

**PROFESSIONAL INDEMNITY
FINANCIAL INSTITUTIONS
PROPOSAL FORM**

IMPORTANT NOTICE

- Answer all questions leaving no blank spaces.
- If you have insufficient space to complete any of your answers, continue on your headed paper.
- **Please attach latest audited Financial Statements.**
- It is the intention of Underwriters that any Contract of Insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. If a quotation is offered it will be the intention of Underwriters to offer coverage only in respect of those entities named in answer to Question 1.
- Completion of this form does not bind the Proposer or Insurer to complete the insurance transaction.

1 | GENERAL INFORMATION

Details of entities to be insured (the “Proposer”)

Proposer's Name: _____

ID number (if Sole Trader): _____

Business Description: _____

Head Office (Physical Address): _____

Postal Code: _____

Postal Address: _____

Postal Code: _____

Co Reg No: _____ VAT No: _____

Professional Association(s): _____ Website: _____

Contact Person: _____ Contact number: _____

Email: _____

Date Company Established / Services Commenced: _____ / _____ / _____
(If commenced within the past 24 months - Please attach CV of key personnel/ Directors/ Principals)

Company Legal Constitution: _____ Partnership / Private Company / Public Company / Closed Corporation /
Non-profit Organisation / Government / Sole Proprietor

* **PLEASE NOTE** that in order for a Subsidiary to be included in the cover, the Subsidiary company must be named in the Proposal Form with its principal business activity and the first named Insured's shareholding interest so indicated.

THE POWER OF KNOWLEDGE

Name of Subsidiary	Location	Date Established	Principal Activity

2 | INSURANCE HISTORY

1 Are you in the present or have you in the past been Insured, for the type of Insurance now being proposed? Yes No

If Yes, please state: Insurers: _____

Limit of Indemnity:	R
Excess:	R
Premium:	R
Date of expiry of coverage:	
Retroactive Date:	

2 For the type of Insurance now being proposed, has any Insurer ever:

i) Required an increased premium or imposed special terms? Yes No

ii) Refused to accept or renew any insurance for the body corporate Yes No

iii) Cancelled the insurance? Yes No

If any answer is Yes to any of the above 3 questions, please provide full details

3 | REQUIRED COVER

1 State the LIMIT OF INDEMNITY and EXCESS required:

Limit	R	R	R
Excess	R	R	R

2 Do you require cover in respect of liability incurred but not discovered prior to the effecting of this insurance at a single premium to be negotiated? Yes No

3 During the last 5 (five) years has the Proposer received any admonishment or critical directive from any regulatory authority? Yes No

If Yes, please specify:

4 Is the Proposer currently involved in any litigation as a defendant which relates to any professional indemnity, fidelity and/or computer crime incident? Yes No

If Yes, please specify:

5 a. Has any application made by the Proposer, or its predecessors in business, for Professional Indemnity Insurance ever been declined? Yes No

If Yes, please specify:

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b. Has any Professional Indemnity Policy in the name of the Proposer or its predecessors in business ever been cancelled? Yes No

If Yes, please specify:

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4 | PREVIOUS LOSSES / EXISTING CIRCUMSTANCES

1 Is any Principal, AFTER FULL ENQUIRY, aware of any circumstance which might:

i) Give rise to a claim against the Proposer, any predecessor or any past or present Principal? Yes No

ii) Cause any loss to the Proposer, any predecessor or any past or present Principal? Yes No

iii) Otherwise affect the consideration of this proposal for insurance? Yes No

If Yes, please provide details:

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2 In respect of ANY of the risks to which this proposal relates, has any Claim been made (whether successful or not) against the Proposer or any past or present Principal? Yes No

If Yes, please identify details (including loss date, amount claimed and a brief description):

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3 What steps have been taken to prevent a recurrence?

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4 Please give in the space provided below, brief details of any losses which you have sustained during the past five years and/or any circumstances likely to give rise to a loss or losses whether insured or uninsured. If "none" please indicate as such

Date Discovered	Location	Nature of Loss	Amount <i>Actual or Estimated</i>
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* Please attach full details, on a separate page, of remedial action taken to avoid recurrence of the said losses.

5 | PROPOSER'S ACTIVITIES

1 In the last financial year what approximate percentage of the Proposer's total revenues were derived from the following activities?

Commercial Loans	- Domestic	%
	- Foreign	%
Interbank Loans	- Domestic	%
	- Foreign	%
Personal Loans		%
Leasing		%
Trade Financing		%
Barter, Countertrade or Swap Operations		%
Foreign Exchange Dealings		%
Commodity Market Dealings		%
Mergers and Acquisitions Advice		%
Share Placing and New Issues		%
Fund Management		%
Factoring		%
Venture Capital		%
Overseas Advisory		%
Stock Broking		%
Trust Administration		%
Life Assurance		%
Short-term Insurance		%
Any Other Activity (<i>Please describe</i>)		%

* Please attach an organisational chart showing responsibilities and reporting lines to the Board of Directors for each activity.

6 | FINANCIAL INFORMATION

1 a. Has the Proposer been acquired by another entity, merged or acquired any other business during the last 5 years?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please Specify:</i>

b. Does any individual or organisation own more than 10% of the equity?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please Specify:</i>

c. Has the Proposer provided any new services to its clients during the last 3 years?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please Specify:</i>

d. Does the Proposer intend to offer any new services to its clients during the next 12 months?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>	<i>Please Specify:</i>

2 Please provide the following information:

	Currently or at last date of interim report	At last year-end	At previous year-end
Total Deposits:	R	R	R
Total Loans and Discounts:	R	R	R
Total Funds Under:			
> Discretionary Management	R	R	R
> Non-Discretionary Management	R	R	R
Total Assets:	R	R	R

7 | NAMES AND QUALIFICATION OF PRINCIPALS

State the name of all Executive and Non-Executive Directors, their length of service, specific responsibilities and professional qualifications:

Name	Length of Service	Specific Responsibilities	Professional Qualifications

8 | STAFF COMPLIMENT

a. State the number of employees in the following categories:

	RSA	Elsewhere
At Head Office		
At Data Processing Centre		
At Branches		
At Subsidiaries		
At Agencies		
At Administration Centre		
Total		

b. State the number of locations:

c. What has been the percentage turnover in the following employment categories during the last twelve months:

	Inward	Outward
Directors (including those of Subsidiaries)	%	%
Employees	%	%

PROFESSIONAL INDEMNITY

1 | LEGAL ADVISORS

1 State the names of external legal advisors routinely acting for the Proposer:

2 Do the legal advisors supply written opinions as to the legality of any change in investment or management policy in connection with trusteeship activities?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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3 Does the Proposer have an in-house Legal Department?

No	<input type="checkbox"/>
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Yes *If Yes, how many legally qualified individuals does it consist of?*

Describe the Department's responsibilities?

4 Does it offer its services to customers or other Third Parties?

No	<input type="checkbox"/>
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Yes *If Yes, Please Specify:*

2 | DISASTER RECOVERY

Does the Proposer have a comprehensive disaster recovery plan?

Yes	<input type="checkbox"/>
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No *Please indicate the procedures in place for disaster recovery*

3 | ACTIVITIES

1 a. List each takeover or merger situation in which the Proposer acted on behalf of clients in the last twelve months, indicating by asterisk, on behalf of whom the Proposer was acting, and the values involved.

Offeror	Outcome	Offer Value
		Total:

b. How many flotations has the Proposer undertaken in the last twelve months?
List each, indicating the share capital involved.

Company	Shares Placed	Value
		Total:

c. How many rights issues has the Proposer undertaken in the last twelve months?
List each, indicating the share capital involved.

Company	Shares Placed	Value
		Total:

2 Does the Proposer undertake trust activities or discretionary account management? Yes No

If Yes,

a. Are all clients' agreements reviewed annually? Yes No

b. Are all trust/discretionary transactions subject to the same procedures and review as the Proposer's own account transactions? Yes No

If Not, please describe

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c. State:

i) The number of trust/discretionary accounts	
ii) The asset value of the largest managed account	R

d. How often are financial reports rendered to clients?

e. Does the Proposer have an "approved" list of investments/securities which can be recommended to clients? Yes No

3 Is the Proposer involved in fund or investment management activities? Yes No

If Yes,

a. Does the Proposer currently maintain a manual containing a written investment policy? Yes No

b. Are trading transactions and positions reviewed for compliance with formal trading policies manual? Yes No

c. Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? Yes No

d. Do counterparties receive authorised confirmation for all deals prior to settlement? Yes No

e. Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? Yes No

4 Is the Proposer involved in providing insurance services? Yes No

If Yes,

a. Do you have and maintain a formal underwriting manual for all classes of insurance? Yes No

b. What is the percentage of business production in the following areas?

i) agents		%
ii) direct sales		%
iii) brokers		%
iv) Other, please specify on a separate page		%

- c. Are payments made directly to you? Yes No
- d. Do you have a FAIS licence? Yes No
- e. Do you have an IGF? Yes No
- f. Is the responsibility for the claims department totally segregated from underwriting? Yes No
- g. Are the claims reviewed and agreed by a minimum of two authorised individuals before payment is made direct to the Insured? Yes No

4 | EXTERNAL AUDIT

- 1 State the name of the Independent firm of Chartered Accountants or Professional Auditors or other competent Authority who fully audit your Accounts annually.

In addition please state

- 2 Frequency of audit (if other than annual):
- 3 Does the audit include all Institution offices, including all Data Processing Centres? Yes No
If Not, describe on a separate page, the extent of the audit
- 4 Do the auditors visit all the branches? Yes No
If Not, please state frequency of visits to branches.
- 5 Does the firm or Authority regularly review the system of internal control and furnish written reports? Yes No
If Yes, do these reports go directly to the Board of Directors? Yes No
- 6 Has the Auditing Firm made any recommendations in the last two audits? Yes No
If Yes, on a separate page, please state recommendations and confirm that they have been adopted. If not adopted, please give reasons for not doing so; alternatively please provide the management response?
- 7 Has the Auditing Firm rendered an unqualified opinion for each of the last five years? Yes No
- 8 Has the Auditing Firm been changed in the last five years? Yes No
If Yes, on a separate page, please give details and explain why the change was made.
- 9 Has the Proposer complied with all recommendations made as a result of its most recent audit? Yes No
If Not, have you adopted alternative arrangements to the satisfaction of your auditor?
- 10 Are all entities subject to the same external audits and applicable internal controls, procedures and appropriate physical security standards? Yes No
If Not, please provide full details in notes area below

5 | INTERNAL AUDIT

Are your External Auditors satisfied with the scope/ frequency/ performance of the Internal Audit/ors

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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If Not, please provide full details in notes area below

6 | COMPLIANCE PRACTICES

Does the Proposer have a Compliance Officer?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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If Yes, please state below, his/her duties and to whom he/she reports.

7 | INDEPENDENT CONTRACTORS

1 Does the Proposer utilise independent contractors?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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2 Does the Proposer obtain a written agreement from the independent contractors outlining their responsibilities?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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3 Does the Proposer require all independent contractors to obtain separate insurance?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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If Yes, for what minimum amount?

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8 | SOCIAL ENGINEERING

1 Transfer/Bank account change requests:

A. INTERNAL

i) Please describe the procedures in place to validate the authenticity of what appear to be internally generated fund transfer requests?

ii) Would procedures set out in (i) above apply to requests purporting to have come from the Executive Management (CEO/CFO etc)?

Yes	<input type="checkbox"/>
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No	<input type="checkbox"/>
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B. EXTERNAL (i.e. Customer, Clients and Vendor Requests)

i) What procedures do you have in place to authenticate the validity of:
a. Requested changes to a third party vendor or customer bank account information held on record?

b. Customer/client instructions to direct funds to a third party bank account recipient?

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ii) If a “call back” is required, is this to a previously established number (i.e. one on record for the vendor or customer and not the contact information contained in the communication requesting a change to account details or a transfer).

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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iii) Are transfer requests or bank information changes accepted solely via electronic communications? If yes, what additional controls are in place to ensure that such requests are genuine and from an authorised person?

No	<input type="checkbox"/>	Yes	<input type="checkbox"/>
<p>.....</p> <p>.....</p> <p>.....</p>			

iv) Is there any system in place to flag and seek additional sign off or confirmation for fund transfers in respect of those which are:

	YES	NO
a. Out of country		
b. To recipients in known high risk jurisdictions (e.g. China)		
c. Over a certain value		
(if Yes, at what value are transactions subject to such controls)	R	
d. Unusual or inconsistent with previous transfer behaviour		

v) Are controls outlined above equally applicable VIP/High Net Worth customers?

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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2 Please explain how the authentication process in 4B above is checked/audited to ensure these processes are followed.

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DECLARATION

Signing this proposal form binds neither the proposer to complete this insurance, nor does it bind the insurer to accept the proposal. It is agreed that all written statements and attachments furnished to the insurer in conjunction with this proposal are hereby incorporated by reference into this proposal and made part thereof. It is understood and agreed that the insurer has relied upon this proposal and attachments, which shall be the basis of the insurance contract.

The undersigned is an authorised signatory of the Proposer and certifies that reasonable inquiry has been made to obtain the answers herein which are true, correct and complete to the best of his/her knowledge and belief. We undertake to inform the insurer of any material alteration to these facts, whether occurring before or after completion of the insurance contract.

..... NAME CAPACITY
..... SIGNATURE OF THE PROPOSER DATE DD/MM/YYYY

BROKER DETAILS

Broker:	
Contact Person:	Tel:
Email:	Fax number:
