



London Market

Broker at **LLOYD'S**

Directors  
& Officers  
Liability  
Proposal Form



## DUTY OF FAIR PRESENTATION

1. Before this insurance contract is entered into, the Insured must make a fair presentation of the risk to the Insurer, in accordance with Section 3 of the Insurance Act 2015. In summary, the Insured must:
  - a. Disclose to the Insurer every material circumstance which the Insured knows or ought to know. Failing that, the Insured must give the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
  - b. Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
  - c. Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
  
2. For the purposes of clause (1)(a) above, the Insured is expected to know the following:
  - a. If the Insured is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
  - b. If the Insured is not an individual, what is known to anybody who is part of the Insured's senior management; or anybody who is responsible for arranging the Insured's insurance.
  - c. Whether the Insured is an individual or not, what should reasonably have been revealed by a reasonable search of information available to the Insured. The information may be held within the Insured's organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If the Insured is insuring subsidiaries, affiliates or other parties, the Insurer expects that the Insured will have included them in its enquiries, and that the Insured will inform the Insurer if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

LMA9117

16 March 2016

# PROPOSAL FORM

## PROPOSER'S DETAILS

It is a requirement to capture information about every company and subsidiary company that is to be covered by the policy. As "associated" companies do not fall within the subsidiaries definition they must arrange their own cover.

1. Company Name

2. Address 1

3. Address 2

4. Town

5. County

6. Postcode

**If you operate from more than one address please list all other business addresses and their business use on the 'Additional Information' sheet.**

7. Full business description (if you have a brochure or company literature, please attach them to this form)

8. Date commenced trading

9. Is the business VAT registered?

Yes

No

10. Please give details of any professional or trade associations you are affiliated to

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## BUSINESS DETAILS

11. Is there a Regulator who regulates any part of the group? Yes No

If "Yes" please state their name below

12. Is the company a subsidiary of another company? Yes No

If "Yes" please state below the name of the ultimate holding company and its location

**Ultimate holding company or parent**

### Location

(Note: the policy should usually be in the name of the ultimate holding company. All subsidiaries of the ultimate or parent company will automatically be included, providing the "top" company is shown in Q1. If the "group" contains other companies who have common shareholders or board members but who are not technically subsidiaries (as defined in the Companies Act), you will need to list those companies separately if you wish insurers to consider them)

13. Staff and total gross assets

Please state below the total number in your Group (as at last financial year end)

	Worldwide ex USA/Canada	USA and Canada
Number of directors		
Number of employees		
Fixed and current assets (consolidated for Group)	£	\$

14. Newly created or acquired subsidiaries

Have you created or newly acquired any subsidiary companies since the publication of the last report and accounts? Yes No

If "Yes" please provide the following details in respect of each new subsidiary

Name of new subsidiary	Country registered	% of voting shares held	Date acquired
i.			
ii.			
iii.			

15. Type of company

a. Please state whether the company is:

Publicly traded	Yes	No
Private	Yes	No
Close	Yes	No
Mutual	Yes	No
Not-for-Profit	Yes	No
Other	Yes	No

- b. Is the company listed on any Stock Exchange? Yes No

If "Yes" please state below which Stock Exchange and the date that listing was obtained

Stock Exchange

Date of listing

- c. Is the company traded in any other way? Yes No

If "Yes" please provide details below

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## 16. USA and Canada

Does the company, or any subsidiary, hold any assets or have any stock, shares or debentures issued in the USA or Canada? Yes    No  
 If "Yes" please complete Q24.

## 17. Shareholders

- a. Please state the total number of shareholders
- b. Please state the percentage of shares held by the directors and officers (directly or otherwise) %
- c. Do any shareholders hold more than 15% of the issued shares? Yes    No  
 If "Yes" please list them below with their applicable percentages

Name of shareholder	Percentage
i.	%
ii.	%
iii.	%
iv.	%
v.	%
vi.	%
d. Where a company shareholder holds more than 15%, are they represented on the Board of the company stated in Q1?	Yes    No

## 18. Outside directorships

Please provide a list of positions held in any associated company (but do not include subsidiaries of the company stated in Q1.)

(Note: Any director or officer of a subsidiary of the company stated in Q1. will usually be included under a standard D & O policy and therefore should NOT be included in this Q18. If any of your directors hold Board positions in a non-group company (such as an associated company where you own less than 50%), where those positions are held at your company's request, please list the positions below if you wish them to be included in the Outside Directorships Liability section of your policy, subject to its terms and conditions.

Company	Country	Activity	Net worth	Net profit
i.				
ii.				
iii.				
iv.				

## 19. Future plans

- a. Does the company have any tender, or offer of merger, pending or under consideration? Yes    No
- b. Does the company intend a new Public offering of securities within the next 12 months? Yes    No
- c. Does the company intend a new Private offering of securities within the next 12 months? Yes    No

If you have answered "Yes" to any of the above, please provide details below, including the amount expected to be raised (if known)

# PROPOSAL FORM

## 20. Past events

- |  |     |    |
|--|-----|----|
| a. During the past 12 months, has the capital structure of the company changed?              | Yes | No |
| b. Has any subsidiary company been sold or ceased trading in the past 18 months?             | Yes | No |
| c. Has the company filed a registration statement for a Public offering in the last 3 years? | Yes | No |

If you have answered "Yes" to any of the above, please provide details below

## 21. Fraud/dishonesty and general

- |  |     |    |
|--|-----|----|
| a. Are you aware of any allegation or occurrence of fraud or dishonesty in the last 5 years committed by any past or present director or officer?  | Yes | No |
| b. Has any past or present director or officer or group company been the subject of any disciplinary proceedings or investigation within the past 5 years by any government body or Regulator? | Yes | No |
| c. Is there any other material information which may be relevant to the insurer's consideration of the risk that has not been declared elsewhere in this form?                                 | Yes | No |

If you have answered "Yes" to any of the above, please provide details below

## INSURANCE ARRANGEMENTS

### 22. Current arrangements

Do you currently purchase Directors' and Officers' Liability insurance? Yes      No

If "Yes" please provide the following information in respect of your current policy (*do not complete if you are insured via ourselves*)

i. Name of the insurer

ii. Name of your broker

iii. Policy limit Any one claim Aggregate (please tick as applicable)

iv. Excess

v. Premium

vi. Renewal date

vii. The prior and pending litigation date

viii. Does the policy include Entity cover (Corporate Legal Liability)? Yes      No

ix. Does the policy include Entity Employment Practice Liability? Yes      No

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23. Your requirements (demands and needs)
- a. What policy limit do you require? £
- b. Do you require Entity cover (Corporate Legal Liability)? Yes No
- c. Do you require Entity Employment Practice cover? Yes No  
If "Yes" please complete Q25.
- d. Do you require cover for USA/Canada? Yes No  
If "Yes" please complete Q24.
24. North America exposure (only complete this question if you answered "Yes" to Q14. and/or Q21.d.)
- a. Please state assets (fixed plus current) in the USA \$
- b. Please state number of employees in the USA
- c. Please state assets (fixed plus current) in Canada \$
- d. Please state your turnover in USA \$ and in Canada \$
- e. Please provide the following information in respect of your North American subsidiaries
- | Name of subsidiary | Business activities | The company's % interest |
|--------------------|---------------------|--------------------------|
| i.                 |                     | %                        |
| ii.                |                     | %                        |
| iii.               |                     | %                        |
- f. Does the company or any of its subsidiaries have any stock, shares or debentures issued in the USA? Yes No  
If "Yes"
- i. on what date was the last offer/tender/issue made? Month Year
- ii. was the offer subject to the USA Security Act 1933 and/or the Securities Exchange Act 1934 (or any amendments thereto)? Yes No  
If "Yes" please enclose a copy of the latest 20-F filing
25. Entity Employment Practice Liability Questionnaire (only complete this question if you answered "Yes" to Q23.c.)
- a. Do you have a human resource (HR) department? Yes No  
If "Yes" how many employees are in HR department?  
If "No" please provide details of how is this function handled
- b. Please provide details below of how many officers and employees have resigned, been terminated (with or without cause) or taken early retirement
- |                  | In the last 12 months |          | 2 years ago |          |
|------------------|-----------------------|----------|-------------|----------|
|                  | Employees             | Officers | Employees   | Officers |
| Resigned         |                       |          |             |          |
| Terminated       |                       |          |             |          |
| Early retirement |                       |          |             |          |
| Totals           |                       |          |             |          |
- c. Do you have written HR manuals or equivalent written management guidelines? Yes No

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d. Please confirm if these guidelines or manuals indicate a policy on procedure regarding the following:

i. written application for employment	Yes	No
ii. legally prohibited discrimination	Yes	No
iii. compliance with statutes	Yes	No
iv. redundancies, termination of employment and early retirement	Yes	No
v. employee appraisals and reviews	Yes	No
vi. confidential treatment of medical examinations	Yes	No
vii. sexual harassment	Yes	No
viii. employee disciplinary actions	Yes	No
ix. employee out placement services	Yes	No
x. religious rights	Yes	No

e. Please confirm below whether decisions regarding these events are always subject to prior review by the HR department, legal department or an external legal advisor. Individual decisions are always reviewed by:

	HR department		Legal department		External Legal advisor	
i. written application for employment	Yes	No	Yes	No	Yes	No
ii. legally prohibited discrimination	Yes	No	Yes	No	Yes	No
iii. compliance with statutes	Yes	No	Yes	No	Yes	No
iv. redundancies, termination of employment and early retirement	Yes	No	Yes	No	Yes	No
v. employee appraisals and reviews	Yes	No	Yes	No	Yes	No
vi. confidential treatment of medical examinations	Yes	No	Yes	No	Yes	No
vii. sexual harassment	Yes	No	Yes	No	Yes	No
viii. employee disciplinary actions	Yes	No	Yes	No	Yes	No
ix. employee out placement services	Yes	No	Yes	No	Yes	No
x. religious rights	Yes	No	Yes	No	Yes	No

f. Do you have an employee handbook which is "distributed" to all employees? Yes No

g. Are you currently undergoing, or do you contemplate undergoing during the next 12 months, any employee layoffs or early retirements (including those resulting from any type of company restructuring, office, plant or store closure)? Yes No

If "Yes" please provide details below



# PROPOSAL FORM

## GENERAL QUESTIONS

Please answer question a. in relation to this business or any previous business in which the directors have traded, in this or any other name:

- |   |     |    |
|---|-----|----|
| a. Have any insurers in the last five years declined to insure any of you or your businesses, cancelled or refused to renew any insurance or imposed special terms? | Yes | No |
|---|-----|----|

Please answer questions b. to e. in relation to the directors of this business.

**Convictions or cautions do not have to be declared if they have become spent under the Rehabilitation of Offenders Act 1974. Reference to the Rehabilitation of Offenders Act 1974 is a reference to it as it is in force for the time being, taking into account any amendment, extension or re-enactment, and includes any subordinate legislation for the time being in force made under it.**

- |  |     |    |
|--|-----|----|
| b. Have any of you in the last five years been declared bankrupt or insolvent, in connection with this or any other business in this or any other name, or been disqualified from being a company director with any company which went into receivership, administration or liquidation? | Yes | No |
| c. Have any of you in the last six years been the subject of any County Court Judgment and/or been cited in any unsatisfied court judgments (or the Scottish equivalent) and/or have any court judgments pending?  | Yes | No |
| d. Have any of you been convicted or charged (but not yet tried) with any criminal offence other than a motoring conviction?   | Yes | No |
| e. Have any of you committed any offence to which you have admitted and for which you have received an official police caution?  | Yes | No |

If the answer to any question is "Yes" please provide full details on the 'Additional Information' sheet at the end of the proposal form.

## CLAIMS AND CIRCUMSTANCES

- |   |     |    |
|---|-----|----|
| a. Have any claims, whether successful or not, been made against any person in the last 5 years (whether insured or not) which would be covered under a D & O insurance policy?   | Yes | No |
| b. Have any claims, whether successful or not, been made against the company/entity itself in the last 5 years (whether insured or not) which would be covered under the Entity section or Entity Employment Practice section of a management liability policy?           | Yes | No |
| c. Is any person aware, AFTER ENQUIRY, of any circumstance or occurrence which he/she has reason to suppose may afford grounds for any future claim such as would fall within the scope of the proposed insurance (including company/entity/employment practice matters)? | Yes | No |

If the answer to either of the above questions is "Yes" provide full details below (please use 'Additional Information' sheet, if necessary)

	Date of Claim	Cause of claim	Damages claimed	Defence costs	Reserves held by insurers
i.			£	£	£
ii.			£	£	£
iii.			£	£	£
d. What measures have been taken to prevent a similar claim(s) or occurrence(s) (please use 'Additional Information' sheet, if necessary)					

(Please note that this question is for underwriting purposes only. It does **NOT** constitute notification of a claim or possible claim. You are required to make a separate notification to the current insurer in accordance with their policy terms and conditions, prior to expiry of the current policy)

## DECLARATION

I/we declare that I/we have made a fair presentation of the risk, by disclosing all material matters which I/we know or ought to know or, failing that, by giving the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances.

Signature Please print name

Date Position

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