

CATLIN HONG KONG LTD

MISCELLANEOUS PROFESSIONS PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM

IMPORTANT NOTICE TO THE PROPOSER REGARDING COMPLETION OF THIS PROPOSAL FORM

- 1) Disclosure
Any material fact must be disclosed to the Insurer. A material fact is any information which may alter the judgement of an Insurer in assessing the risk.

Any material change must be disclosed to the Insurer. A material change is any information which may alter the judgement of an Insurer that has not previously been disclosed as a material fact.

Failure to provide all material facts and/or notify all material changes may cause the contract of insurance to be void and may result in the Insurer repudiating liability entirely. The duty of disclosure continues after the despatch of the completed proposal form, and any supplementary questionnaire if provided for completion, up until the time and date when a contract of insurance is entered into by the Insured. Accordingly, further or additional information or documentation which may affect anything already stated in or supplied with this Proposal form, and any supplementary questionnaire if provided for completion, should be notified to the Insurer as soon as possible.

The nature and extent of the questions and requests set out in this proposal form, and any supplementary questionnaire if provided for completion, do not in any way limit or restrict the legal obligation of disclosure. All material information must be disclosed whether or not it is the subject of a specific question or request within this proposal form or supplementary questionnaire.

The authorised individual completing this proposal form, and any supplementary questionnaire provided, should make full and proper enquiry of all relevant parties within the proposer(s) named overleaf in relation to the answers given and all information and/or documentation supplied with or in relation to any question raised in this proposal form or any supplementary questionnaire.

- 2) Presentation
This proposal form must be completed in ink by an authorised individual; a partner, principal, director or member of the proposer.

All questions must be answered. If there is insufficient space to provide answers, additional information should be provided on the proposer's letter-headed paper.

Where available, brochures, standard contract conditions, agreements and letters of appointment should be provided.

Where details of the proposer's web address have been provided any information contained within or linked to it is deemed not to have been provided unless such information is specifically supplied to the Insurer in written form

Failure to present the Insurer with information in an appropriate manner may adversely influence the ability of the Insurer to offer terms.

- 3) Guidance
If in doubt as to the meaning of any question contained within this proposal form or the issues raised in 1) Disclosure and/or 2) Presentation, advice should be sought from the proposer's

insurance advisor in the first instance.

SECTION 1 – GENERAL DETAILS

1.1 Please provide the following details:

Name of proposer(s) to be covered	Date Established

1.2 Please provide the main address of the proposer and any other addresses (specifying the name and position of the individual responsible at each location including web and e-mail addresses):

E-mail address:	Web address:
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1.3 Please provide details of the proposer's
a) principals, partners, directors and members, and
b) consultants under a contract of service

Name	Age	Qualification(s)	Date(s) Qualified	Years in this position
a)				
b)				

Please attach CV where the proposer has been established less than 5 years and/or where any individual declared above has no relevant qualifications.

1.4 Number of employees split between the following:

Qualified	Administrative	Other (Specify)	Total

1.5 Is any one person directly responsible for supervising more than 12 employees?

Yes ☐ No ☐ If Yes, please provide full details:

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1.6 Are all offices supervised by a partner, principal, director, member or senior employee?

Yes ☐ No ☐ If No, please provide full details:

1.7 Is the proposer connected or associated (financially or otherwise) with any other entity?

Yes ☐ No ☐

If Yes, is cover required for any work undertaken for any associated entity?

Yes ☐ No ☐

If Yes, please provide full details including nature of the work undertaken and income derived:

1.8 During the past 6 years has the proposer's name been changed, has any other business been purchased and/or has any merger or consolidation taken place?

Yes ☐ No ☐ If Yes, please provide full details:

SECTION 2 – INSURANCE COVERAGE

2.1 Does the proposer currently have Professional Indemnity Insurance in force?

Yes ☐ No ☐ If Yes, please provide the following details:

Insurer:	
Limit of Indemnity:	
Deductible:	
Annual Premium:	
Renewal Date:	
Number of years cover has been continuously in force:	

2.2 What is the amount of indemnity now required?

USD

2.3 What amount does the proposer wish to contribute towards each and every claim?

USD

SECTION 3 – THE PROPOSER’S BUSINESS

3.1 Please provide a full description of the activities undertaken by the proposer:

3.2 a) Please provide details of the proposer’s gross fees as follows:

	Previous Financial Years			Last Financial Year	Coming Financial Year
	Year 20__	Year 20__	Year 20__		
Gross Fees (HKD)					
Fee Breakdown – percentage split:					
Hong Kong					
UK/Europe					
USA/Canada*					
Rest of the World**					
Fee Size:					
Average per Client					
Largest per Client					

* This should represent direct billings to a USA/Canadian client.

** If fees are derived from clients based outside the Hong Kong please provide details, including territories involved and income derived from each:

b) What percentage of the Gross Fees is derived from work undertaken outside the USA/Canada for clients resident or domiciled in the USA/Canada?

%

If more than 15%, please provide full details:

c) Please provide a breakdown of the proposer’s gross fees for the last financial year, split between the following client groups:

Fee Income	Number of Clients	Total Fees
Less than USD 15,000.00		
Between USD 15,000.00 – USD 40,000.00		
Over USD 40,000.00		

d) Does any one client generate more than 20% of the total fee income/revenue declared above?

Yes ☐ No ☐ If Yes, please provide full details:

3.3 Is cover required for any other activity, now ceased, which is different to those declared in 3.1 above?

Yes ☐ No ☐ If Yes, please provide full details:

3.4 Is the proposer aware of any change in activity or structure which will occur in the coming financial year?

Yes ☐ No ☐ If Yes, please provide full details:

3.5 Does the proposer use sub-contractors/consultants?

Yes ☐ No ☐ If Yes, please provide details:

Sub-contractor's Name	Qualification(s)	Fees Paid (Annual)	Nature of Work	Details of their own Professional Indemnity cover in force

3.6 What proportion of fee income is paid to sub-contractors/Consultants?

%

3.7 Is a standard form of contract always used for this sub-contracted work?

Yes ☐ No ☐ If Yes, please provide sample wordings.

3.8 Does the proposer require all sub-contractors/consultants engaged to carry their own Professional Indemnity insurance?

Yes ☐ No ☐ Please provide details/reasons:

3.9 What due diligence is undertaken prior to appointment of sub-contractors/consultants?

3.10 How does the proposer control and review the work undertaken by sub-contractors/consultants on their behalf?

3.11 Please list the proposer's

- a) five largest contract assignments undertaken in the last three years, and
b) three largest anticipated in the next year:

Client name, type of service and country	Fee	Contract Value	Date Commenced	Date Completed
a)				
b)				

3.12 Is the proposer a member of a consortium or has the proposer entered into a joint venture agreement?

Yes ☐ No ☐ If Yes, please provide details:

SECTION 4 – THE BUSINESS: RISK MANAGEMENT

4.1 Is the proposer admitted to any association, conform to a professional code of practice or accredited to any quality systems such as the ISO9000?

Yes ☐ No ☐ If Yes, please provide details:

4.2 What does the proposer consider are significant potential risks associated with their field of work?

4.3 How does the proposer minimise these risks?

4.4 If the proposer is a sole practitioner, please provide full details of arrangements to maintain service and standards in the event of sickness or holiday:

4.5 Does the proposer conduct business on its standard form, terms and conditions for every client?

Yes ☐ No ☐ If Yes, **samples please**, if No, please provide details:

4.6 What vetting procedures are undertaken when engaging new or existing clients?

4.7 What are the proposer's procedures to ensure that a client's requirements are clearly identified and can be met?

4.8 Does the proposer have written procedures or checklists for the service performed?

Yes ☐ No ☐ If Yes, please provide details:

4.9 What measures are taken to ensure detailed records (i.e. original contract, subsequent amendments, verbal agreements, faxes, telephone calls, etc) are kept of all transactions and meetings?

4.10 What are the proposer's procedures in operating a diary system to ensure key dates and deadlines are met?

4.11 How often does the proposer undertake a review of working procedures?

4.12 What are the proposer's procedures in reviewing the work undertaken by staff, directors and partners?

4.13 a) Does the proposer always obtain satisfactory written references when engaging employees?

Yes ☐ No ☐ If No, please provide full details:

b) What checks are undertaken regarding the claims experience of any new principal, partner, director or member?

4.14 Is the conduct and procedural compliance of persons handling cash, bank currency notes or other negotiable instruments in the course of their duties subject to monthly independent checks?

Yes ☐ No ☐ If No, please provide details:

4.15 If the proposer owns a website, is business transacted over the internet?

Yes ☐ No ☐

4.16 Are disclaimers of liability always used on the website?

Yes ☐ No ☐ If No, please provide full details of how the proposer's liability is managed:

4.17 Does the website have any bulletin boards, chat rooms or discussion sites for third parties?

Yes ☐ No ☐ If Yes, please provide details:

4.18 What procedures are in place to minimise potential litigation for libel or infringement of intellectual property rights?

SECTION 5 – CLAIMS INFORMATION

5.1 Has any insurer declined, cancelled or avoided a policy or refused renewal on any prior policy or application for professional indemnity insurance (or similar insurance) of the proposer's business and any party to be insured under this proposed coverage, or imposed any special terms, other than general market increases?

Yes ☐ No ☐ If Yes, please provide details:

5.2 Has the proposer and any party to be insured under this proposed coverage sustained any loss due to fraud or dishonesty by any person or has the proposer any reason to suspect any person of such activity?

Yes ☐ No ☐ If Yes, please provide details:

5.3 Has the proposer and any party to be insured under this proposed coverage been subject to any disciplinary or regulatory enquiry or proceeding or incurred any fines, penalties or other sanctions by a governmental, regulatory or professional body?

Yes ☐ No ☐ If Yes, please provide details:

5.4 a) After full enquiry, is the proposer aware of any claim (whether insured or not) ever having been made against the proposer's business or any party to be insured under this proposed coverage?

Yes ☐ No ☐

b) After full enquiry, is any person aware of any facts or circumstances which may give rise to a claim against the proposer's business or any party to be insured under this proposed coverage?

Yes ☐ No ☐

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If Yes to either of these questions, please provide full details under the following headings:

Date of claim/ circumstance	Details of each claim/circumstance	Amount Paid or Reserved (USD)	Status of claim/circumstance (Open or Closed)	Actions to prevent recurrence

SECTION 6 - DECLARATION

The undersigned declares on behalf of all parties proposing for insurance that to the best of his/her knowledge and belief the statements provided herein are true and complete and all material facts or circumstances have been fully disclosed. The undersigned declares and agrees that the proposal form together with any other information supplied shall form the basis of any subsequent contract of insurance and undertakes to inform the Insurer of any material alteration to those facts occurring before completion of the contract of insurance.

Signed by the proposer's authorised individual:	
Position held:	
Date:	
For and on behalf of: (Insert proposer's name)	

Signing this proposal does not bind the proposer to enter into this insurance.

It is hereby agreed that the Insurer is authorised to make any investigation and inquiry in connection with this proposal that it deems necessary.

The proposer and the Insurer are entitled to choose the law that will govern this contract of insurance.

The Insurer proposes Hong Kong law and this will apply unless otherwise agreed.