

Civil Liability Insurance for Financial Institutions

PROPOSAL FORM

Important

Please answer all questions from each section and complete in block capitals. Tick the appropriate boxes where necessary and supply any further information requested. If there is insufficient space to complete any answer, please continue at the end of this form or on a separate sheet of paper

Even if some or all of the answers can be given by reference to your website, you should nonetheless set out your full answers here and also provide us with any other material information that you know or ought to know following a reasonable search of information available to you. Please take all reasonable care to answer all of the questions honestly, clearly and to the best of your knowledge. If you do not answer all the questions correctly, or the declaration honestly, your policy may be cancelled and any claim rejected or not fully paid.

The completion and signature of this proposal form does not bind the proposer or Travelers Insurance Company Limited to complete a contract of insurance.

Please refer to the policy wording for details of the cover provided.

Proposer Details

1. Name of the Proposer:

2. Principal Address:
Postcode

3. Country of registration:

4. Please state:

Numbers	Current Year	Previous Year	US (Current Year)	Turnover (Last Year)
Total number of employees (including temporary staff and outsourced employee roles)				
number of Personnel/ training staff compliance department and internal audit staff numbers				
directors and officers sales staff, professional staff or any employees directly involved with third parties support staff				

5. Please state the percentage split between distribution channels used by the Proposer:

	Current Year %	Previous Year %	% in the US (Current Year Only)
advisory staff/ professional/sales staff directly (via mail, telephone, etc)			
agents, IFAs			
internet			

6. Does the Proposer monitor the advice provided by individuals that are not under their daily control and supervision? (e.g. Agents / IFAs)

Yes No

If 'No', please provide details on a separate sheet.

Proposer Services

1. Please provide the approximate percentages of the Proposer's total revenues which were derived from the following activities:

Activity	Current Year %	Previous Year %	% in US (Current Yr)
Loans			
(a) Retail			
(b) Commercial			
(c) Syndication			
Trade financing			
Securities trading/dealing *			
(a) Execution *			
(b) Advisory *			
Commodities trading/dealing*			
Derivatives or specialist trading/dealing *			
Structured financial product advice			
Acting as securities broker/ dealer			
Acting as custodian/depositor or managing agent for securities or money			
(a) Financial, investment or economic advisor with regard to mergers, acquisitions or capital restructuring *			
Financial, investment or economic advisor with regard to share placing/new issues *			
(a) equity issuance*			
(b) debt issuance*			
Financial, investment or economic advisor with regard to venture capital			
Financial, investment or economic advisor with regard to other			
Administration of trusts, estates or guardianships*			
Asset or fund management*			
Provision of insurance products or services			
Acting as a dividend disbursement agent, redemption or subscription agent, warrant or script agent, fixed or paying agent, tax withholding agent, escrow agent, registrar, transfer agent or clearing agent			
Acting as a tax planner and or tax advisor to trusts, estates and individuals			
Sale of travellers cheques, certified cheques or money orders, or administration or sale of credit cards, or credit card services			
Provision of legal advice to third parties			
Leasing			
Foreign Exchange			
Acting as a real estate broker, or providing surveying or conveyancing services			

Please list any other services or activities not stated above on a separate sheet

* Please complete the relevant section of this document if you provide these services to client.

2. Has the Proposer offered any new services over the past 12 months or is there the intention to do so over the next 12 months? Yes No
If 'Yes', please provide details
3. Are all the advisory services rendered subject to written agreement, contractual agreement, service agreement or letter of appointment? Yes No N/A
If 'No', please provide details on a separate sheet.
4. Are all new products subject to a 'New Product Approval Process' which includes sign off from the business unit manager, compliance and legal? Yes No
5. Are all publications, marketing literature, or other product services communications (electronic or documentary), subject to legal review prior to their release to third parties? Yes No N/A
If 'No', please provide details on a separate sheet.

Internal Controls

1. Does the Proposer have a fully staffed and appropriately qualified:
- (a) Internal Audit Department? Yes No
If 'Yes', current number?
- (b) Compliance Department? Yes No
If 'Yes', current number?
2. Are regular audits conducted by the internal audit department on a risk critical basis? Yes No
3. To whom does the internal audit department report?
 Name/Title:
4. Does the internal audit team periodically perform independent checks on:
- (a) segregation of duties? Yes No
- (b) accuracy of records? Yes No
- (c) reporting procedures to management/clients? Yes No
- (d) management and supervisory procedures? Yes No
- (e) training requirements, and competency of staff? Yes No
- (f) suitability of advice provided to third parties? Yes No
- (g) adequacy of systems? Yes No
- (h) authority levels (appropriateness and monitoring)? Yes No
5. Are any recommendations made by internal auditors implemented as soon as possible? Yes No
If 'No', please provide details on a separate sheet.
6. Are there any material recommendations from external auditors yet to be implemented? Yes No

Regulatory and Compliance

1. Does the Proposer have a dedicated Compliance Officer/ department charged with ensuring compliance by all staff of the regulatory rules, principles, codes and guidelines? Yes No
If 'No', please provide details on a separate sheet.
- (a) Does the compliance officer report to management of the investment adviser? Yes No
- (b) Does the compliance officer report to the board of directors or audit committee of the investment company? Yes No
2. How many people are employed in the compliance function?

3. To whom does the compliance manager report?
Name/Title:
4. Has the Proposer or any insured entity, or any of its directors, officers, partners or employees been subject to any regulatory investigation? Yes No
If 'Yes', please provide details on a separate sheet.
5. (a) Did such an investigation result in disciplinary proceedings, admonishments or recommendations? Yes No
If 'Yes', please provide details on a separate sheet.
- (b) If 'Yes', were all the recommendations implemented? Yes No
If 'No', please provide details on a separate sheet.
6. If applicable, are all recommendations made following a regulatory visit fully implemented? Yes No
If 'No', please provide details on a separate sheet.
7. Are you fully in compliance with regulatory mandates and industry best practices concerning anti-money laundering procedures? Yes No
8. Do you maintain a Code of Ethics that governs personal trading practices of employees and other persons who have access to information about portfolio holdings of the investment companies ("access persons")? Yes No
9. Do you allow access persons to trade for their own account or for accounts over which they have control? Yes No
10. Do you require access persons to report all personal trades for their own accounts or accounts over which they have control? Yes No
11. Do you require access persons to report trades of shares of the investment companies? Yes No
12. If applicable, have you implemented a trackable 'Treating your customers fairly' project? Yes No

Services: Internet Banking/E-Commerce

Please complete this Section only if Internet Banking/E-Commerce Services are offered to Clients

1. Do you provide an Internet facility? Yes No
If 'Yes', do you offer any of the following:
- (a) product information only? Yes No
- (b) account balance? Yes No
- (c) pre-authorized account to account transfers? Yes No
- (d) loan applications? Yes No
- (e) interactive mortgage applications? Yes No
- (f) business/company account management? Yes No
- (g) insurance products? Yes No
- (h) on-line securities dealing? Yes No
- (i) other, (please specify)
2. Please select the method used to verify the identify of the users transacting via the Internet:
- (a) static password
- (b) one-time password
- (c) public/private key encryption
- (d) digital signatures
- (e) other, (please specify)

1. Please provide:

(a) Funds under management (FUM):

- (i) net asset value
- (ii) lost accounts
- (iii) new accounts

Current Year £	Previous Year £

(b) the percentage split between:

(please note that (i) and (ii) are separate questions)

- (i) discretionary FUM
- non-discretionary FUM
- (ii) assets in Funds
- assets in Commingled funds

	%
	%
	%
	%

(c) Please indicate the percentage split of the Funds Under Management (FUM) in the following territories:

- (i) UK and Europe
- (ii) North America
- (iii) Far East / Middle East / Asia

Current Year %	Previous Year %

(d) Please indicate the percentage split of the Funds Under Management (FUM) invested in the following areas:

- (i) securities
- (ii) debt
- (iii) unlisted or private investment
- (iv) property
- (v) commodities, derivatives, or specialist investment strategy (including hedge funds)
- (vi) ERISA plans

Current Year %	Previous Year %

2. Are performance reports regularly issued to clients?

Yes No

3. Number of discretionary accounts and total value of such accounts:

4. What is the value of the largest account?

£

5. Please indicate % of FUM from US investors?

Current Year %	Previous Year %

6. Please indicate client type FUM split (%):

- Institutional
- HNW
- Retail

	%
	%
	%

7. Are there any changes in any fund of 50% of NAV or any funds that have been liquidated in last 12 months?

Yes No

If 'Yes', please details on a separate sheet.

8. Do you or any of your affiliates allow any investors to engage in the investment strategy known as mutual fund "Market Timing" (the practice of making short-term purchases and sales of mutual funds)?

Yes No

If 'Yes', please identify on a separate sheet the parties with whom there exists such an arrangement.

9. Do you monitor the investment companies for abnormal trading patterns?

Yes No

10. Do you impose early trading cut-offs to account for Market Timing? Yes No
11. Do you impose redemption fees on shareholders who redeem within a short period of time? Yes No
12. Do you use fair value pricing for NAV valuation? Yes No
13. Do you have a procedure in place to regularly monitor:
- (a) Suitability of investments to investor profile Yes No
- (b) Adherence with investment mandate agreement or prospectus? Yes No
14. Do you have a stop loss system or 'preventative' trading system in place which tracks to the original investment mandate or engagement? Yes No
15. Have you had any trading errors resulting in a loss > £50,000 in the last 3 years? Yes No
If 'Yes', please provide details of remedial steps.
16. Have any changes to the investment restrictions been agreed by all clients? Yes No N/A

Services: Trust Services

Please complete this Section only if Trust Services are offered to Clients

1. Are trust services limited to purely administration services? Yes No
If 'No' do these services include investment appraisal, investment advice, or investment management? Yes No
Please provide the value of:
- (a) total trusts under management £
- (b) asset value of the largest account £
- (c) highest fee £
2. What is the average length of trust experience for all trust officers? Years:
3. Please indicate the percentage split of the Funds Under Management (FUM) in the following territories:
- | | | |
|-------------------------------|----------------------|----------------------|
| (a) UK and Europe | <input type="text"/> | <input type="text"/> |
| (b) Far East/Middle East/Asia | <input type="text"/> | <input type="text"/> |
| (c) South America | <input type="text"/> | <input type="text"/> |
| (d) North America | <input type="text"/> | <input type="text"/> |
4. Is there a dual control over any material recommendations suggested by a trust officer? Yes No

Services: Trading

Please complete this Section only if Trading Services are offered to Clients

1. Please detail the following :
- (a) the percentage split in income between:
- (i) proprietary trading %
- (ii) third party trading %
- (b) the percentage split in third party fee income derived from investments in:
- (i) listed securities %
- (ii) unlisted securities %
- (iii) emerging markets (listed/unlisted) %
- (iv) debt instruments %

(v) Real Estate / Property	%
(vi) Commodities	%
(vii) Derivative instruments – hedging	%
(viii) Derivative instruments – speculative	%
(ix) Limited Partnerships	%
(x) Other (please specify):	%

(c) Does the Proposer have adequate controls and procedures in place in order to ensure the following?:

- | | | | | |
|---|-----|--------------------------|----|--------------------------|
| (i) accuracy of transactions | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (ii) trading limits are adhered to and monitored | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (iii) segregation between front and back office functions is maintained | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (iv) timely recognition of any material trading losses | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (v) new products/services undergo a robust due diligence/approval process | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (vi) breaches are identified immediately | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| (vii) unauthorised trading or trade errors are detected immediately | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

2. From how many locations do you trade?

3. Are all trading counter-parties periodically and independently monitored and approved for credit worthiness and limits on at least a monthly basis? Yes No

If 'No', please provide details

4. Are all trades entered immediately? Yes No

5. Do you allow remote trading? Yes No

If 'Yes', please detail controls:

6. Are all trade confirmations (counter party side) independent from the trading function? Yes No

7. Is back office confirmation of trades with counter-parties done on the same day as the trade? Yes No

8. Trade exception processing routines and related reporting of exceptions. Yes No

9. How often are trading records reconciled?

10. Is there a complete separation of duties within trading and real time monitoring of traders to ensure that trading limits are in compliance? Yes No

11. (a) Are all "anomalies" (non-conforming trades) reported to the Risk Management department and internal audit? Yes No

(b) Do management follow up on all of these? Yes No

12. Do you track employee trading accounts? Yes No

13. Does your system monitor for any unusual trading activity e.g. churning, suitability, etc.? Yes No

14. Are all trading conversations recorded? Yes No

15. Do you offer on-line trading? Yes No

(a) If so, are all transactions recorded? Yes No

(b) How long are records maintained?

16. Are all trades entered immediately into a system or within a certain time frame?

17. Does company's computer system automatically identify & reject (or highlight) a transaction that is not with:
- (a) An approved counterparty? Yes No
- (b) Within an approved product line? Yes No
- (c) Within approved authority levels? Yes No
18. Does institution maintain written authorisation files for each trader which detail limit, product and counterparty?
- (a) Does your system automatically reject any trades which are outside of the above authorities? Yes No

Services: Private Banking

Please complete this Section only if Private Banking Services are offered to Clients

1. How many employees are involved in private banking?
2. Which products do they promote?
-
3. In respect of client relationship managers: Is dual control maintained over all activities involving trades, cash or other valuables? Yes No
4. Do you monitor suitability of procedures in respect of investment advice to clients? Yes No
5. Do you maintain an approved list of securities?
- (a) Are relationship managers allowed to deviate from this list? Yes No
- If 'yes', please detail controls*
-

Services: Financial Services (Life pensions, investments, insurance)

Please complete this Section only if Financial Services comprising Life pensions, investments, and insurance Services, are offered to Clients

1. How many people currently sell life premiums, investment and retail products? Yes No
- (a) Are they all 'Approved Persons' or assessed as technically compliant persons in other jurisdictions? Yes No
- (b) Please provide the revenue split of the distribution of such products:
- | | |
|-------------|---|
| Employees | % |
| Tied agents | % |
| IFAs | % |
2. Please provide split between products offered:
- | | |
|-------------|---|
| Life | % |
| Pensions | % |
| Investments | % |
| Insurance | % |
| Other | % |

3. Do you have a procedure in place to monitor:
- | | | |
|---|------------------------------|-----------------------------|
| (a) Recurring complaints in respect to products? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (b) Recurring complaints in respect of advisor /branch? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (c) Suitability of advice? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (d) Suitability of the sales process/channel? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
4. Are all commissions /fees earned or paid to an agent /broker fully disclosed to all parties? Yes No

Services: Investment Banking

Please confirm if Investment Banking Services are offered to Clients Yes No

Investment banking means mergers & acquisitions, corporate advisory/finance, facility issuance or corporate restructuring.

If yes, please confirm Travelers investment banking supplementary proposal form

Claims

1. Have there been, or is there now pending any suits, claims, or proceedings against the Proposer, or any Director, Officer, Employee, Trustee or agents proposed for coverage? Yes No

If yes, please provide full details.

2. Is the Proposer, or any Director Officer, Employee, Trustee or agents proposed for this insurance aware of any fact, circumstance, situation or Wrongful Act which would fall within the scope of the proposed insurance? Yes No

If yes, please provide full details.

3. Has any claim been made under any prior or current insurance policies in the last six (6) years, providing coverage to the Proposer, or any Director, Officer, Employee, Trustee or agents for this insurance, or has notice been given to any company providing such coverage?

Yes No

If yes, please provide full details.

In respect to Questions G1, G2 and G3, it is agreed that if the Proposer, or any Director, Officer, Employee, Trustee or agents are aware of any such suit, claim, proceeding, fact, circumstance, situation or Wrongful Act, any claim subsequently arising therefrom will not be covered under this policy.

4. Has any insurer refused, cancelled or non-renewed coverage?

Yes No

If yes, please state reasons:

Existing / Required Coverage

1. Provide the following information of existing insurance policies for the Proposer:

	Insurer	Limit	Deductible	Expiry Date
Professional Indemnity/				
Civil Liability:				

2. Effective Date of coverage:

Coverage requested (Professional Indemnity / Civil Liability):

3. Limit of Liability – Aggregate each Policy Period

4. Deductible Required

Declaration

Must be signed by a Principal/Partner/Member/Director or functional equivalent

I/We declare that to the best of my/our knowledge or belief, the statements and particulars given in this proposal form are true and complete and that any other material facts likely to influence the acceptance and assessment of any insurance offered have been provided. (If you are in any doubt as to whether a fact is material, you should disclose it.)

I/We agree to inform Travelers Insurance Company Limited of any change to any material fact.

I/We also declare that if any information on this proposal form has been written by another person on my/our behalf, that person acted as my/our agent for that purpose.

I/We also declare that no other insurer has ever declined a proposal, declined to pay a claim in full or in part, cancelled or declined to renew my/our insurance or invited renewal at special terms.

I/We declare that no partner or director has ever been convicted of or charged (but not yet tried) with a criminal offence other than a motoring offence or "spent" conviction as allowed for under the Rehabilitation of Offenders Act 1974, been declared bankrupt whilst being a director of a company that went into liquidation, receivership or administration or been disqualified from being a director.

I/We declare that I/We have not suffered any loss/damage or incurred any liability (whether insured or not) as a result of the risk(s) for which cover is now required, or know of any incident which is likely to give rise to a loss that has not already been declared to Travelers Insurance Company Limited.

I/we have read the above and declare that to the best of my/our knowledge and belief the statements are true and complete.

Signature of the proposer

(Principal/Partner/Member/Director or functional equivalent)

Print name and position held

For and on behalf of

(Insert name of Company/Firm)

 Date

NO COVER IS IN FORCE UNTIL CONFIRMED BY THE COMPANY.

Using Personal Information

How we treat information about you and your rights under data protection legislation

In order to provide our insurance services, we (Travelers Insurance Company Limited acting as a Data Controller) will collect certain personal information about you. The type of information that we collect will depend on our relationship with you. For example, you may be a Travelers policyholder, prospective policyholder or a third party making a claim under a Travelers insurance policy.

If you provide us with personal information about a third party, you should share this notice with them.

We will also collect different types of information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'special category data', which is data that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Your personal information may be used in a number of ways including:

- considering an application for insurance,
- providing and administering an insurance policy,
- handling claims including claims validation,
- preventing and detecting fraud, including providing information to the relevant authorities.

Where relevant, we will share your information with other companies in the Travelers group, third parties such as claims handlers, loss adjusters, other insurers and reinsurers, fraud prevention agencies, service companies associated with our products, or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries inside and outside the European Economic Area.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC).

We may also use your personal information for marketing purposes, but only in accordance with your marketing preferences.

For more information about how we process your data and the rights you have, please click <http://www.travelers.co.uk/main/privacy-policy.aspx>.