, comply with all statutory obligations, by-laws or regulations imposed by any public authority for the safety of persons or property. The same requirement applies to all your workers, servants and agents.

Privacy Notice

We are bound by the Privacy Act and its associated Australian Privacy Principles (APP's) when we collect and handle your personal information.

We collect personal information in order to provide our services and products. We also pass it to third parties involved in this process such as our reinsurers, agents, loss adjusters and other service providers.

You can seek access to and if necessary, correct your personal information by contacting our Privacy Officer.

When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

Sydney

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Sterling Insurance Pty Limited

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Claims Made Notice

The Management Liability policy is a 'claims made' cover. This means that the policy covers you for claims first made against you during the period of insurance and notified to the underwriter during such period of insurance.

This extension does not provide cover in relation to:

- Events which occurred prior to the period of insurance or such earlier retroactive date as may be stipulated in the schedule;
- Claims made against you after the expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
- Claims where the possibility of the claim was intimated in any way prior to the commencement of the period of insurance;
- Claims arising from or attributable to any facts, circumstances or occurrences noted on the proposal for the current period of insurance or on any previous proposal or of which notice had been given under any previous policy;
- Claims arising from or attributable to any facts, circumstances or occurrences of which you were aware and knew (or ought reasonably to have realised) prior to the commencement of the period of insurance may give rise to a claim.

As explained above, the policy, by its terms, does not provide cover for claims made after the expiry of the period of insurance provided by the policy.

Section 40(3) of the Insurance Contracts Act 1984 however provides that an underwriter is not relieved from liability under a contract of insurance in respect of a claim by reason only that the claim was made after the expiry of the period of insurance cover provided by the contract where the insured has given notice in writing to the underwriter:

- of the facts that might give rise to a claim against the insured;
- as soon as was reasonably practicable after the insured became aware of those facts, and
- before the expiry of the period of insurance.

It is therefore important that you advise us of any circumstances that could result in a claim during the period of insurance to protect your position in case the circumstances develop into a claim after the expiry of the period of insurance.

Completing This Form

Do not print and scan this form. Please complete this form electronically, sign using a digital signature, save a copy for your records and submit via email. This will ensure we process your application quickly. All questions must be answered to enable a quotation to be given. The completion and signature of this Proposal does not bind the Proposers or Underwriters to complete a Contract of Insurance. If there is insufficient space to answer questions, please attach a page with the additional information.

1 Please state the name and address of the principal Company for whom this insurance is required:

Company Name:

Address:

No of employees: Email address:

Total Turnover: \$ Telephone:

2 Please state when your company was established:

3 Please provide a full description of your business activities. *If you have a brochure, or company literature, please attach to this form:*

4 For Stamp Duty purposes please provide a percentage breakdown of your estimated revenue by State or Territory:

NSW	%	VIC	%	QLD	%	SA	%	WA	%
TAS	%	NT	%	ACT	%	O'seas	%	Total	%

5 DIRECTORS & OFFICERS LIABILITY

Please state whether:

- | | | |
|--|-----|----|
| a) you are an Australian registered limited company? | YES | NO |
| b) your shares are listed on any stock exchange? | YES | NO |
| c) you are a firm offering professional legal advice or a firm directly regulated by the Australian Securities and Investments Commission? | YES | NO |
| d) you achieved a profit for the last completed financial year? | YES | NO |
| e) you have positive net assets in the last completed financial year? | YES | NO |
| f) you have assets in the USA or turnover generated in the USA? | YES | NO |
| g) you have reviewed your health and safety policies and procedures within the last 12 months? | YES | NO |
| h) your accountants gave an unqualified opinion in your latest annual report and accounts? | YES | NO |

*An unqualified opinion is issued when the independent auditor believes that the company's financial statements are sound; that is, the statements are free from material misstatements. This is different from a qualified opinion which is issued when the independent auditor discovers something in the financial statements that is subject to major concern

6 EMPLOYMENT PRACTICE LIABILITY

Please state whether:

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|---|-----|----|
| a) in the past 24 months has there been or, in the next 12 months it is anticipated there will be, any employee layoffs, early retirements or redundancies? | YES | NO |
| b) you have written grievance and disciplinary procedures which are communicated to all employees? | YES | NO |
| c) you have employees outside Australia? | YES | NO |
| d) you are a recruitment consultant or staffing agency? | YES | NO |
| e) you review and gain approval by Human Resources or external legal advisors prior to employee terminations? | YES | NO |

7 CYBER & PRIVACY LIABILITY

Please state whether:

- | | | |
|--|-----|----|
| a) you have a written IT security policy in place that governs the handling and storage of sensitive information within your organisation? | YES | NO |
| b) your internal IT systems comply with all of the following minimum security requirements:
i. anti-virus software is installed on all windows based desktops and servers (excluding database servers)? | YES | NO |
| ii. all external network gateways is protected by a firewall? | YES | NO |
| iii. all critical data are backed up on at least a weekly basis? | YES | NO |
| c) you provide any of the following services to third party for a fee:
i. adult content? | YES | NO |
| ii. credit / background checking for third party? | YES | NO |
| iii. banking or payment processing services? | YES | NO |
| iv. internet service provision? | YES | NO |
| v. political activities? | YES | NO |
| vi. online hosted file sharing services? | YES | NO |
| vii. aviation systems (directly involved with; flight control, radar or flight path systems)? | YES | NO |

8 CRIME

Please state whether:

- | | | |
|---|-----|----|
| a) you have dual control procedures in place for the transfer of assets, funds, investments, disbursements and for the signing of cheques in excess of \$2,500? | YES | NO |
| b) you have internal audits performed? | YES | NO |

9 STATUTORY LIABILITY

Do you require Statutory Liability cover? YES NO

If "Yes", please answer the below questions:

- a) Do you have an environmental policy that has been approved by the board of directors? YES NO
- b) Do you have an environmental consultant to advise you on environmental issues? YES NO
- c) Do you currently have any pollution liability insurance in force? YES NO

10 LIMIT OF INDEMNITY & YOUR EXISTING INSURANCE ARRANGEMENTS

a) Do you have any Management Liability Insurance cover currently in place? YES NO

If "YES", please advise the following details about your current policy:

Insurer Expiry date:

Limit of Indemnity \$

b) What Limit of Indemnity do you require?

11 CLAIMS INFORMATION

- a) Have there been any claims made against any past or present director, officer, or employee acting in a managerial or supervisory capacity (including all employees in respect to employment related disputes)? YES NO
- b) Have there been any claims made against the company or its subsidiaries? YES NO
- c) Have there been claims made against the company or its subsidiaries in relation to data protection or security, or any actual or potential security violations or security breaches either currently or during the past five years? YES NO
- d) After enquiry, are you or any of your directors, officers or employees aware of any fact, circumstance, allegation, or incident that might give rise to a claim under the proposed policy? YES NO

If "YES" to any of the above, please provide full details:

12 DECLARATION

I/We

- a) declare that:
 - i. I/we have read and understood the clauses detailed under the Important Notices section at the front of this Proposal;
 - ii. the answers and information given by me/us in this Proposal are true and correct in all respects;
 - iii. no information has been withheld that would affect the underwriter's decision to accept this Proposal; and
 - iv. where answers in this Proposal are not in my/our own handwriting, they have been checked by me/us and I/we agree they are correct.
- b) authorise the Underwriters to give to, or obtain from other insurers or an insurance or credit reference bureau, any information relating to these insurance covers, and any other insurances held by me/us and claims under those insurances.
- c) understand that, if this Proposal is accepted, my/our insurance cover will be subject to the terms and conditions set out in the Policy.
- d) acknowledge that the underwriters & their agents reserve the right to decline this Proposal.
- e) acknowledge that this policy and Underwriters are bound by any sanctions list (including associated legislation) generated in Australia, US, EU and/or UK.

Proposer's Signature: _____

Date: ____ / ____ / ____

Proposer's Title: _____