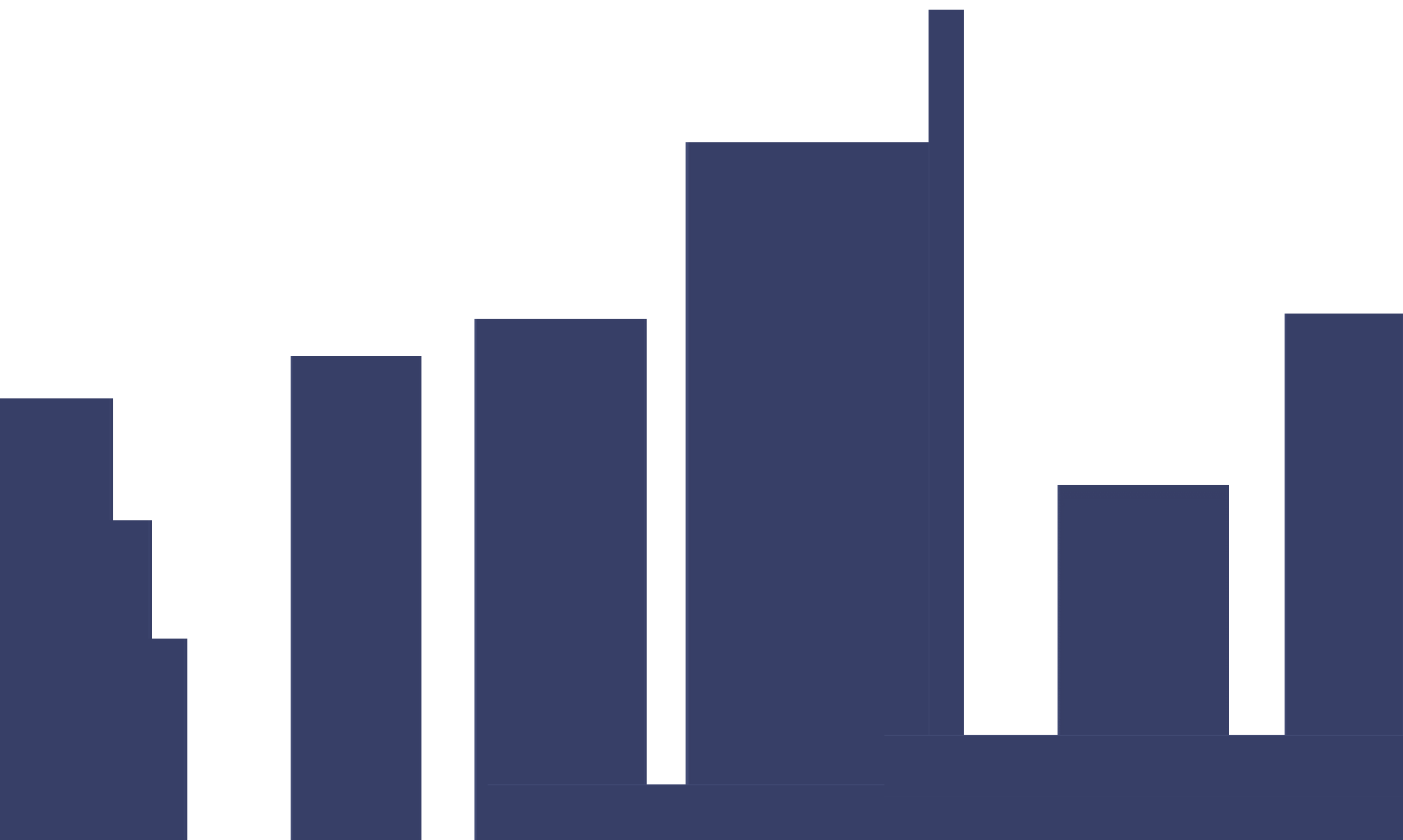


# Management Liability Portfolio

## Proposal form



# MANAGEMENT PROTECTION PROPOSAL FORM

*Management Protection portfolio gives you the ability to tailor the protection you need for your business. You may select one, a combination, or the full portfolio of policies making up Management Protection. Please indicate below which covers you require and complete that part of the proposal form.*

## Cover Required

General Section	Required (complete in all cases)
Directors and Officers Liability Insurance	<input type="checkbox"/>
Employment Practices Liability Insurance	<input type="checkbox"/>
Corporate Liability Insurance	<input type="checkbox"/>
Crime Insurance	<input type="checkbox"/>
Insurance Details	(complete in all cases)
Declaration	(complete in all cases)

## Section

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B) Directors and Officers Liability Insurance and Corporate Liability Insurance	4
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## Guidelines to help you complete this Proposal form

- 1) Failure to disclose all material information that is likely to influence the acceptance of the risk or the terms applied could invalidate the insurance. If you are in any doubt as to whether any information is material, it should be disclosed.
- 2) Where the space provided is insufficient for your replies, please use the pages at the back of this booklet or provide separately and attach to this Proposal Form.
- 3) Reference to "North America" in this Proposal Form shall mean the USA and Canada and their respective territories and possessions.
- 4) Reference to "Proposer" in this Proposal Form shall include all subsidiary companies.

## A) GENERAL SECTION (TO BE COMPLETED IN ALL CASES)

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- 1) Name of the Proposer and any previous names under which the business has been conducted

- 2) Address of your head office and locations of all other offices

- 3) Website information

If you have a website provide address(es)

- 4) Business Information

- a) Describe the nature of your business

- b) Year business commenced

- c) Date of financial year end

d) Annual Turnover:

	Last Financial Year (£)	Estimate for current financial year (£)	Estimate for forthcoming financial year (£)
In the UK			
In the rest of Europe			
In North America			
Elsewhere			
Total turnover			

5) North America

a) Is the Proposer represented in any way in North America?

Yes ☐ No ☐

If 'Yes', state how e.g. by subsidiary company, local office, local representation or by any other person or concern holding a Power of Attorney on behalf of the Proposer

b) Total gross assets of the Proposer in North America

c) Total number of employees in North America

6) Corporate Structure

a) Outline briefly any major changes, such as acquisitions, disposals or capital restructuring which have occurred during the last three years

b) Are there any proposals at the present time which have been publicised relating to the acquisition of the Proposer by, or its merger with any other entity?

Yes ☐ No ☐

If 'Yes', provide details

Now complete all relevant sections of the Proposal Form for which cover is being requested.

## B) DIRECTORS AND OFFICERS LIABILITY INSURANCE

If you are applying for this cover, please enclose the following documents:

- 1) The latest annual full report and accounts
- 2) The latest interim statement (if applicable)
- 3) A copy of SEC Form 20-F (USA companies only, if applicable)
- 4) Business plan or "buyout" documentation if the company was formed in the last 3 years

1) Is the Proposer:

a) A Private Company?

Yes ☐ No ☐

b) A Public Company?

Yes ☐ No ☐

c) Limited by Guarantee?

Yes ☐ No ☐

2) Shareholdings:

a) Are the Proposers' shares traded in any way

Yes ☐ No ☐

If 'Yes', which exchanges, in the UK or abroad?

b) Percentage holding of shares by the directors and officers (directly or beneficially)

c) Names of shareholders and percentage holding of all shareholdings which exceed 10% of the total

3) North America

a) If the Proposer has subsidiaries in North America, complete the following where such subsidiaries are not wholly owned

Name of Subsidiary	Percentage owned	Who owns balance

b) Does the Proposer, including any of its subsidiaries, have any stock, shares, debentures or any other debt or equity in North America?

Yes ☐ No ☐

If 'Yes'

i) provide details

ii) was the offer subject to the United States Securities Act of 1933 and/or the Securities Exchange Act of 1934 and/or any amendments thereto?

Yes ☐ No ☐

c) If the Proposer including any of its subsidiaries has shares issued in the form of American Depositary Receipts, state at which level

4) Outside Boards

Do any of the directors and officers, at the specific written request of the Proposer, hold positions as directors, officers or positions of equivalent status in any companies, other than its subsidiaries?

Yes ☐ No ☐

If 'Yes', provide details of company names and country of registration

5) Loss History

During the last 10 years has any actual or alleged claim been made or prosecution been brought against any director or officer in respect of any neglect, error or omission or other wrongful act committed in their capacity as director or officer (whether in relation to the activities of the Proposer, or any other entity in which the directors or officers hold or have held office)?

Yes ☐ No ☐

If 'Yes', provide details including any paid or outstanding amounts

Please complete Section **E** and read and sign Section **F**, the Declaration at the back of this form.

## C) EMPLOYMENT PRACTICES LIABILITY INSURANCE

If you are applying for this cover, please enclose the following documents:

- The latest annual full Report and Accounts
- Employee Handbook or Manual of Employment Policies and Procedures
- Sample Employment Application Form
- Typical contract of employment
- Company-wide Workplace Diversity statistics (i.e. EEO-1 report, race/gender/job level), if available

### I) Employee Information

a) Provide the following employee information:

	Numbers of Employees			
	Last Financial Year		Estimate for Current Financial Year	
Salary Range	Full Time	Part Time	Full Time	Part Time
£30,000 or equivalent and less				
£30,001 to £75,000 or equivalent				
£75,001 to £150,000 or equivalent				
£150,001 or equivalent and more				

Note: Include all employees, worldwide. For part time employees use actual salary, not full time equivalent.

Top 5 Countries of Employment	Total Employees	Leased or Temporary	Independent Contractors	Union Employees (collective and workforce)
1)				
2)				
3)				
4)				
5)				

b) Does the Proposer compile annual Workplace Diversity statistics?

Yes ☐ No ☐

c) If any employees are located in the USA, complete the following additional information

Top 5 States of Employment	Total employees of that State	Number of Union Employees
1)		
2)		
3)		
4)		
5)		

If not included above in the top 5 States, list total employees in the following States

California  Michigan  New Jersey  Texas  Washington DC

d) How many USA employees have a written employment contract?

**2) Corporate Changes**

- a)** Has the Proposer had a reduction in personnel affecting 5% or more of the workforce in a single location in the last 3 years?

Yes ☐ No ☐

If 'Yes', provide details

- b)** Indicate the total dismissals (including redundancies) and voluntary resignations in the past 3 years

Dismissals and Resignations	Current financial year to date	Last financial Year	Previous Financial Year
Dismissed by Employer (Involuntary)			
Voluntary resignations			

- c)** Does the Proposer anticipate any redundancies, layoffs, or operation closing in the next 12 months?

Yes ☐ No ☐

If 'Yes', provide details

For sections **3)**, **4)**, **5)** and **6)**: where the Proposer has overseas operations; please provide information specific to each country if the answers for those countries are significantly different.

**3) Human Resource Structure**

Does the Proposer have a separate Human Resources or Personnel department that has responsibility for all group companies?

Yes ☐ No ☐

If 'Yes',

- a)** how many staff members in this department?

- b)** is there a Human Resources staff member or equivalent in each location in which it does business?

Yes ☐ No ☐

If 'No', who is responsible for communicating employment-related topics throughout the Proposer's organisation?

**4) Employment Policies and Practices**

- a)** Is an Employee Handbook or Manual of Policies and Procedures issued to all employees?

Yes ☐ No ☐

If 'Yes', when was it last reviewed?

If 'No', how are such topics communicated to employees?



- b) Does the Proposer provide regular training for managers and supervisors on human resource issues, employment laws, and employment-related procedures, including recruitment and termination techniques?

Yes ☐ No ☐

If 'Yes', which of the following are included

- i) recruitment/termination issues
- ii) performance evaluations
- iii) disciplinary procedures
- iv) discrimination/harassment issues

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

- c) Are all offers of employment and terminations/dismissals required to be reviewed by a member of the Human Resources or Personnel department?

Yes ☐ No ☐

If 'No', who is authorised to make offers of employment and terminations/dismissals?

- d) Does the Proposer conduct written performance evaluations for all employees?

Yes ☐ No ☐

If 'Yes', how often?

- e) Does the Proposer have formal internal grievance or complaint procedures?

Yes ☐ No ☐

- f) Does the Proposer have progressive discipline procedures?

Yes ☐ No ☐

If 'Yes', does the procedure include provisions for employees to appeal or respond to the allegations?

Yes ☐ No ☐

- g) Does the Proposer have written policies regarding workplace harassment and discrimination?

Yes ☐ No ☐

- h) Is any disciplinary action subject to prior review by the Human Resources or Personnel department?

Yes ☐ No ☐

- i) Do the Human Resources or Personnel staff utilise lawyers or other consultants specialising in employment issues?

Yes ☐ No ☐

If 'Yes',

- i) which firm(s)

- ii) do they always review the following situations

- discrimination/harassment policies?
- terminations?
- disciplinary issues?
- compliance with employment related statutes?
- others? (please specify below)

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

Yes ☐ No ☐

5) Recruitment Practices

a) Are all prospective employees required to complete a written Application for Employment?

Yes ☐ No ☐

If 'Yes', when was the Application for Employment last reviewed?

b) Does the Proposer confirm all offers of employment in writing?

Yes ☐ No ☐

6) Termination/Separation Policies

a) Does the Proposer have specific procedures in place for terminating employment?

Yes ☐ No ☐

If 'Yes', when were they last reviewed?

b) Is the Human Resource or Personnel Department involved in the termination process?

Yes ☐ No ☐

c) Does the Proposer provide outplacement assistance or have severance programmes available to terminated employees?

Yes ☐ No ☐

7) Loss History

During the last 3 years has the Proposer or any of its employees encountered any employment-related claims, complaints, administrative or tribunal hearings, or litigation?

Yes ☐ No ☐

If 'Yes', provide details below, or on a separate attachment, on the nature of the allegation (i.e. race, sex, age, disability) and any monetary amounts (including defence costs, settlements, awards) incurred for each situation

Employment-related loss history	Number of situations	Incurred defence costs (£)	Other monetary costs (£) (settlement, awards)	Nature of allegations
Current financial year to date				
Last financial year				
Previous financial year				

Please complete Section **E** and read and sign Section **F**, the Declaration at the back of this form.

## D) CRIME SECTION

If you are applying for this cover, please enclose:

- The latest audited annual report and accounts

### 1) Employee and Location details

	Number of Employees	Number of Locations	Wageroll for last financial year (£)	Estimated wageroll for forthcoming financial year (£)
UK				
Rest of Europe				
North America				
Elsewhere				
Total				

List specific locations outside the UK and North America

Country	Number of Employees	Number of Locations

### 2) Values at Risk

	Maximum any one premise (£)	Maximum any one transit (£)	Maximum in locked safe overnight (£)
Money and other bearer instruments and cheques			
Registered securities			
Precious metals or jewellery			

Are all premises containing stock, money, securities or precious metals connected to an intruder alarm?

Yes ☐ No ☐

If 'Yes', are they connected to a central monitoring station or police station?

Yes ☐ No ☐

### 3) External and Internal Audit

a) Do external auditors audit all operations including overseas subsidiaries at least annually?

Yes ☐ No ☐

b) Have all recommendations by external auditors regarding internal controls been complied with following your last audit?

N/A ☐ Yes ☐ No ☐

If 'No', provide details

c) Is there an audit committee, which monitors the effectiveness of internal controls and reports directly to the Board? Yes ☐ No ☐

d) Do you have an internal audit department? Yes ☐ No ☐

If 'Yes' do they:

• have an established written program for all operations? Yes ☐ No ☐

• audit all premises at least annually? Yes ☐ No ☐

• audit all Electronic Data Processing and cash management functions? Yes ☐ No ☐

• carry out a random check on stocks of raw material, work in progress and finished goods? Yes ☐ No ☐

e) What are the procedures for the implementation of internal audit recommendations

#### 4) Internal Controls

##### a) Stock Control

i) is a physical check carried out on all stock and materials held against verified stock records independently of staff responsible at least every 12 months? Yes ☐ No ☐

##### b) Bank Account

i) are duties segregated so that no one individual can open a new bank account without referral to others? Yes ☐ No ☐

ii) are bank statements independently reconciled with customer accounts by persons not authorised to deposit or withdraw funds from the account? Yes ☐ No ☐

iii) do employees receiving cash and cheques in the course of their duties remit all monies received and/or bank in full on the day of receipt or next banking day? Yes ☐ No ☐

iv) do all manually prepared cheques and other bank instruments drawn for £25,000 or more require two manually applied signatures added after the amount has been inserted with one signatory examining the supporting documentation? Yes ☐ No ☐

• has your bank been advised? Yes ☐ No ☐

v) where computer or machine prepared cheques or other bank instruments are used is the supporting documentation examined and authorised before requisition for the cheque or instrument is made? Yes ☐ No ☐

##### c) Purchasing

i) are the duties of  
• ordering,  
• receiving, and  
• payment authorisation  
segregated so that no one individual can control all of them? Yes ☐ No ☐

ii) can any one individual award a contract after tender without referral to others? Yes ☐ No ☐

##### d) Statement of Account

i) are statements of account for all amounts due issued at least monthly and direct to customers independently of employees receiving or collecting monies? Yes ☐ No ☐

#### 5) Recruitment and Employment Procedures

In respect of employees responsible for money, goods, accounts, other financial and treasury functions or computer programming operations:

a) Are written or verbal references obtained directly from former employers for the three years immediately preceding their engagement? Yes ☐ No ☐

b) If verbal, are notes of the discussion kept on file? Yes ☐ No ☐

c) Are they required to have two weeks uninterrupted leave annually?

Yes ☐ No ☐

If 'No' for any of the above, provide explanation

6) Computer Systems

a) Is access to the computer system restricted by passwords used to give various levels of entry depending on the users authorisation?

Yes ☐ No ☐

Yes ☐ No ☐

b) Does the system regularly require that passwords are changed?

Yes ☐ No ☐

c) Are passwords automatically withdrawn when employees leave?

Yes ☐ No ☐

d) Are programs protected to detect unauthorised changes?

Yes ☐ No ☐

e) How often is your virus detection software updated?

f) Does the computer system offer a dial up facility?

Yes ☐ No ☐

If 'Yes', is this restricted solely to the provision of information or an electronic mail function?

Yes ☐ No ☐

7) Internet

a) Is access to your website password protected?

Yes ☐ No ☐

b) If you use your own web server:

i) do you have software firewall protection?

Yes ☐ No ☐

ii) How often is it checked/updated?

iii) is this done in-house or by outside consultants?

iv) Does it alert you to log any intrusion attempts?

Yes ☐ No ☐

c) If your website is hosted, who provides this service?

d) do you have an on-line trading capability?

Yes ☐ No ☐

If 'Yes', what is your estimated turnover for the next twelve months from on-line trading?

£

8) Funds Transfer

a) How are funds transfer instructions initiated? (e.g. computer, written, telephone, fax, other)

i) approximate number of transactions annually:

ii) average/maximum value of transactions:

£

£

- b) Are payment authority forms pre-printed and kept in a secure location? Yes ☐ No ☐
- c) At what value are dual signatures required on the payment authority forms? £
- i) is a third signature required for high values? Yes ☐ No ☐
- ii) if 'Yes', please state threshold £
- d) Are transfer beneficiaries predetermined by name and notified to your bank/financial institution? Yes ☐ No ☐
- e) Do passwords provide different levels of access based upon user authority levels? Yes ☐ No ☐
- f) Does the system revoke password access if an unauthorised transaction is attempted? Yes ☐ No ☐
- g) Are funds transfer details encrypted prior to transmission? Yes ☐ No ☐
- h) Is there a system of codes or passwords to enable the bank/financial institution to verify the authenticity of the message? Yes ☐ No ☐
- i) are call-backs used for high value transfers? Yes ☐ No ☐
- ii) if 'Yes', at what level? £
- i) Is the employee responsible for payment initiation permitted to:
- i) verify the payment? Yes ☐ No ☐
- ii) receive a call-back from the bank/financial institution? Yes ☐ No ☐
- j) Is the receipt of funds verified by the beneficiary within 24 hours? Yes ☐ No ☐

**9) Loss History**

- a) During the last 5 years has the Proposer suffered a loss in relation to the risks to which this Proposal for insurance relates? Yes ☐ No ☐

If 'Yes', provide details

- b) What corrective measures were taken to prevent similar losses?

- c) Have any of the directors or partners ever been convicted of, or charged with a criminal offence other than a motoring offence? Yes ☐ No ☐

If 'Yes', provide details

- d) If you have a website has any attempt been made successfully or otherwise to gain unauthorised access to your system? Yes ☐ No ☐

If 'Yes', provide details

Please complete Section **E** and read and sign Section **F**, the Declaration at the back of this form.

## E) INSURANCE DETAILS

### 1) Limit of Liability

Limit(s) required

Type of Insurance	Limit(s) of Liability (£)
a) Directors and Officers Liability	
b) Employment Practices Liability	
c) Corporate Liability	
d) Crime	

### 2) Other Insurances

Have you any of the insurances listed in **1)** above in force at present?

Yes ☐ No ☐

If 'Yes', state:

Type of Insurance	Current Limit of liability	Renewal date	Name of insurer

### 3) Has any insurer in respect of the risks to which this Proposal relates:

a) Ever declined a proposal, refused renewal or terminated insurance?

Yes ☐ No ☐

b) Imposed special conditions or required an increased premium other than as a result of organic growth?

Yes ☐ No ☐

If 'Yes', in either case, provide details:

### 4) Are you, after enquiry, aware of any circumstance which might give rise to a claim against the Proposer or any of its directors, officers, partners, trustees or employees in relation to any of the covers being applied for above?

Yes ☐ No ☐

If 'Yes', provide details

Please read and sign Section **F**, the Declaration.

IMPORTANT NOTICES

Please read the following carefully before you sign and date the Declaration and Undertaking

IMPORTANT NOTICE CONCERNING YOUR DUTY TO MAKE A FAIR PRESENTATION OF THE RISK

Before the insurance policy takes effect the Insured have a duty to make a fair presentation of the risks to be insured under the insurance policy.

A *fair presentation of the risk* is one:

- which:
  - discloses to the Insurer every material circumstance which you know of or ought to know of; or
  - gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purpose of revealing those material circumstances,
- which makes that disclosure referred to above in a manner which is reasonably clear and accessible to the Insurer; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

A *material circumstance* is one that would influence the Insurer’s decision as to whether or not to agree to insure you and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material you should disclose it to the Insurer.

A copy of the proposal should be retained by you for your own records.

Financial or Trade Sanctions

Insurers cannot provide insurance in circumstances where to do so would be in breach of any financial or trade sanctions imposed by the United Nations or any government, governmental or judicial body or regulatory agency.

Privacy Notice

For a full explanation of how we use the information we collect about you, how you can contact us if you wish to exercise your rights and the procedure that we have in place to safeguard your privacy please [our website](#)

Declaration and Undertaking

I/We declare that every statement and particular contained within this proposal form:

- which is a statement of fact, is substantially correct, and
- which is matter of expectation or belief, is made in good faith.

If any such facts, expectations and/or beliefs materially change before the insurance policy takes effect I/we undertake to provide details of all such changes to the Insurer in order to comply with my/our obligation to provide a fair presentation of the risk to be insured under the insurance policy.

For the purposes of making this proposal for insurance, I/we agree that the Intermediary (which I/we have appointed to advise in relation to this policy) is acting on my/our behalf and not as an agent of the Insurer:

Signature	<div></div>		
On behalf of (insert name Entity)	<div></div>		
	Date	<div></div>	
	Email address	<div></div>	

This insurance will not commence until the Insurer has indicated acceptance of the Proposal. The Insurer reserves the right to decline any Proposal.



**Additional Information**



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