



PROPOSAL FORM FOR INSURANCE
 DIRECTORS & OFFICERS (D&O) LIABILITY
 and ERRORS & OMISSIONS (E&O)

Please ensure that questions are answered fully and accurately and, where necessary, Schedules giving further explanation are provided.

Important Notice Concerning Disclosure: It is your duty to disclose all material facts to Underwriters. A material fact is one that is likely to influence an Underwriter's judgement and acceptance of your proposal. If your proposal is a renewal of an existing policy, it should also include any change in facts previously advised to Underwriters. If you are in any doubt as to whether or not facts are considered material, you should disclose them.

SECTION 1 DETAILS OF PROPOSAL

1. a. Name of Proposer: _____
- b. Mailing Address: _____ Postal Code: _____
- c. Telephone/Fax Nos.: _____
- d. Email address: _____
- e. Date operations commenced: _____
- f. State of Incorporation: _____
- g. State Category of Captive: _____

2. Description of the Applicant's business: _____

3. Please list any professional or other associations to which the Applicant belongs: _____

4. Name of Parent Company if different from the Applicant: _____

5.	Current (estimate)	Past	Previous
Year ending:			
Gross Premium Income:			
Total Assets:			
Net Income/(Loss):			
Policyholders Surplus/Shareholders Equity:			
Best's Rating:			
Best's Financial Performance Rating:			
Split of business: Direct:			
Broker:			
Agent:			

Please attach a copy of your most recent Annual Report. Attached

6. State numbers falling within each of the following categories:
 - a. Total staff: _____
 - i. Directors: _____
 - ii. Officers: _____
 - iii. Employees _____ (with responsibility for monies and/or settlement of accounts)
 - iv. Clerical and all other: _____
 - b. Trustees: Internal: _____ External: _____
 - c. Number of Safety Engineers: _____
 - d. Total number of Inspections: _____



PROPOSAL FORM FOR INSURANCE
DIRECTORS & OFFICERS (D&O) LIABILITY
and ERRORS & OMISSIONS (E&O)

7. Does the Applicant have an established procedure for handling allegations of errors and omissions other than those relating to Claims Handling? Yes No

If Yes, please detail the procedures: _____

8. a. Percent of shares owned, directly or otherwise, by directors and officers: _____
b. Does any one shareholder own more than 10% of the shares of the Applicant, its Parent or any subsidiary? Yes No

If Yes, please provide details of names and sizes of shareholdings:

Name and Title of Shareholder	Size of Shareholding

9. Please attach details of all acquisitions made during the last five (5) years which have increased the total assets of the Applicant by 10% or more. Attached

10. Has the Applicant under consideration at the present time or does it contemplate any acquisitions or mergers, or is the Applicant aware of any plans held by others to merge with or acquire the Applicant?... Yes No
If Yes, please provide details: _____

11. Has the Applicant within the past 18 months offered, or does it contemplate any offering, of securities?.. Yes No
If Yes, please provide details: _____

12. Please attach a copy of your current indemnification agreement from your by-laws and any additional procedures in connection therewith. Attached

13. Does the Applicant require coverage for claims against the Applicant and Directors and Officers relating to Employment Practices? Yes No
If Yes, please complete the included **Employment Practices Liability Supplement**.

14. Do you maintain policy preparation and associated functions in house? Yes No

15. If No:
a. To whom are these services contracted? _____

b. Does the Applicant require this company to maintain insurance against E&O and/or fraud?..... Yes No
If Yes, what is the scope of cover? _____

16. Do you maintain all claims handling and associated functions in-house? Yes No
If No:

a. To what extent are services out-sourced and for what types of claim? _____

b. To whom are services out-sourced? _____

c. Does the Applicant require this company to maintain insurance against E&O and/or fraud? Yes No
If Yes, what is the scope of cover? _____

17. Number of claims examiners and case load per claims examiner by class of business:

Class of Business		Number of Examiners	Case Load Per Examiner
Property:			
Casualty:	Auto:		
	Workers Compensation:		
	General Liability (including products):		
	Professional Liability (including D&O liability):		
Other:			

19. Is claims handling completely divorced from underwriting except for correspondence with underwriters which may be necessary to determine policy intentions? Yes No

If No, please describe your operations: _____

20. Does the Applicant have an established internal procedure for declining coverage?..... Yes No

21. Does the Applicant have an established internal procedure for handling allegations of E&O in respect of claims handling? Yes No

If Yes, please detail any special procedures as respects actions for denial of coverage?

22. Does the Applicant use Arbitration in the settlement/agreement of disputed claims? Yes No

23. Does the Applicant provide claims handling services to third parties? Yes No

If Yes, please provide:

a. Number of claims handled per year: _____

b. Volume of payments: _____

c. Number of staff dedicated to providing services to third parties: _____

24. Are employees responsible for processing of claims forbidden to authorise payment? Yes No

If No, please describe method by which no one employee is permitted to control a transaction from commencement to completion:

25. Is verification by another employee of the authorized signature on internal claim payment instructions required? Yes No

If No, please describe method: _____

26. Is the payee clearly identifiable from policy documents? Yes No

If No, how do you establish the identity of the payee? _____

27. Overall Aggregate Limit of Indemnity requested: US\$2,000,000 US\$5,000,000
 US\$10,000,000 Other: US\$ _____

28. Insuring Agreement requested: Aggregate Sub-Limit requested

<input type="checkbox"/> Errors and Omissions	US\$ _____
<input type="checkbox"/> Directors and Officers	US\$ _____
<input type="checkbox"/> Trustee/Fiduciary	US\$ _____
<input type="checkbox"/> Employment Practices	US\$ _____

29. Please provide details for any of the following for which insurance is currently carried. Include limit; deductible; premium; name of carrier; expiry date and any retroactive dates:

Errors and Omissions: _____

Directors and Officers _____

Trustee/Fiduciary: _____

Employment Practices _____

30. As respects the Applicant's treaty and other reinsurance arrangements, please advise regarding the extent of coverage for punitive and exemplary or other extra contractual damages in respect of the Applicant's errors and omissions exposures. Is coverage:

- a. Silent?..... Yes No
- b. Specifically included?..... Yes No
- c. Specifically excluded?..... Yes No

Please note that any cover for punitive and exemplary damages or other extra contractual damages afforded by such treaty or other reinsurance arrangements will inure to the benefit of Underwriters.

31. Has any application for insurance for any of the coverages detailed in Question 29 ever been declined or any policy for such insurance ever been cancelled by a carrier?

If Yes, please provide details: _____

32. In respect of the coverages requested in Question 29, have any claims or suits ever been made against the Applicant or any entity intended to be covered or any present or former directors, officers, trustees or employees arising out of:

- a. the business of the Applicant or any entity intended to be covered?..... Yes No
- b. individuals having acted as a director, officer, trustee or employee of the Applicant or any entity intended to be covered?..... Yes No

If Yes to any of the above, please complete the included **Insurance Claim Supplement** for each claim made.

33. Is the Applicant or any entity or any person intended to be covered aware of any negligent act, error or omission or any other fact, circumstance or situation which may reasonably be expected to give rise to a claim against it or any of its directors, officers, trustees or employees? Yes No

If Yes, please provide full details: _____

SECTION 2 NOTICES

The Applicant must complete Questions 32 and 33.

It is understood and agreed that any claim or loss based upon, arising out of, directly or indirectly related to, in consequence of or in anyway involving knowledge of, any fact or circumstance reasonably expected to give rise to a future claim or loss will be excluded from coverage being applied for whether or not the same is set forth in response to Questions 32 and 33.

Advice of claims or losses, circumstances in Question 32 and 33 shall not constitute notice under any insurance policy.

It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the policy, the Applicant will notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn.

The misrepresentation or non-disclosure of any material fact by the applicant will render any Policy issued null and void and relieve the Underwriters from all liability therein.

SECTION 3 DECLARATION

NOTE: SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.

I/We declare that the statements and in this Proposal are true and that no material facts have been mis-stated or suppressed after enquiry. I/We agree that this Proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I/We undertake to inform the Insurers of any material alteration to those facts occurring before the completion of the contract of insurance.

Authorised Principal Name (Please print) _____

Signature _____ Date _____

1. Name of Applicant: _____

2. For each of the past three years state total staff numbers and indicate as a percentage those who have:

	20	20	20
a. Been terminated by Applicant:	%	%	%
b. Resigned Voluntarily:	%	%	%
c. Total staff numbers:			

3. Does the Applicant have written employment agreements with all its staff? Yes No
If No, please explain the basis on which they are contracted? _____

4. Does the Applicant have a human resource department? Yes No

5. Does the Applicant have a human resources manual or equivalent written guidelines? Yes No

If Yes, does it contain a policy or procedure for the following:

- a. Hiring/interviewing: Yes No
- b. Performance appraisal: Yes No
- c. Discipline: Yes No
- d. Terminations, redundancy and early retirements: Yes No
- e. Confidential treatment of medical examinations: Yes No
- f. Grievance procedure: Yes No
- g. Fitness for work: Yes No
- h. Drug testing: Yes No
- i. Polygraph testing: Yes No
- j. Sexual harassment: Yes No
- k. Age Discrimination: Yes No
- l. Sexual Discrimination: Yes No
- m. Racial Discrimination: Yes No

6. Is a copy of the guidelines or procedures provided to:

- a. All supervisors? Yes No
- b. All staff? Yes No

7. Does a labour lawyer review the guidelines or procedures? Yes No

8. Is an attorney consulted prior to discharging an employee for cause? Yes No

9. Applicant must complete Question 32 and 33 of the main Proposal as they relate to Employment Practices.

10. Check box if there are no known claims or circumstances expected to give rise to a claim:

NOTICE:

It is understood and agreed that any claim based upon, arising out of, directly or indirectly related to, in consequence of or in anyway involving knowledge of, any fact, circumstance or situation reasonably expected to give rise to a future claim will be excluded from coverage being applied for whether or not the same is set forth in response to Question 9 above.

It is agreed that in the event there is any material change in the answers to the questions contained herein prior to the effective date of the policy, the Applicant will notify Underwriters and, at the sole discretion of Underwriters, any outstanding quotations may be modified or withdrawn.

This Supplement must be signed and dated by an authorized Principal of the Applicant.

Authorised Principal Name (Please print) _____

Signature _____ Date _____



INSURANCE CLAIM SUPPLEMENT
 E&O, D&O LIABILITY, TRUSTEE/FIDUCIARY
 LIABILITY AND EMPLOYMENT PRACTICES

FOR EACH CLAIM that has been made against the Applicant or any of its present or former directors, officers, trustees or employees, please provide the following information:

1. Name of Applicant	
2. Full name of the entity and/or individual(s) involved in the claim:	
3. Additional defendants:	
4. Full name of claimant(s):	
5. Date of alleged act, error or omission:	
6. Name of insurance company to whom this claim been reported?	
7. Date reported to insurance company:	
8. Present status of claim (select one):	<input type="checkbox"/> Open, no suit <input type="checkbox"/> Open, in suit <input type="checkbox"/> Closed
9. Total damages paid/outstanding:	
Defense Expense paid/outstanding:	
10. If open, please state the maximum amount demanded:	
What is the Applicant's opinion as to the likely settlement value:	
If settlement negotiations have begun please state:	
(a) claimants settlement demand:	
(b) defendant's offer to settle:	
11. Full description of claim:	
(a) Allegation(s) upon which claimant(s) bases claim:	
(b) Description of case and events:	
12. Name and address of Attorney who provided defense:	

Advice of claims, circumstances or losses in Questions 32 and 33 shall not constitute notice under any insurance policy. This Supplement must be signed and dated by an authorized Principal of the Applicant.

Authorised Principal Name (Please print) _____

Signature _____ Date _____