

A close-up photograph of two people in business attire shaking hands. The person on the left is wearing a dark red suit jacket and a white shirt with a dark tie. The person on the right is wearing a dark blue suit jacket and a light blue striped shirt. The background is blurred, showing other people in a professional setting.

PROPOSAL FORM

## FinTech Insurance

[libertyinternational.com/hk](http://libertyinternational.com/hk)

**Included in this Proposal:**

Proposal Form (Pg 1 - 15)

**Addendums to complete if applicable:**

Finance Lending Addendum (Pg 16 - 20)

Payment & Remittance Service Provider Addendum (Pg 21 - 23)

Stock Brokers Addendum (Pg 24 - 27)

InsurTech Addendum (Pg 28 - 30)

RoboAdvice Addendum (Pg 31 - 33)



# Important notice



## CLAIMS MADE INSURANCE

This is a proposal for a 'Claims Made' policy of insurance. This means that the policy covers you for any claims made against you and notified to the insurer during the policy period. The policy does not provide cover in relation to:

- acts, errors or omissions that occurred prior to the retroactive date (if one is specified) in the policy;
- any claim made, threatened or intimated against you prior to the commencement of the policy period;
- any claim or fact that might give rise to a claim, reported or which can be reported to an insurer under any insurance policy entered into before the commencement of the policy period;
- any claim or fact that might give rise to a claim, noted in this proposal or any previous proposal;
- any claim arising out of any fact you are aware of before the commencement of the policy period;
- any claim made against you after the expiry of the policy period.

However, should you become aware, and notify us in writing as soon as is reasonably practicable after first becoming aware but within the policy period, of any facts which might give rise to a claim against you, any claim which does arise out of such facts shall be deemed to have been made during the policy period, notwithstanding that the claim was made against you after the expiry of the policy period.

## YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of its business, ought to know; or
- as to which compliance with your duty is waived by the insurer.

## NON DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

## PRIVACY POLICY

Liberty International Insurance Limited (UBI 03967394) (Liberty) is part of the Liberty Mutual Group headquartered in the United States.

We collect personal information to provide insurance products and services, manage claims and support related business operations. This may include information collected from insurance brokers, intermediaries, or directly from you. If you do not provide the personal information requested, we may be unable to offer the appropriate type or level of service.

If you provide Liberty with personal or sensitive information about other individual, you must ensure they are aware of this notice and have consented to the disclosure. If you have not done so, please inform Liberty before sharing their data.

Your personal information may be disclosed to Liberty's related entities, reinsurers, insurance intermediaries, loss adjusters, legal and professional advisors and other service providers. We may also store your information with third party cloud or electronic storage providers.

Some recipients may be located overseas in the United States, Canada, United Kingdom, European Union, India, China, Australia, Singapore and Malaysia. Where reasonably necessary, your information may be transferred to countries without comparable data protection laws to deliver the services you request. By engaging with Liberty, you consent to these cross-border transfers unless you notify us otherwise in writing.

We are committed to protecting your privacy and ensuring transparency in how we use your personal information. As part of this commitment, we confirm Liberty does not currently use automated decision-making (ADM).

You may access or seek correction of your personal information, make a privacy complaint, or raise any queries by contacting Liberty's Privacy Officer: [privacy.officer.ap@libertymutual.com](mailto:privacy.officer.ap@libertymutual.com). If you require a physical mailing address, please contact the Privacy Officer via email.

For more information, and to view the relevant privacy policy for your jurisdiction, visit: [Hong Kong Privacy Policy](#).

## FinTech Insurance

---

**Important:** Please answer all questions fully. All questions will be deemed to be answered in respect of all entities & persons to be insured under this policy. If the space provided is insufficient please include attachments on your company letterhead.

### DETAILS OF THE PROPOSER

---

1. Please state the full name of all entities (including any subsidiaries) (collectively referred to in this form as the "Proposers").

2. Address of the principal office (please provide a street address only)

---

3. Company details:

Country of registration

---

Date or year established

---

Website address

---

4. **Attach** the CV of each partner or director.
5. Describe in detail the nature of the business and professional services performed by the Proposers.

## FinTech Insurance

**Please Note:** Please complete the applicable **attached** addendum if any activities relate to Finance Lending, Payment & Remittance Services, Stock Broking, InsurTech or Robo advice.

6. Please list any current memberships of professional associations held by the Proposers.

7. Do the Proposers engage any contractor, sub-contractor, agent or service provider to provide any professional services? Yes  No

If "Yes",

- a) What percentage of professional services is provided by any contractor, sub-contractor, agent or service provider? \_\_\_\_\_ %
- b) Specify professional services contracted or sub-contracted.

- c) Is proof of current professional indemnity insurance obtained from contractors, sub-contractors, agents or service providers? Yes  No

8. Have the Proposers ever been involved in any form of joint venture? Yes  No

If "Yes", please provide details.

9. During the last 3 years, has there been:
- a) Any acquisition or merger involving the Proposers? Yes  No
- b) Any change in capital structure of the Proposers? Yes  No
- c) Any change in the name of the Proposers? Yes  No
- d) Any substantial change in the business or professional activities of the Proposers? Yes  No

10. Are the Proposers licensed by any regulatory authority or operating under any licensing exemption? Yes  No

If "Yes", please list the regulatory authority and provide details of any applicable exemption.



## FinTech Insurance

---

11. Are the Proposers:

- a) A Private Company? Yes  No
- b) A Public Company? Yes  No
- c) Listed on any Stock Exchange? Yes  No

If "Yes", please list the Stock Exchange.

---

- d) Are the Proposers' shares traded in any other way? Yes  No

If "Yes", please provide details.

---

12. Please list the shareholders who control 10% or more of the issued shares of the Proposers and the percentage shares held.

	%
	%
	%
	%
	%

13. Do the Proposers require cover for any Outside Directorships? Yes  No

If "Yes", please complete Schedule A **attached**.

## FEE INCOME

---

14. Please list the actual & estimated fee income:

Please specify the currency of below numbers:

Location	Last Completed Financial Year (FY )	Current Financial Year Forecast (FY )	Next Financial Year Forecast (FY )
Hong Kong	\$	\$	\$
China	\$	\$	\$
Asia (Other)	\$	\$	\$
USA & Canada	\$	\$	\$
Other (please specify)	\$	\$	\$
<b>Total</b>	\$	\$	\$

Please advise which countries "Other" refers to.

---



## FinTech Insurance

15. Please advise the approximate percentage of the Proposers' fee income generated in the last completed financial year from the following activities:

Activity	% of Fee Income
Digital Bank	
Equity Crowdfunding	
Business Lending**	
Peer to Peer Lending Platform**	
Micro Investing / Personal Finance**	
Superannuation Services	
Roboadvice / Wealth Management*	
Stockbroking*	
InsurTech*	
RegTech	
Payment Processing & Remittance*	
<b>Other</b>	
Please specify	%
<b>Total must be</b>	<b>100%</b>

\* Please complete the applicable Addendum

\*\*Please complete the Finance Lending Addendum

16. If any of the activities listed above are performed outside Hong Kong, please list the country and the services provided there:

Country	FinTech Services

Are the Proposers licensed to provide FinTech services in these countries? Yes  No

17. Does any one client represent 25% or more of the Proposers' fee income? Yes  No

If "Yes", please provide details.

## RISK MANAGEMENT, COMPLIANCE AND AUDIT FUNCTIONS

---

18. Are standard forms of contract or terms of engagement always used by the Proposers?

Yes  No

If "Yes", please **attach** copies of those contracts and describe the procedure to alter such standard form of contract or terms of engagement.

If "No", please provide details of the basis of engagement used by the Proposers.

19. Are the scope of professional services to be performed always clearly set out in the contract or terms of engagement?

Yes  No

If "No", how is this agreed?

20. Do you obtain and record either verbal or written confirmation using either a phone number or e-mail address already held on file, to authenticate changes to bank accounts or personal details requested by:

(i) Clients?

Yes  No

(ii) Third party vendors or suppliers?

Yes  No

If "No" to any of the above, please provide an explanation.

If instead this responsibility to authenticate changes to bank accounts or personal details has been contractually outsourced to an external party such as an administrator or custodian bank, please provide details such as who this contracting party is and what additional controls you have with authenticating such changes.

## FinTech Insurance

---

21. a) Do you obtain and record either verbal or written confirmation using either a phone number or e-mail address already held on file, to authenticate each financial transfer instruction requested by:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| (i) Clients?                           | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (ii) Third party vendors or suppliers? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If "No" to any of the above, please provide an explanation.

If instead this responsibility to authenticate financial transfer instructions has been contractually outsourced to an external party such as an administrator or custodian bank, please provide details such as who this contracting party is and what additional controls you have with authenticating such changes.

b) If such confirmation is not obtained for all financial transfers, is this undertaken for transfers over a specific amount? Yes  No

If "Yes" please advise the amount. \$ \_\_\_\_\_

22. Is there an independent validation undertaken by another member of staff (not originating the change instruction) for:

- |  |                              |                             |
|--|------------------------------|-----------------------------|
| (i) Changes to bank account or personal details? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (ii) Financial transfer instructions?            | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If "No" to any of the above, please provide an explanation.

23. Please detail any additional controls you may have with regards to managing exposure to social engineering fraud.

## FinTech Insurance

---

24. Describe by **attachment** the formal procedures in place relating to the following:

- a) Risk management, quality control and / or compliance programmes.
- b) The engagement of consultants, sub-contractors or agents, including any circumstances where the Proposers would limit such parties' liabilities.

**If such procedures are not in place, please advise how these exposures are managed.**

## INTERNAL CONTROL

---

25. Do the Proposers segregate the following duties so that no one employee is permitted to control any transaction from commencement to completion?

- |   |                              |                             |
|---|------------------------------|-----------------------------|
| a) Signing cheques or authorising payments of any nature above \$20,000 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b) Issuing or amending funds transfer instructions                      | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c) Opening new bank accounts  | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If "No" to any of the above, please provide details.

26. Please advise the maximum value of any one fund transfer: \$ \_\_\_\_\_

27. Please advise the security measures in place for funds transfers such as call-back or other authentication procedures.

## FinTech Insurance

---

28. Are systems in place to detect unauthorised changes to transactions or unusual transactions? Yes  No

If "No" please provide details.

### INTELLECTUAL PROPERTY CLEARANCES, DISASTER RECOVERY & SECURITY MANAGEMENT.

---

29. Please complete the following in relation to the current software and any new software or IT products to be released:

- a) Is legal advice from a specialist who is familiar with intellectual property law sought prior to releasing such software or product? Yes  No

If "Yes", please provide the following details of the specialist.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

If "No", please provide details on how this is managed.

- b) Is in-house legal counsel used for due diligence and clearance of new software or products? Yes  No

If "Yes", please **attach** the due diligence checklist for intellectual property clearances.

30. Do the Proposers have a documented Disaster Recovery Plan in place and is it tested at least annually? Yes  No

31. How often is server data backed-up?

---

32. Are back-ups stored off site? Yes  No

33. Do the Proposers have a formalised network and physical security policy and is it tested at least annually? Yes  No

## FinTech Insurance

---

34. Are all security threats and incidents logged and investigated? Yes  No

35. Are all network and systems monitored? Yes  No

36. How are the Proposers advised of new network or systems vulnerabilities?

37. Do the Proposers have a formal patch management process in place? Yes  No

38. Please summarise the encryption, firewalls, virus protection, security protocols and intrusion detection used to protect the data stored on the Proposers' networks and servers:

39. Have the Proposers ever experienced a security breach? Yes  No

If "Yes", what was the breach and what action have the Proposers taken to prevent it from occurring again?

40. Are background checks including credit checks and criminal histories undertaken for any personnel who are involved in the Proposers' security management? Yes  No

41. Do all employees, contractors and subcontractors receive network and physical security training? Yes  No

42. Do employee termination procedures include immediate revocation of all access to systems, facilities and networks? Yes  No

43. Do the Proposers have a systems security policy manual? Yes  No

## FinTech Insurance

---

44. Are all employees provided with the physical security policy manual and required to provide written confirmation that they have read and understood the contents? Yes  No
45. Do the Proposers provide any warranties that their network is secure? Yes  No
46. Do the Proposers limit their liability in contracts for any breaches of their security? Yes  No

## CLAIMS HISTORY

---

**Please Note:** It is critical that you make appropriate enquires of all persons and entities intending to be insured under this insurance before answering Questions 47 – 53.

47. Has any partner or director of the Proposers had any fine or penalty imposed or ever been subject to any disciplinary proceedings or any regulatory or official inquiry? Yes  No

If "Yes", please provide details.

48. Has a professional liability claim, a directors & officers liability claim, a securities claim, a general liability claim or a products liability claim ever been made against, or a claim for a crime loss ever been made by or against, the Proposers (or any previous company name used by the Proposers), or any past or present partners, directors or employees of the Proposers? Yes  No

If "Yes", please provide details including nature of the allegations, claimant, current status, reserve amounts, loss or amounts paid.

## FinTech Insurance

---

49. Are the Proposers including any of their partners, directors or employees aware of any facts which might give rise to a professional liability claim, a directors & officers liability claim, a general liability claim, a products liability claim or a crime loss?

Yes  No

If "Yes", please provide details.

50. Have any special terms or conditions ever been imposed on any insurance policy held by the Proposers?

Yes  No

If "Yes", please provide details.

51. Have the Proposers ever had any entitlement to indemnity under any insurance policy denied, or otherwise affected due to non-disclosure, misrepresentation or breach of a policy provision?

Yes  No

If "Yes", please provide details.

52. Has any insurer ever refused to provide terms or offer renewal terms to the Proposers or has any insurance held by the Proposers ever been avoided or cancelled by an insurer?

Yes  No

If "Yes", please provide details.



## FinTech Insurance

---

53. Do the Proposers currently hold any similar professional liability, directors & officers liability, general & products liability or crime insurance? Yes  No

If "Yes", please advise the following:

Insurer \_\_\_\_\_

Expiry Date \_\_\_\_\_

Sum Insured \_\_\_\_\_

Excess \_\_\_\_\_

### LIMIT OF LIABILITY

---

54. Limit of Liability sought:

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

55. Excess sought:

a) \$ \_\_\_\_\_

b) \$ \_\_\_\_\_

c) \$ \_\_\_\_\_

### PROFESSIONAL LIABILITY OPTIONAL EXTENSIONS

---

**Please Note:** If you request any of these extensions, Liberty is not obliged to offer them. If Liberty decides to offer any of these extensions it may charge an additional premium. The below are descriptions of the cover only. To fully understand the cover provided by these extensions you must read the relevant clause in the policy wording and/or seek advice from your insurance adviser.

56. **Cyber**

Would you like the policy to be extended to provide cover for cyber liability, fines and penalties imposed due to privacy breaches, privacy regulatory expenses and mandatory notification costs incurred in respect of privacy breaches (all arising from the performance of professional services) and cyber extortion? Yes  No

If "Yes", please answer the following questions:

a) Do the Proposers enforce a software update process with the installation of software patches? Yes  No

b) Are critical patches prioritised and installed with immediate effect? Yes  No

c) Do the Proposers encrypt all sensitive and confidential data stored on laptop computers and portable media devices? Yes  No

If "No" to any of the above, please provide an explanation.

## FinTech Insurance

---

- d) Are the Proposers aware of any release, loss or disclosure of personally identifiable or confidential information in their care, custody or control, or anyone holding such information on behalf of the Proposers in the last three years? Yes  No
- e) Are the Proposers aware of any systems related problem, extortion threat, or network outage, which is likely to lead to suffering a loss or claim that would be covered by this insurance? Yes  No

If "Yes" to d) or e) please **attach** details on a separate attachment.

### DIRECTORS & OFFICERS LIABILITY OPTIONAL EXTENSIONS

---

#### 57. **Employment Practices Liability**

Would you like the policy to be extended to provide cover for claims made against the Proposers for employment related claims? Yes  No

If "Yes", please answer the following questions:

- a) Do the Proposers have written employment procedures (e.g. employee handbooks) that are available to each employee? Yes  No
- b) Please list the number of retrenchments that have occurred over the last 12 months and please advise if any are expected over the next 12 months.

# Proposal form



## DECLARATION

---

(To be signed by the chairperson and an executive officer.)

We, the undersigned, declare and acknowledge:

- that we are, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that we understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that we have read and understood the Important Notices which form part of this proposal;
- that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_

## Finance Lending Addendum

---

1. Please provide by **attachment** CVs of key lending personnel & any investment or lending committee members.

2. From where are loan funds sourced:

a) Shareholders? Yes  No

b) Managed funds? Yes  No

If "Yes" to either of the above, please provide by **attachment** a copy of the PDS or similar document issued to investors.

c) External financial institutions? Yes  No

If "Yes", please provide the following details:

i) Which institutions:

\_\_\_\_\_

ii) The size of the facility:

\_\_\_\_\_

iii) The expiry date of the facility agreement: \_\_\_\_\_

d) Other, please provide details.

3. Is any gearing utilised as a source of loan funds? Yes  No

If "Yes", please provide details.

4. Does the Proposer operate under a delegated lending authority? Yes  No

If "Yes", please provide by **attachment**, a copy of the agreement.

5. When was the latest audit by a third party relating to delegated lending authority breaches carried out and what were the findings of such audit?

## Finance Lending Addendum

---

6. Have all recommendations from the audit been carried out? Yes  No

If "No", please provide details as to why this has not been done.

7. Please outline the loan approval process & authority levels within the organisation.

8. Is dual authorisation required on all loans? Yes  No

9. Please provide by **attachment** a copy of the Proposers' Lending Manual and advise the following:

- a) Maximum LVR \_\_\_\_\_ %
- b) Average LVR \_\_\_\_\_ %
- c) Maximum loan amount \$ \_\_\_\_\_
- d) Average loan amount \$ \_\_\_\_\_

10. In relation to the Loan Property Valuation policy, please advise:

- a) Who performs the property valuations?

---

- b) Do the Proposers have an external panel of valuers? Yes  No

- c) Do the Proposers require valuations to be less than three months old? Yes  No

If "No", please specify the age threshold required?

---

- d) Do the Proposers accept valuations which have been assigned to them? Yes  No

- e) Do the Proposers accept Kerbside or Restricted Access Valuations? Yes  No

## Finance Lending Addendum

11. Is mortgage insurance always purchased above a set LVR? Yes  No

12. Please provide a breakdown of loans by type:

a) Residential	%
b) Commercial	%
c) Industrial	%
d) Land only	%
e) Construction	%
f) Personal	%
g) Business	%
h) Equipment	%
i) Micro Finance	%
j) Receivables / Supply Chain / Invoice Financing	%

13. Please provide a breakdown on the type of loans provided:

a) First mortgage	%
b) Second mortgage / mezzanine	%
c) Bridging finance	%
d) No deposit	%
e) Low doc	%
f) Unsecured	%
g) Secured	%

14. Please provide a breakdown on the location of the loan portfolio:

Hong Kong	%	United States/Canada	%
Other Asia	%	Australia/New Zealand	%
Other (please specify)	%	<b>Total must be</b>	<b>100%</b>



## Finance Lending Addendum

---

15. Please provide a breakdown on when loans are due:

a) < 30 days	%
b) Within 6 months	%
c) Within 12 months	%
d) 12-24 months	%
e) 2-5 years	%
f) > 5 years	%
<b>Total must be</b>	<b>100%</b>

16. What percentage of loans are in arrears? \_\_\_\_\_ %

17. Please outline the process in place for dealing with arrears.

18. What audit & review processes are in place on loans approved?

19. What are the processes & controls around transfer of loan funds?

# Proposal form



## DECLARATION

---

(To be signed by the chairperson and an executive officer.)

We, the undersigned, declare and acknowledge:

- that we are, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that we understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that we have read and understood the Important Notices which form part of this proposal;
- that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_

## Payment & Remittance Service Provider Addendum

---

1. Please provide details on type of industries the Proposers' customers are operating in:

2. Please advise the following for underlying transactions:

a) Average value \$ \_\_\_\_\_

b) Maximum value \$ \_\_\_\_\_

c) Number of transactions per year \_\_\_\_\_

3. Is the Proposer PCI Compliant? Yes  No

If "No", please provide details.

4. Do the Proposers have appropriate processes in place to ensure they are not dealing with individuals or entities who are the subject of economic or various trade sanctions laws or regulations? Yes  No

5. What processes do the Proposers have in place to comply with anti-money laundering legislation in various jurisdictions where payments are received or directed?

6. Please outline the Proposers' risk management controls with respect to fraud detection and management of fraudulent claims.

7. Please provide details on the testing and development history of the payment systems software?

## Payment & Remittance Service Provider Addendum

---

8. Do the Proposers agree to service level agreements with respect to the payment system being operational for a set time? Yes  No

If "Yes", please provide details.

9. Please describe the verification process to ensure money reaches the right recipients

10. Is the money of the Proposer's customers held in a segregated account with an Authorised Deposit Taking Institution? Yes  No

# Proposal form



## DECLARATION

---

(To be signed by the chairperson and an executive officer.)

We, the undersigned, declare and acknowledge:

- that we are, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that we understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that we have read and understood the Important Notices which form part of this proposal;
- that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_



## Stock Brokers Addendum

1. Please advise percentage split of activities:

Advisory	_____	%
Discretionary Management	_____	%
Execution Only	_____	%
<b>Total must be</b>		<b>100%</b>

### APPOINTED REPRESENTATIVES

2. a) Please advise the number of appointed representatives.

b) Do the Proposers plan to increase this number in the next 12 months?      Yes       No

If "Yes", by how many?

---

c) Are the appointed representatives the Proposers' employees or independent contractors?

---

d) Are appointed representatives to be insured under this policy?      Yes       No

If "No", how do the Proposers check that each authorised representative has a current Professional Indemnity policy?

3. Do the Proposers engage in stock lending activities?      Yes       No

4. If acting as an underwriter do the Proposers sell stock held on their own account to clients?      Yes       No

If "Yes", do the Proposers always disclose this position to their clients?      Yes       No

5. What percentage of the Proposer's client base are:

Retail clients		%
High net worth individuals		%
Self managed superannuation funds		%
Other – please specify		%
<b>Total must be</b>		<b>100%</b>

# Proposal form



## MARGIN LENDING

---

6. Do the Proposers give advice on margin lending? Yes  No
7. What percentage of the Proposers' client base uses this strategy? \_\_\_\_\_ %
8. What is the maximum LVR used? \_\_\_\_\_
9. Do the Proposers always provide written advice disclosing the risks of this strategy? Yes  No
10. Do the Proposers offer taxation advice regarding margin lending? Yes  No
11. Do the Proposers have a margin lending facility? Yes  No   
If "Yes", is this done via a facility with another financial institution or are the Proposers the principal lender?  
\_\_\_\_\_
12. Does the investor retain beneficial ownership of the stock purchased? Yes  No   
If "No", is this specifically highlighted to the investor at the time the contract is entered into? Yes  No

## MANAGED DISCRETIONARY ACCOUNTS

---

13. Do the Proposers operate any managed discretionary accounts? Yes  No   
If "Yes", how many and what is the amount of funds under management or advice?

14. How do the Proposers ensure that the mandates for these accounts are not breached?



## Stock Brokers Addendum

---

15. Do the Proposers obtain external advice regarding stock selection? Yes  No

If "Yes", please provide details.

### AVERAGE TRADING

---

16. What was the average trade over the past 12 months? \$ \_\_\_\_\_

17. What was the annual trade volume over the past 12 months? \$ \_\_\_\_\_

### COMPLIANCE MANAGEMENT

---

18. How many staff are in the compliance department? \_\_\_\_\_

19. Are random audits conducted? Yes  No

If "Yes", how often?

\_\_\_\_\_

20. Are trading transactions and positions reviewed daily for compliance with trading policies? Yes  No

21. Is there a system in place which will identify trades which exceed set limits? Yes  No

a) If "Yes", is this monitored on a daily basis? Yes  No

b) If "No", how is this exposure managed?

# Proposal form



## DECLARATION

---

(To be signed by the chairperson and an executive officer.)

We, the undersigned, declare and acknowledge:

- that we are, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that we understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that we have read and understood the Important Notices which form part of this proposal;
- that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_

## InsurTech Addendum

---

1. Who is the security used by the Proposers' underwriting agency?

---

2. Do the Proposers have a current written agency agreement in place?

Yes

No

If "Yes":

a) When was it last renewed?

---

b) When does it expire?

---

3. Are underwriting audits carried out annually by the Proposers' security or an external party on their behalf?

---

a) When was the last such audit conducted (dd/mm/yyyy)?

b) Were any breaches of the underwriting agreement found?

Yes

No

If "Yes", please provide details.

c) Have all recommendations from the audit been implemented?

Yes

No

If "No", please provide details as to why this has not been done.

4. Do the Proposers have claims settlement authority?

Yes

No

If "Yes", are claims conducted in-house or outsourced?

---

a) What is the maximum amount of the authority?

---

b) Are two people required to sign off on any claims settlement?

Yes

No

c) Are claims audits carried out annually by the Proposers' security or an external party on their behalf?

Yes

No

d) When was the last such audit conducted (dd/mm/yyyy)?

---

e) Did the audit find any breaches had occurred?

Yes

No

f) Have all recommendations of the audit been implemented?

Yes

No

If "No", please provide details as to why this has not been done.

## InsurTech Addendum

---

5. Is underwriting or claims settlement authority ever delegated to another person within the agency or to a third party without the written approval of the Proposers' security provider?

Yes  No

6. Please advise systems in place which prevent or highlight any breach of underwriting or claims authority.

7. How often are reports detailing risks written and claims settled provided to the security providers?

# Proposal form



## DECLARATION

---

(To be signed by the chairperson and an executive officer.)

We, the undersigned, declare and acknowledge:

- that we are, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, we are obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that we understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that we have read and understood the Important Notices which form part of this proposal;
- that we understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_

## Roboadvice Addendum

1. Please advise total funds under advice:

a) Last 12 months? \$ \_\_\_\_\_

b) Forecast for the next 12 months? \$ \_\_\_\_\_

2. Please advise allocation of revenue to the following with approximate percentage:

a) Non-discretionary Account Services	%
b) Managed Discretionary Account Services	%
c) Life Insurance	%
d) Personal and General Insurance	%
e) Mortgage Broking	%
f) Finance Broking	%
g) Tax Advice	%
<b>Total must be</b>	<b>100%</b>

3. Please advise allocation of client investments:

Investment	Client Investment	Percentage
a) Domestic Equities	\$	%
b) Global Equities	\$	%
c) Fixed Income - Domestic	\$	%
d) Fixed Income - Global	\$	%
e) Funds of Funds	\$	%
f) Hedge Funds	\$	%
g) Mortgage Funds	\$	%
h) Property Trust	\$	%
i) Derivatives	\$	%
j) Private Equity	\$	%
k) Venture Capital	\$	%
l) Real Property	\$	%
m) <b>Other</b>	\$	%
Please specify		
<b>Total Funds under Advice/Management</b>	<b>\$</b>	<b>100%</b>

## Roboadvice Addendum

---

4. With respect to your Approved Products List please provide details of your selection criteria for underlying investments.

5. Has the Approved Product List changed from previous years? Yes  No

If "Yes", please provide details.

6. If a product or investment is removed from the Approved Product List how is this communicated?

7. How often do you monitor and test algorithms that underpin the advice?

8. What processes do the Proposers have in place to manage any changes to algorithms?

9. What controls and processes do the Proposers have in place to suspend advice if an error within an algorithm is detected?

10. What compliance arrangements do the Proposers have in place to monitor and test quality of digital advice provided to clients?

# Proposal form



## DECLARATION

---

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all person(s) or entities seeking insurance, to sign the addendum;
- that after enquiry, all information supplied in this addendum, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Liberty of any changes to any information supplied or of any new information that is relevant;
- that I understand Liberty relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that I have read and understood the Important Notices which form part of this proposal;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers' acceptance of an offer by Liberty, if any.

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Chairperson \_\_\_\_\_

Dated \_\_\_\_\_

Signed \_\_\_\_\_

Print Name \_\_\_\_\_

Title \_\_\_\_\_ Executive Officer \_\_\_\_\_

Dated \_\_\_\_\_

