

## FOREFRONT PORTFOLIO - PROPOSAL FORM

### NOTICE TO THE APPLICANT

The Company's liability does not commence until this Proposal Form has been accepted by it; it has received the requisite premium; and it issues a policy to the Applicant.

### Completing the Proposal Form

- \* Please answer all questions in full leaving no blank spaces. Clearly specify if any question is not applicable..Insurance is a contract of utmost good faith requiring the Applicant to disclose, and not suppress, all material facts. If you think any fact is material, please disclose it.
- \* If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.
- \* It is agreed that whenever used in this proposal form, the term Applicant means the Principal Organisation Insured Organisation and all its Subsidiaries as defined in the HDFC ERGO General Insurance ForeFront Policy.(the "policy")
- \* It is agreed that whenever used in this proposal form the definition of the terms 'Claims', 'Policy Period' or 'Defense Costs' are in accordance with the policy.
- \* The headings in this proposal form are solely for convenience.
- \* Please contact the Company's agents or brokers for any assistance with or clarifications regarding this Proposal Form.

THE LIABILITY COVERAGE SECTION OF THE POLICY FOR WHICH THIS PROPOSAL IS SUBMITTED IS A CLAIMS MADE & REPORTED POLICY WHICH COVERS ONLY 'CLAIMS' FIRST MADE AND REPORTED IN WRITING IN ACCORDANCE WITH THE POLICY PROVISIONS. THE LIMIT OF LIABILITY TO PAY 'LOSS' WILL BE REDUCED AND MAY BE EXHAUSTED BY THE 'DEFENSE COSTS'.

PLEASE READ THE POLICY AND PROPOSAL CAREFULLY

1 Name of **Applicant**: \_\_\_\_\_ Year Established: \_\_\_\_\_

2 **Applicant's** Registered Office: \_\_\_\_\_

3 Nature of **Applicant's** Business: \_\_\_\_\_

4 Does the Applicant have any operations:

a) in the United States of America?  Yes  No

b) any other overseas locations?  Yes  No

If, yes, please specify which overseas locations: \_\_\_\_\_

5 Is the **Applicant** a:

a) Private company?  Yes  No

b) Public company?  Yes  No

6 Is the **Applicant** listed on any stock exchange anywhere in the world?  Yes  No

If yes, identify the exchange(s) on which the Applicant is listed together with its stock symbol: \_\_\_\_\_

7 **Directors and Officers Liability**

a) Name of Directors: \_\_\_\_\_

b) Name of shareholders owning 5% or more of the ordinary shares in the Applicant (directly or beneficially): \_\_\_\_\_

c) Is the Applicant anticipating any merger, acquisition, amalgamation, divestment or public offering of securities within the next twelve months?  Yes  No

If yes, please provide details: \_\_\_\_\_

8 **Financial Information**

The Applicant is only required to provide the information requested below if audited Financial Statements for the past two years are **unavailable**.

	This year ( / /200 )	Last year ( / /200 )
Total Assets	Rps	Rps
Total Liabilities	Rps	Rps
Total Revenue:	Rps	Rps
Total Net Assets:	Rps	Rps
After tax Profit (Loss):	Rps	Rps

9 **Employment Practices Liability**

a) Does the company require an Entity EPL  Yes  No

b) If Yes please state the limits required: \_\_\_\_\_

c) Total number of local employees (including full time, part time and casual): \_\_\_\_\_

d) Total number of overseas employees (including full time, part time and casual): \_\_\_\_\_

e) Geographical breakdown of overseas employees:

i) Australia

ii) USA:

iii) Other (please specify): \_\_\_\_\_

f) How many directors and/or employees left the Applicant in the last twelve (12) months? \_\_\_\_\_

g) Does the Applicant anticipate any retrenchments or layoffs within the next 12 months?  Yes  No

If yes, how many? \_\_\_\_\_

h) Does the Applicant have written employment procedures (eg Employee Handbook) that are available to each employee?  Yes  No

10 **Trustees Liability**

a) Does the company require Trustee Liability  Yes  No

b) If Yes please state the limits required: \_\_\_\_\_

c) Name of the **Applicant's** Trust Fund: \_\_\_\_\_

d) Is the Trust Scheme predominantly:

i) Defined Contribution?  Yes  No ii) Defined Contribution?  Yes  No

e) Is an external Investment Manager used?  Yes  No

f) Is the Trust Scheme externally administered?  Yes  No

- 11 **Internet Liability**  Yes  No
- a) Does the company require Internet Liability  Yes  No
- b) If Yes please state the limits required \_\_\_\_\_
- c) Identify the internet site (including URL) for which coverage is sought: \_\_\_\_\_
- d) The date the site first went on line? \_\_\_\_\_
- e) Does the Applicant own a registered trademark in its domain name?  Yes  No
- f) Does the Applicant have a privacy policy posted on all of its internet sites?  Yes  No
- g) Does the Applicant require review and approval of content by lawyers prior to allowing any content to be posted on its internet site?  Yes  No
- h) Do any of the Applicant's internet sites contain any of the following content; transact business in any of the following areas; sell or make available any of the following products or services:
- i) Pornographic material or other material of a sexually explicit nature?  Yes  No
  - ii) Medical records or other health care information pertaining to identifiable patients?  Yes  No
  - iii) Financial services including banking, insurance or investment services?  Yes  No
  - iv) Professional services such as legal services, accounting services, medical services or services that must be provided by licensed professionals?  Yes  No
  - v) Music available to be downloaded by users?  Yes  No
- Please Note:** If the Applicant answered 'yes' to any of the foregoing it may be ineligible for Forefront.
- i) Is electronic commerce conducted on any of the Applicant's internet sites?  Yes  No

- Please Note:** If yes, the Applicant may be ineligible for ForeFront.
- 12 **Outside Directorship Liability**
- j) Does the Applicant require cover for any Outside Directorships?  Yes  No
- If yes, complete Schedule A – Outside Director Liability Supplementary Proposal - for those positions for which the Applicant requires coverage.
- (An Outside Directorship means the position of company director, officer, trustee, governor, councillor, company secretary or the holder of an equivalent position in any jurisdiction held by the Applicant's executive officers on the board of an entity which is not (i) a subsidiary of the Applicant; (ii) a non-profit entity; (iii) publicly traded; (iv) located, incorporated, domiciled or operating in the USA; or a financial institution, which position is assumed and maintained at the request of the Applicant.)

- 13 **Crime**
- a) Does the company require Employee Theft Insurance  Yes  No
- b) If Yes please state the limits required: \_\_\_\_\_
- c) Does any person reconciling bank statements also sign cheques and/or handle bank deposits?  Yes  No
- d) Are countersignatures required on all cheques?  Yes  No
- e) Is there an annual independent physical count of stock that is reconciled against inventory records?  Yes  No
- f) If the Applicant uses or participates in any electronic funds transfer facilities:
- i) who has authority to initiate a funds transfer?
  - ii) does the person initiating a funds transfer also authorise such funds transfer?  Yes  No
  - iii) what are the authorised limits of the person authorised to initiate a funds transfer?
  - iv) what are the authorised limits of the person authorised to approve a funds transfer?
  - v) what procedures are in place for authenticating funds transfer instructions?
- g) Is there controlled access to all the Applicant's premises and computer terminals at such premises?  Yes  No

- 14 **Loss & Insurance History**
- a) Is any person proposed for coverage aware of any facts or circumstances which he or she has reason to suppose might afford valid grounds for any future claim(s) that would fall within the scope of the proposed coverage or which indicate the probability of any such claim(s)? If yes, please provide details.  Yes  No
- b) Within the last three years, has the Applicant, its directors, officers and/or any other proposed insured person been the subject of any complaint, suit, inquiry or notice of a hearing from any regulatory, body, or any other party? If yes, please provide details  Yes  No
- c) Within the last three years, has the Applicant discovered any employee dishonesty, burglary, robbery, disappearances, destruction or forgery losses?  Yes  No
- If, yes, please provide details: \_\_\_\_\_
- d) Has the Applicant been declined, had cancelled or non-renewed any insurance policies for any of the coverages for which it is applying?  Yes  No
- If, yes, please provide details: \_\_\_\_\_

15 **False Information**  
Any person who, knowingly and with intent to defraud any insurance company or other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto or makes an untrue or incorrect statement, misrepresentation, non-description or non-disclosure of any material particular in the Proposal Form and all attachments and schedules hereto, commits a fraudulent insurance act, which may result in a denial of insurance benefits or rescission of the policy.

16 **Limit of Liability**  
What limit of liability does the Applicant require? \_\_\_\_\_

17 **PREMIUM DETAILS**

Amount Rs.                      Rupees \_\_\_\_\_

18 **SOURCES OF FUND**

Salary  Business  Other  (Please Specify) \_\_\_\_\_

19 **BANK ACCOUNT DETAILS**

Bank Account No.                      Bank Name \_\_\_\_\_

Branch Name & Address \_\_\_\_\_

**20 Declarations and Signature**

The undersigned officer of the **Applicant** declares on behalf its behalf that it wishes to insure with the Company in respect of the risk described in this Proposal Form. The undersigned officer of the **Applicant** declares that to the best of his or her knowledge and belief the statements set forth herein and all attachments and schedules hereto are true and complete and immediate notice will be given should the above information alter between the date of the Proposal Form and the effective date of this policy.

Although the signing of this proposal form does not bind the undersigned on behalf of the **Applicant** or its directors, officers or other insured person to effect insurance, the undersigned, the **Applicant** and all persons proposed for this insurance agree that this Proposal Form and its attachments and schedules are material to the Company's decision to provide this insurance and shall be the basis of the contract should a policy be issued and shall be attached to and form part of this policy.

The undersigned officer of the **Applicant** declares that the contents of the Proposal Form and Schedules hereto have been fully explained to him or her and that he or she has fully understood the significance of the proposed policy. He or she also agrees that the policy is effective from the commencement of the Policy Period as set forth in the Declarations to the General Terms and Conditions notwithstanding acceptance of this Proposal Form and receipt of the premium by the Company.

**21 Records and References**

The Applicant authorises the Company to obtain any records or references, be they medical or otherwise, when considering whether and on what terms and conditions to issue this policy or in assessing any potential or future claims.

This section of the proposal form must be signed by the APPLICANT'S CHAIRMAN OF THE BOARD, AN EXECUTIVE DIRECTOR OR ITS MANAGING DIRECTOR.

Date & Place \_\_\_\_\_ Signed \_\_\_\_\_ Title \_\_\_\_\_

*A policy cannot be issued unless the proposal is duly completed, signed, dated and stamped*

THIS POLICY SHALL BE VOIDABLE AT THE OPTION OF THE COMPANY IN THE EVENT OF MIS-REPRESENTATION, MIS-DESCRIPTION OR NON-DISCLOSURE OF ANY MATERIAL PARTICULARS BY THE APPLICANT. ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE APPLICANT, INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY

BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE APPLICANT, INSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED AT THE COMPANY'S SOLE DISCRETION.

**PROHIBITION OF REBATES**

Section 41 of Insurance Act 1938

- 1) No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy nor shall any person taking out or renewing or continuing a Policy accept any rebate except such rebates as may be allowed in accordance with the published prospectus or tables of the Insurer.
- 2) Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to five hundred rupees.

**To be completed by anyone who assists the Applicant in completing this Proposal Form:**

I certify that I have explained the contents of this Proposal Form to the Applicant in the language he or she understands and that the Applicant fully understands its contents. I have recorded the Applicant's replies to the questions contained in this Proposal Form in accordance with the information provided by such Applicant. I read these replies aloud to the Applicant, who fully understands them and confirms that they are true and complete.

Date \_\_\_\_\_ Name \_\_\_\_\_ Address \_\_\_\_\_ Signature \_\_\_\_\_

**SCHEDULE A: OUTSIDE DIRECTOR LIABILITY SUPPLEMENTARY PROPOSAL**

Position held in the Outside Entity	Name of Outside Entity	% shares owned by Applicant	Name of each entity or individual holding more than 5% of shares of Outside Entity	If Outside Entity is publicly traded provide stock symbol and identify exchange on which its securities are traded.	Nature of Business Activities	Country of Incorporation	Is Outside Entity public, private or other?	Does the Outside Entity indemnify its directors and officers?	Indicate D&O Insurer and Insurance limit and deductible carried by the Outside Entity	Has the Outside Entity or its directors and officers been involved in any D&O litigation related to the Outside Entity? If yes, attach details.

**PLEASE ATTACH LATEST ANNUAL REPORT INCLUDING FINANCIAL STATEMENTS FOR EACH OUTSIDE ENTITY.**