



NG Williams & Associates, a Division of Special Risk Insurance Managers Ltd.

**MANAGEMENT LIABILITY INSURANCE – PROPOSAL FORM
SHORT APPLICATION**

IMPORTANT – Please read these guidance notes before completing the Proposal Form. Where further information is required please refer to your Broker.

PLEASE NOTE – This Proposal Form is for a CLAIMS MADE policy. A CLAIMS MADE policy only responds to “claims” made against the Insured and notified to the Underwriters during the period of insurance.

1. This Proposal Form must be typed or completed in ink and signed and dated by the Proposer. Please answer every question in full and sign and date the Declaration.
2. It is the duty of the Proposer to disclose all material facts to the Underwriters, as failure to do so may render any Policy voidable, or severely prejudice your rights in the event of a claim. Therefore it is crucial that the Proposer answers each question and completes the Declaration only after a full and reasonable enquiry and investigation into the facts.
3. For the purpose of the Proposal Form and for all purposes relating to any policy issued pursuant to this Proposal Form, a ‘Material Fact’ shall be deemed to be one that would be likely to influence an Underwriter’s judgment and acceptance of your Proposal Form. If you are in any doubt as what constitutes a ‘Material Fact’, you should consult your broker.
4. Should there be any material change in the answers given to the questions contained in the Proposal Form prior to the inception of the Policy, the Proposer must notify the Underwriters and, at the sole discretion of the Underwriters, any outstanding quotations may be modified or withdrawn.
5. Upon acceptance of the Underwriter’s terms and conditions and payment of the premium, all information provided by the Proposer, including this Proposal Form, addenda (if applicable) and the guidance notes will be deemed to be incorporated in the contract between the Underwriters and the Insured and shall be deemed the basis of the contract of insurance.

COPIES OF THE PROPOSAL FORM SHOULD BE RETAINED FOR YOUR OWN RECORDS

SIGNING OF THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE UNDERWRITERS TO COMPLETE A CONTRACT OF INSURANCE

- 1 Full Name of Company: _____
- 2 Address of the Registered Office of the Company: _____
- 3 Company Website Address: _____
- 4
 - a) Was the Company was incorporated in Canada with limited liability, more than 24 months ago: No Yes
 - b) Is the Company (please tick ONE option from i – vi below):
 - i Private Yes
 - ii Not-for-Profit association or registered charity Yes
 - iii Publicly listed on any stock exchange or securities market Yes

- iv a Strata company Yes
- v a Limited Liability Partnership (LLP) Yes
- vi Other (please give details below): Yes

c) Can the Company be described as, or is it involved in, any of the following activities: No Yes

aviation contract management services information technology oil, gas, mining, mineral extraction forestry recruitment advertising broadcasting media publishing	healthcare nursing homes / hospitals pharmaceuticals tobacco Utility (electricity, gas, water) bank credit union financial institution fund manager hedge fund	hedge fund manager insurance or reinsurance investment company investment management investment trust merchant bank mortgage company mortgage lender savings, loans stockbroker venture capitalist
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If none of the above, describe the nature of the Company's operations &/or industry:

d) Does the Company have any Employees or Locations or Assets or Shares or Funds or Subsidiary Companies domiciled or incorporated in the United States and/or earn Gross Receipts in the United States of America in excess of 30% of total Gross Receipts? No Yes

e) In the last two consecutive years, has the Company published reports and accounts in the two latest consecutive financial years, which show: No Yes

- i unqualified reports by independent auditors or accountants
- ii net profit (i.e. after tax, interest, etc)
- iii any and all of its debts can be paid as they fall due
- iv no litigation or disputes or contingent or extraordinary liabilities
- v positive net worth (i.e. both balance sheets show that assets exceed liabilities)

If, no to any of 4e) i - v above please provide further details:

f) **Please state:**

Gross Total Revenue: CAD: _____ **Gross Total Assets: CAD:** _____

Total Employees (excluding volunteers) _____

5 After full and reasonable investigation, does the Proposer and Directors and Officers and the Company and the employees and the trustees and the committee members have any knowledge of the following:

- | | | | |
|----|--|----|-----|
| a) | any intention for the Company to be acquired by, or merged with, any other entity, or for there to be any other material change in the ownership of the Company (including but not limited to, a management buy-out or an offering of its share capital or securities)? | | |
| b) | any event of the sort referred to in question 5a) having taken place in the last 24 months? | | |
| c) | any claims, or circumstances which may give rise to a claim, or any disciplinary proceedings or any complaints having been threatened or intimated or made (successfully or otherwise) against the Directors or Officers or the Company or the employees or the trustees or committee members or the Proposer in respect of the legal liabilities or loss to which this Proposal Form relates? | No | Yes |

If, Yes, please provide details:

QUESTIONS 6-8: OPTIONAL COVERAGE EXTENSIONS

- | | | | | |
|---|----|--|----|-----|
| 6 | - | Is insurance sought for claims in respect of: | | |
| | a) | legal liabilities which fall within the legal jurisdiction of the United States of America? | No | Yes |
| | b) | employee benefit and pension plans? (If 'Yes' then answer question 7) | No | Yes |
| | c) | Employment Practices Liability Entity Cover? (If 'Yes' then answer question 8) | No | Yes |
| 7 | | Only answer if the answer to 6b) is Yes:
Can the Proposer confirm that all employee benefit and pension plans have no more than 5% of their investments in the shares or other securities of the Company and that these plans are adequately funded and are neither in deficit or 'run-off' and are approved without qualification by an appropriate independent third party? | No | Yes |
| 8 | | Only answer if the answer to 6c) is Yes: | | |
| | a) | Does the Company have written procedures, contracts of employment, personnel files, and employee handbook? | No | Yes |
| | b) | Does the Company minute all grievance and disciplinary hearings? | No | Yes |
| | c) | Does the Company expect there to be any redundancies or other reductions amongst its employees in the next 24 months? | No | Yes |
| | d) | Has there been more than 10% of the employees of the Company resign, or made redundant, or dismissed during the last 24 months? | No | Yes |
| | e) | Does the Company plan to make any amendments to the employee benefits package in the next 24 months nor has done so during the last 24 months? | No | Yes |
| | f) | Does the Company pay an average annual gross salary of more than CAD400,000 to any full-time employee? | No | Yes |
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9 Does any person or entity hold (beneficially or otherwise) more than twenty five percent (25%) of the issued share capital of the Company? No Yes

If Yes, please provide details of the shareholder(s) and percent shares owned:

	%	%
	%	%

10 Please select which of the following Limits of Indemnity are sought for quotation:

CAD1,000,000	CAD2,000,000	CAD5,000,000	CAD10,000,000
Other (please state):	CAD:		

DECLARATION

The Proposer declares and warrants that after full and reasonable enquiry and investigation and to the best of his/her knowledge and belief all statements and particulars contained in this Proposal Form and (if applicable) any addenda hereto are true and that no information whatsoever has been withheld which might increase the risk of the Underwriters or influence the acceptance of this Proposal Form and that should the above particulars alter in any way confirms that he/she will advise the Underwriters as soon as is practicable.

The Proposer further declares and warrants that he/she has been duly authorized by the Directors and Officers and the Company to act as their agent in respect of all matters of any nature or kind relating to or affecting this Proposal Form and the Policy.

The Proposer understands that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal Form may result in the Underwriters refusing to provide indemnity or voiding the Policy in every respect.

The Proposer hereby agrees and accepts that this Proposal Form and (if applicable) addenda hereto shall be the basis of the contract of insurance if entered into.

The Underwriters are hereby authorized, at their absolute discretion, to make any investigation and enquiry in connection with regard to this Proposal Form as they deem necessary.

For and on behalf of (name of Company):

Signature:

Date:

Name of Signatory:

Position:

Position must be the Chairman or Managing Director or Chief Executive or any equivalent of the Company

Brokerage:

Broker e-mail

Broker signature:

Date: