

Financial Institutions Professional Indemnity Policy - Proposal Form

- 1) Answer all questions leaving no blank spaces.
- 2) If you have insufficient space to complete any of your answers, continue on your headed paper.
- 3) This form must be dated and is to be signed by two Directors of the Proposer.
- 4) Please attach last Annual Statement and Report and any Interim Report issued since.
- 5) It is the intention of the Company 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. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this Proposal will be grounds for rescission. If a quotation is offered it will be the intention of the Company to offer coverage only in respect of those entities named in answer to question 1.

The liability of the Company does not commence until the acceptance of the proposal has been formally intimated to the insured and full premium has been realized by the Company.

SECTION A - PARTICULARS OF PROPOSER

- 1) State the name, address and date of establishment and the financial services provided. Also list all subsidiaries for which cover is requested, indicating the locations, date of establishment and financial services provided by each company.

Proposer	Mr. / Ms. / Mrs.																																
		(First Name)												(Middle Name)								(Last Name)											
Address																																	
																		Pin Code															
	City																																
	State																																
Date Established		D	D	M	M	Y	Y	Y	Y																								
Description of Financial Services Provided																																	

[illegible]

- 2) a) Has the proposer been acquired by another entity, merged or acquired any other business during the last 5 years?
If so, please give details:

- b) Has the Proposer provided any new services to its clients during the last 3 years?
If so, please give details: _____

- c) Does the Proposer intend to offer any new services to its clients during the next 12 months?
If so, please give details:

- 3) State at the dates indicated:

	Currently or at date of last interim report	At last year end	At previous year end
i) Authorized Capital			
ii) Paid-up Capital			
iii) Total Assets			
iv) Total Deposits			
v) Total Loans and Discounts			
vi) Total Funds under Discretionary Management			
vii) Total Profit before tax			

- 4) State names of all Executive and non Executive Directors, their length of service, specific responsibilities and professional qualifications:

[illegible]

- 5) a) State number of employees in following categories:

	India	Overseas
i) at Head Office		
ii) at Computer Centre		
iii) at Branches		
iv) at Subsidiaries		
Total		

b) What has the percentage turnover in the following employment categories been during the last twelve months?

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

c) State the total of salaries, including commissions, paid to the Directors and Employees during the last financial year: _____

d) Are any Directors or Employees compensated by bonus, profit commission, or similar performance related reward which is based upon their own performance or that of their department/division/subsidiary (as distinguished from the Proposer as a whole)? If so, state in which departments/divisions/subsidiaries: _____

SECTION B - PROPOSER'S ACTIVITIES

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

a) Commercial Loans Domestic _____ %	f) Commodity Market Dealings _____ %
Foreign _____ %	g) Securities Dealings _____ %
Interbank Loans Domestic _____ %	h) Mergers and Acquisitions Advice _____ %
Foreign _____ %	I) Share Placing and New issues _____ %
Personal Loans _____ %	j) Fund Management _____ %
b) Leasing _____ %	k) Venture Capital _____ %
c) Trade Financing, Forfaiting _____ %	l) Overseas Advisory _____ %
d) Barter, Countertrade or Swap Operations _____ %	m) Any Other Activity _____ %
e) Foreign Exchange Dealings _____ %	(Please Describe)

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

7) 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	Offeree	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	Share 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	Share Placed	Value
		Total

8) Does the Proposer undertake trust activities or discretionary account management? If so:

a) Are all clients agreements reviewed annually? _____

b) Are all trust/discretionary transactions subject to the same procedures and review as the Proposer's own account transaction?
If not, please describe _____

c) State: i) The number of trust/discretionary accounts. _____

ii) The asset value of the largest managed account. _____

d) How often are financial reports rendered to clients? _____

e) Does the Proposer have an "approved" list of securities which can be recommended to clients? _____

SECTION C - FUNDS TRANSFER / TELEPHONIC INSTRUCTIONS

9) a) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems? List each one: _____

b) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow direct access by clients to the Proposer's data base? List each one: _____

c) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow clients to directly execute a transfer of funds? List each one, indicating whether transfer can be made on a pre-format or free-format basis. _____

10) Does the Proposer permit the initiation of Funds Transfer by telephonic instructions form clients? If so:

a) Do all clients to whom this facility is available complete written agreements outlining legal responsibilities, transfer limits and call back parameters for verification? _____

If so, attach a copy.

b) What are the call back parameters for verification? _____

c) Are all such instructions directed only to the Wire Transfer Room? _____

d) Are all conversation including these instructions recorded? _____

e) Is a written document produced in respect of each instruction, which is date/time stamped, logged and maintained for at least 90 days? _____

11) Describe the procedures adopted when instruction are received by telephone

a) Within the Commodity Department. _____

b) Concerning the purchasing / sale of stock. _____

c) Within the Foreign Exchange Department _____

SECTION D - PROCEDURES

- 12) To which regulatory authorities are the Proposer, and those, subsidiaries listed to the answer to question 1, accountable.
- 13) a) State the name and address of Chartered or External Accountants.
- b) State the frequency of auditing services performed by the Accountant for the Proposer.
- c) Does the Auditing Firm regularly review the system of internal controls and furnish written reports?
- d) Has the Auditing Firm made any recommendations in the last two audits? If so, state recommendations and confirm that they have been adopted. If not adopted, please give reasons for not doing so.
- e) Has the Auditing Firm been changed in the last five years? If so, give details and explain why the change was made.

- Attach a copy of the most recent engagement letter from the Proposer's principal Auditing Firm.
- 14) a) State the name and address of Lawyers routinely acting for the Proposer. Offer Value
- b) Do the Lawyers supply written opinions as to the legality of any change in investment or management policy in connection with Trusteeship activities?
- c) Does the Proposer have an in-house Legal Department?
- If so, how many legally qualified individuals does it consist of?
- What are the department's responsibilities?
- Does it offer its services to customers or other Third Parties? If so, please give details.
- d) Does the Proposer use a standard form of contract, agreement of letter of appointment with regard to services performed?
- Are these regularly reviewed, and if so, by whom?
- e) Are all publications issued by the Proposer reviewed by the in-house Legal Department and/or outside legal advisers?
- 15) a) Does the Proposer have a Compliance Officer?
- b) If so, state his duties and to whom he reports.
- c) Attach his curriculum vitae.
- 16) a) Does the Proposer have a written code of ethics encompassing all employees which includes a statement on the principles of acceptable conduct, and with guidelines for acceptable outside activities, conflicts of interests, gifts from customers, and prohibition on other employment?
- b) Are employees to agree in writing that they have read the ethics code and are abiding by said code?
- c) Do you require all Directors and Employees to declare their outside business interests and specify relationships which could lead to possible conflicts of interest?

SECTION D - PARTICULARS OF COVERAGE

- 17) State details of similar insurances carried during the previous five years, if any:
- a) Professional Indemnity
- i) Insurers
- ii) Sum Insured
- iii) Deductible
- b) Directors & Officers
- i) Insurers
- ii) Sum Insured
- iii) Deductible
- c) Bankers Blanket Bond/Fidelity/In and Out Policy
- i) Insurers
- ii) Sum Insured
- iii) Deductible
- 18) State the Limit of Indemnity requested.
- 19) During the last five years has the Proposer received any admonishment or critical directive from any regulatory authority? If so, please give details:
- 20) Is the Proposer currently involved in any litigation as a defendant? If so, please give details:
- 21) a) Has any proposal made by the Proposer or its predecessors in business for Professional Indemnity Insurance ever been declined? If so, state the reasons.

b) Has any Professional Indemnity Policy in the name of the Proposer or its predecessors in business ever been cancelled? If so, state the reasons.

22) Has the Proposer any knowledge or information, after full enquiry, or any circumstances whatsoever which might give rise to claims being made against it, its subsidiaries or any branches to which this proposal applies?

23) Has any demand or claim of a type being the subject of this insurance been made against the Proposer, its subsidiaries or any branches to which this proposal applies during the past five years?

IMPORTANT

FRAUD WARNING

The proposer understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the insurance company's decision to provide this insurance. The proposer further understands that the insurance company will, in its sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.

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 INSURANCE 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 ASSURED, 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 ASSURED, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED.

Notice:

Anti Rebating

Per Section 41 of the Insurance Act 1938, as amended, the practice of rebating is prohibited, as follows:

NO PERSON SHALL ALLOW OR OFFER TO ALLOW, EITHER DIRECTLY OR INDIRECTLY, AS AN INDUCEMENT TO ANY PERSON TO TAKE OUT, RENEW OR CONTINUE AN INSURANCE POLICY, 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 REBATE AS MAY BE ALLOWED IN ACCORDANCE WITH THE PUBLISHED PROSPECTUS OF THE INSURER.

VIOLATIONS OF SECTION 41 OF THE INSURANCE ACT 1938, AS AMENDED SHALL BE PUNISHABLE WITH A FINE WHICH MAY EXTEND TO ₹10 LAKHS.

PREMIUM DETAILS

Amount Rs. Rupees

SOURCES OF FUND

Salary Business Other (Please Specify)

BANK ACCOUNT DETAILS

Name of the Bank Account Holder

Bank Account No. Account: Savings Current

Name of Bank Branch

MICR Code (9 digit MICR code number of the bank and branch appearing on the cheque issued by the bank)

IFSC Code (11 character code appearing on your cheque leaf)

I wish: Any refund due on the premium payment / any payment/claims will be directly credited to my aforesaid Bank Account.*

*As per the IRDAI, its mandatory that all payments made to the insured only through electronic mode.

Note:

- Please provide a cancelled copy of cheque of your bank account.
- The Company will not be responsible in case of non credit or delay in processing of payout due to incomplete/incorrect information provided by the customer. Please ensure that you provide accurate details to the Company.

DECLARATION

The undersigned persons declare that to the best of their knowledge the statements set forth herein are true and correct and that reasonable efforts has been made to obtain sufficient information from each and every director, officer and employee proposed for this insurance to facilitate the proper and accurate completion of this Proposal . The undersigned further agree that , between the date of this Proposal and the effective date of the Policy, if insurance is provided, (1) any material change in the condition of the Applicant is discovered, or (2) there is any material change in the answers to the questions contained herein, either of which would render this Proposal inaccurate or incomplete, notice of such change will be reported in writing to the Company immediately and, if necessary, any outstanding quotation may be modified or withdrawn.

The signing of this Proposal does not bind the undersigned to purchase the insurance, but it agreed by the Applicant and all persons proposed for this insurance that the particulars and statements containedin this Proposal and attachments and materials submitted with this Proposal (which shall be retained on file by the Company and shall be deemed attached to the Policy, if insurance is provided, as if physically attached thereto) are true and correct and will be the basis of the Policy and will be considered as incorporated in and constituting part of the Policy. It is further agreed by the Applicant and all persons proposed for this insurance that such particulars and statements are material to the decision to provide this insurance and that any Policy will be issued in reliance upon the truth of such particulars and statements. All such particulars and statements shall be deemed to be made by each and every one of the persons proposed for this insurance, provided that, except for any misstatements or omissions of which the signers of this Proposal are aware, any misstatements or omissions in this Proposal, or the attachments and materials submitted with it, concerning any matter which any person proposed for this insurance has reason to suppose might offer grounds for a future claim against him or her shall not be imputed, for purposes of rescission of the Policy, to any other persons proposed for this insurance who are not aware of the omission or the falsity of the statement.

PLEASE NOTE: ONLY DULY APPOINTED AGENTS OF THE COMPANY ARE AUTHORISED TO SOLICIT PROPOSALS FOR INSURANCE. AGENTS AND BROKERS ARE NOT AUTHORISED TO BIND INSURANCE. NO COVERAGE SHALL BE PROVIDED UNLESS THE COMPANY ACCEPTS THE PROPOSAL AND BINDS THE INSURANCE.

(Two different persons are required to sign this proposal)

Company

Date D D M M Y Y Y Y

Signature of the Chief Executive Officer or Chairman of the Board

Company

Date D D M M Y Y Y Y

Signature of Chief Financial Officer or of Directors of Applicant
other Senior Officer of the Applicant

NOTE: The Proposal and all attachments shall be treated in strictest confidence.

- *Signing this Proposal Form does not bind the Proposer to complete this insurance.
- If a policy is concluded it will be issued on a "CLAIMS MADE" basis i.e. to indemnity the Proposer for claims first made against it in the manner described in the policy during the Policy Period.

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