

PROPOSAL FORM

Crime & Professional Indemnity (Non-banks)



Please answer **ALL** questions completely.

Should any question or part thereof not be applicable, please state "N/A".

Should insufficient space be provided, please continue on your company letterhead.

Kindly Note:

1. Please complete Annexure/s relevant to your business activities.
2. The latest audited Financial Statements/Annual Report/Interim Report must be attached.

Business Activity	Annexure
Third-party Fund Management/Administration	Annexure A
Trading/Stock Broking	Annexure B
Insurance/Assurance Companies	Annexure C
Corporate Finance/Mergers and Acquisitions	Annexure D
Property Fund Management	Annexure E
Trust Company/Services	Annexure F
Assets/Subsidiaries located in North America	Annexure G
Social Engineering	Annexure H

Particulars of Proposer

Name of Proposer _____

Principal address _____

Post code _____

Postal address _____

Post code _____

Contact person _____

Email address _____

Website _____

Type of organisation _____

VAT number _____

Subsidiary Details

Name	Location	Date established	Principal activity

Lastest credit rating _____

Has the Proposer been acquired by another entity, merged or acquired any other business during the last year?

Yes No

If Yes, please provide details

Activities

Detailed breakdown of activities and % of total revenue derived from each activity

	%
	%
	%
	%
	%

Has the Proposer provided any new services to its clients in the last 12 months?

Yes No

If Yes, please provide details

Does the Proposer intend on offering any new services in the next 12 months?

Yes No

If Yes, please provide details

Locations

Domestic	USA/Canada	Elsewhere

Number of employees (including any employees of subsidiary and associated companies to include within the scope of the policy) sub-divided as follows:

	Domestic	USA/Canada	Elsewhere	Total
Responsible for money, stock and/or accounts including any financial dealing, trading (e.g. executives, managers, site managers, accounting personnel, stock controllers, computer staff, commercial travellers, van drivers etc.)				
Employees not having responsibility for money stock and/or accounts				

Regulation/Compliance

To which regulatory authorities is the Proposer accountable?

Is the Insured licensed and compliant with all legislation regulating the business?

Yes No

If No, please provide details

During the last five years, has the Proposer received any admonishment or critical directive from the Financial Services Board or any regulatory authority? Yes No

If Yes, please provide details

Does the Proposer have an in-house Legal Department? Yes No

Does the Proposer use a standard form of contract, agreement or letter of appointment with regard to services performed? Yes No

If Yes, by whom?

Are all publications issued by the Proposer reviewed by the in-house Legal Department and/or outside legal advisers? Yes No

Does the proposer have any contract in place with its service providers which contractually limits the service provider's liability or limits or waives the proposer's rights of recourse? Yes No

If Yes, please provide details

State the name of the independent firm of Chartered Accountants or Professional Auditors or other competent Authority who fully audit your Accounts annually

Please describe any major recommendations and/or control deficiencies noted by the external auditor, regulatory authority or independent consultant

Cover Required and Insurance History

State details of similar insurances carried during the previous five years, if any

Professional Indemnity/Civil Liability		Bankers Blanket Bond/Fidelity/Crime	
Insurer		Insurer	
Limit of Indemnity		Limit of Indemnity	
Deductible		Deductible	

Limit of Indemnity required

Excess (each and every claim)

Optional Extensions

Unidentifiable Employees Yes No

Impersonation/Social Engineering* Yes No

Inter-Company Liability Yes No

Trust Services Yes No

North America Yes No

Reinstatement Yes No

Extended Reporting Period Yes No

New Subsidiaries

Yes No

If Inter-Company, liability is required please confirm

The entities concerned are separate legal entities

Yes No

All contracts or agreements between the entities are based on the same market related terms entered into between the Insured and any other client/third party?

Yes No

Is the Proposer currently involved in any litigation as defendant relevant to coverage sought?

Yes No

If Yes, please provide details

Has any application made by the Proposer or its predecessors in business for Professional Indemnity/Civil or Fidelity Guarantee/Crime Insurance ever been declined?

Yes No

If Yes, please provide details

Has any Professional Indemnity/Civil or Fidelity Guarantee/Crime Policy in the name of the Proposer or its predecessors in business ever been cancelled?

Yes No

If Yes, please provide details

Details of any losses, relevant to this insurance, 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:

Nature of loss	Date discovered	Location	Amount (actual/estimated)

Details of corrective measures taken to avoid recurrence of the said losses

Funds Transfer/Telephonic Instructions

Does the Proposer use or subscribe to any Electronic Funds Transfer Systems?

Yes No

Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow direct access by clients to the Proposer's data base?

Yes No

Specify each one

Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow clients to directly execute a transfer of funds?

Yes No

Does the Proposer permit the initiation of Funds Transfer by telephone instruction from clients?

Yes No

If Yes, do all clients to whom this facility is available complete written agreements outlining legal responsibilities, transfer limits and call back parameters for verification?

Yes No

If Yes, please attach a copy. If No, please elaborate.

What are the call back parameters for verification?

Are all conversations including these instructions recorded?

Yes No

Describe the procedures adopted when instructions are received by telephone

Internal Controls

Is there an Internal Audit department?

Yes No

If Yes, please provide details of operations

How often are full internal audits done?

Do you require all Directors and Employees to declare their outside business interests and specify relationships which could lead to possible conflicts of interest?

Yes No

Are the duties of each Employee arranged so that no one Employee is permitted to control any transaction from commencement to completion?

Yes No

Is dual control established and maintained for the handling of:

All types of securities, negotiable and non-negotiable instruments and unissued and blank forms of said item?

Yes No

The reserve supply of official cheques, drafts and unissued travellers cheques and similar instruments?

Yes No

If No, describe alternative controls

IT System Security

Do you have a designated Data Security Officer?

Yes No

If Yes, please provide details of operations

If No, describe describe how data security is managed within your organisation

Is there a written data security Manual/policy and procedures?

Yes No

If No, please explain

Describe security access used to afford varying levels of entry to the computer system depending on the need and authorisation of the user

Name the international security standards with which you are compliant

Are password changes systems driven Yes No

Are all source documents secured to prevent unauthorised modification or use of data before entering the computer system? Yes No

Do personnel inputting data either initial, sign or otherwise identify data they prepare? Yes No

Is the use of terminals restricted only to authorised personnel? Yes No

Are remote terminals kept in a physically secure location accessible to authorised personnel only? Yes No

If No, please describe what steps are taken to prevent an unauthorised user from utilising a terminal

Are there positive entry control procedures to restrict the entry of non-authorised personnel into your Data Processing Centre? Yes No

Please specify

Limit of Indemnity				
	Option 1	Option 2	Option 3	Option 4
Quote	_____	_____	_____	_____
Deductible	_____	_____	_____	_____

Privacy Clause

In order to provide you with insurance, we have to process your personal information. We will share your personal information with other insurers, industry bodies, credit agencies and service providers. This includes information about your insurance, claims and premium payments. We do this to provide insurance services, prevent fraud, assess claims and conduct surveys. We will treat your personal information with caution and have put reasonable security measures in place to protect it. By signing this application for insurance, you agree to the processing and sharing of your personal information.

Declaration

I/We, the undersigned, declare that the statements set forth in this proposal form together with any other information supplied are true and correct and that I/we have not misstated or suppressed any material facts.

I/We agree that this proposal form together with any other information supplied by me/us shall form the basis upon which the contract of insurance is concluded and shall be incorporated therein.

I/We further undertake that in the event that the information provided changes between the date of this application and inception of cover, I/We will notify ITOO of such changes as soon as reasonably possible.

Name (duly authorised) _____ Designation _____

Signature _____ Date

Y	Y	Y	Y	M	M	D	D
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Section B
Annexure A: Third Party Fund Management/Administration

Total Third Party Funds under	Current/last date of interim report	At last year end	At previous year end
Discretionary Management			
Non-discretionary Management			
Administration			

Names of all Fund Managers, length of service, specific responsibilities and personal qualifica

Name	Length of service	Specific responsibilities	Professional qualifications

Kindly complete or attach a Fact Sheet for each fund

Fund name _____

Fund size _____

Fund type _____

Sector _____

Date established _____

FSB registration number _____

Ranking within peer group _____

Independent rating _____

% Returns	Fund	Benchmark
Since inception		
Last 10 years (annualised)		
Last 5 years (annualised)		
Last 3 years (annualised)		
Last 1 year		

Please provide a territorial split of investment in each Fund in percentage terms

Fund name	UK & Europe	South Africa	North America	Other (specify)
	%	%	%	%
	%	%	%	%
	%	%	%	%
	%	%	%	%
	%	%	%	%
	%	%	%	%

With respect to Net Asset Value, please advise:

- Frequency of NAV Calculation

- Whether NAV is independently calculated, and by whom?

- If the NAV is calculated by the Proposer, please explain how valuations are verified

Activities

1. Does the Proposer undertake trust activities or discretionary account management? Yes No
- If so, then:
- a. Are all clients' agreements reviewed annually? Yes No
- b. Are all trust/discretionary transactions subject to the same procedures and reviews as the Proposer's own account transactions? Yes No
- If No, please describe, on a separate page, the procedures and reviews applicable
- c. How often are financial reports rendered to clients? _____
- d. Does the Proposer have an "approved" list of investments/securities which can be recommended to clients? Yes No
2. Does the Proposer currently maintain a manual containing a written investment policy? Yes No
3. Are trading transactions and positions reviewed for compliance with a formal trading policies manual? Yes No
4. Are accounts of trades which exceed set limits identified or rectified or referred to senior management for immediate action? Yes No
5. Do counterparties receive authorised confirmation for all deals prior to settlement? Yes No
6. Are responsibilities for investment decisions segregated from accounting activities and custodial responsibilities? Yes No

Annexure B: Trading/Stock Broking Activities

Are there defined and communicated formal trading policies and dealing limits? Yes No

How frequently are trading positions reviewed for compliance with formal trading policies and investment mandates? Yes No

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

Do trade counterparties receive authorised confirmation of all deals prior to settlement? Yes No

Is the investment portfolio periodically substantiated against recorded values independently of the dealer and fund manager? Yes No

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

List membership of all Stock Exchange trading markets and exchanges including overseas where applicable

Are client instructions recorded on receipts? Yes No

Are all client instructions time-stamped? Yes No

Are procedures adopted to ensure that an appropriate client agreement or terms of business letter is in force? Yes No

Are procedures adopted to ensure that all client instructions have subsequently been processed? Yes No

Are records maintained of unfulfilled instructions? Yes No

Are procedures adopted to ensure that the capacity in which the firm is instructed to act is recorded (that is as agent or principal)? Yes No

What transaction limits are imposed on employees?

What review procedures are adopted and by whom to ensure that employees transactions comply with internal rules?

Are all open balances of whatever nature reconciled and checked against Stock Exchange accounts? Yes No

Are reconciliations for all sundry and suspense accounts prepared by a senior employee and reviewed each account? Yes No

Does the company have direct market access (DMA) to the JSE? Yes No

If No, who are the prime brokers?

Are automated trading programs used as a method of trading? Yes No

Are algorithmic trading programs used? Yes No

What percentage of total trading revenue is derived:	High frequency trading	%
	Algorithmic trading methods	%
What percentage of annual orders are manually booked and executed by traders (i.e. non-algorithmic)?		%
Approximately what percentage of total loaded orders are never executed		%

Does the firm participate in any of the exchange deals? Yes No

If Yes, are these deals disclosed to the JSE? Yes No

Annexure C: Insurance/Assurance Companies

	Current year end	Last year end	Previous year end
Gross Premium Income			
Total Assets			
Net Income/(Loss)			
Policyholders			
Surplus/Shareholders Equity			
Statutory required CAR			
Capital Adequacy Ratio			
Combined ratio			

Do you operate a formal underwriting manual covering all classes of insurance business written? Yes No

Indicate where business production is obtained from as a percentage of the following:

Agents	%	Direct Sales	%
Brokers	%	Other (please specify)	%

Are those designated to receive premium operationally segregated in day to day handling of business? Yes No

Is responsibility for claims inspections and settlement segregated from underwriting? Yes No

Are claims payments agreed by at least two authorised staff? Yes No

If No, to any of the above please describe alternative controls in place

Annexure D: Corporate Finance/Merger and Acquisition Services

Deal	Start date	End date	Market capitalisation of acquiring firm	Market capitalisation of acquired firm	Bid price	Outcomes

(For confidentiality reasons if a transaction has not yet been concluded and contains information deemed sensitive for public consumption, do not disclose the name of the transaction when completing this section of the proposal)

Does the firm manage on behalf of a third party:

Share incentive schemes

Yes No

Share option pools for management

Yes No

Listing and delisting of debt instruments

Yes No

Any other support services

Yes No

Please list

How long has the firm been involved in corporate finance transactions?

Key personnel

Name	Qualifications	Experience

Has the firm been involved in the listing/delisting of companies on the JSE or other stock exchange?

Yes No

Annexure E: Property Fund Managers

Value of assets under management/Company Market Capitalisation _____

Investment objectives of the fund and provide expected returns for unit holders:

% holding per sector	Commercial	%
	Office	%
	Residential	%
	Hospitality	%
	Other	%
		100%

Activities undertaken by the Proposer and subsidiaries

Property Management		
Property administration	Yes	No
Letting	Yes	No
Client retention and renewals	Yes	No
Rent collection	Yes	No
Facilities management (cleaning, landscaping, security, electrical/mechanical services, air condition)	Yes	No
Property Asset Management		
Management of the Portfolio of assets of the fund	Yes	No
Portfolio Reporting	Yes	No
Monitoring of monthly/annual returns	Yes	No
Marketing services	Yes	No
Investment advice and market research	Yes	No
Valuations of assets (land, building, plant and machinery)	Yes	No
Other (specify)	Yes	No
Property Development		
Due diligence for property acquisition or new development	Yes	No
Project management of new developments, refurbishments and extensions (construction risk)	Yes	No
Other (specify)	Yes	No
South African Exposure	Yes	No
African Exposure	Yes	No
Other (specify)	Yes	No

Vacancy levels

Last year	Current year	Next 12 months

Provide debt maturity profile for the next 24 months as a percentage of total debt

Current 12 months	Next 12 months

Details of the independent Trustee appointed to look after the interests of debenture holders.

Please provide a copy of the debenture trust deed.

Name

Qualifications

Years of service

Annexure F: Trust Companies

Does the Proposer provide trustee and/or fiduciary services to clients?

Yes No

Does the service include the creation registration and management of trusts and/or other SPVs

Are Employees required to, as representatives of the insured, act as trustees of any of these trusts or SPVs?

Yes No

Does the insured require cover for the individual employees as note above

Yes No

Provide minimum requirements such as qualifications and experience for appointment of these Employees

Please confirm internal procedures to monitor the activities of these employees

Where and how are these entities housed?

Please provide details of the financial and accounting procedures in place and full compliance with the Trust Property Control Act or similar applicable legislation?

Annexure G: North America

Subsidiary	Activities	% owned

Listings on any North American exchanges

Please provide copy of the latest 20-F filing or similar filing made to US regulatory authorities.

Details of American Depository Receipts (level, value, ratio):

Gross assets and turnover in North America

Details of any local policies

If any stocks or shares are traded in the form of ADR's please advise

Whether they are sponsored or unsponsored

What type (level or restricted)

The market value

The number of ADR shareholders

What percentage of market capitalisation is owned by US citizens

On what date was last offer/tender issue made

Was the offer and is the company compliant with all provisions of:

The United States Securities Act of 1933

Yes No

The Securities Exchange Act of 1934

Yes No

The Sarbanes Oxley Act of 2002

Yes No

Has a 20-Filling been made to the US Regulatory Authorities

Yes No

Annexure H: Social Engineering

Description

Social Engineering refers to the various scenarios where an employee is deceived into transferring funds based on believing the sender of the request is a legitimate member of staff.

A. Customer, Clients and Vendor Requests

1. 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

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 No

2. Are transfer requests or bank information changes ever accepted just via electronic communications?

Yes No

If YES, what additional controls are in place to ensure that such requests are genuine and from an authorised person?

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

a. Out of State/Country

Yes No

b. To recipients in known high risk jurisdictions (e.g. China)

Yes No

c. Over a certain value

Yes No

(If Yes, at what value are transactions subject to such controls)

R

d. Unusual or inconsistent with previous transfer behaviour

Yes No

4. Are controls outlined above equally applicable VIP/High Net Worth customers?

Yes No

5. How does the Insured check/audit that any required authentication process is happening in practice?

B. Internal Requests

1. What procedures are in place to validate the authenticity of what appear to be internally generated fund transfer requests?

2. Would procedures set out in 1. above apply to requests purporting to have come from the Executive Management (CEO/CFO, etc.)?

C. Training and Education

1. What education/awareness programmes do you undertake to make employees aware of the risk of Fund Transfer Identity Deception Fraud?

Please provide brief details of the main areas of guidance given and those who received the training.

2. Are there any additional measures not outlined above which are used to manage risk in respect of Fund Transfer Identity Deception Frauds?

3. Do you have a company policy on reporting of Fund Transfer Identity Deception Frauds and log such instances? Yes No

If Yes, please provide details

D. Loss Record

1. Has your organisation been the victim of a fraud where it has been deceived as to the identity of the person initiating a funds transfer request in excess of ZAR1m Yes No

If Yes, please provide details

2. Has your organisation identified and prevented a fraud described above in the last 12 months? Yes No

If Yes, please provide details
