

**Proposal Form  
for Professional Indemnity Insurance**

**INVESTMENT MANAGERS AND OTHERS**

THIS APPLICATION IS FOR A “CLAIMS MADE INSURANCE POLICY”

**GENERAL INFORMATION**

1. Please state the name and address of all Companies/Firms (hereinafter the **Proposer**) for whom this Insurance is required:

Name:
Address:
Registration Number:
E-Mail:

2. Please state when the Proposer was established: \_\_\_\_\_

3. Please provide description of the financial services provided by the Proposer:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. a) Does the Proposer act in compliance with the relevant Law and Regulations connected to the activities conducted by the proposer?

**No / Yes.**

- b) Does the Proposer have a compliance officer?

**No / Yes.**

If **Yes**, please state his name, duties and to whom he reports:

\_\_\_\_\_

\_\_\_\_\_

5. Please state whether the Proposer is connected or associated with any other practice, company or organization:

**No / Yes.**

If Yes, please give full details: \_\_\_\_\_

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6. Has the Proposer been acquired by another entity, merged or acquired any other business during the last 5 years?

**No / Yes**

If Yes, provide details: \_\_\_\_\_

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7. a) Please indicate the number of:  
Principals, partners, officers, and professional employees directly engaged in providing services to clients: \_\_\_\_\_

All other (non-professional) employees: \_\_\_\_\_

- b) Please state the names of all partners/ directors, their qualifications, and experience, and how long they have held this position with you:

Name	Years in position	Years experience	Qualifications

- c) Does the procedure of workers recruitment always include receipt and review of satisfactory references?

**No / Yes.**

8. a) Does the Proposer have a written enforced code of ethics based but not limited to the Law and Regulations connected to the activities conducted by the Proposer?  
**No / Yes.**
- b) Are employees required to agree in writing that they are bound by said ethics code?  
**No / Yes.**
- c) Do you require all directors and employees to declare their outside business interests and specify relationships which may lead to possible conflict of interest?  
**No / Yes.**

#### **FEES AND INCOME**

9. Please state the Proposer's **Turnover** received in respect of the following years:

	<b>Estimation Current Year</b>	<b>Past financial year</b>	<b>Previous financial year</b>
a) Israel offices	US\$	US\$	US\$
(i) in <b>Israel</b> for <b>Israeli</b> clients	US\$	US\$	US\$
(ii) outside <b>Israel</b> and for overseas clients	US\$	US\$	US\$
(iii) <b>USA/Canada clients</b>	US\$	US\$	US\$
b) Overseas Offices	US\$	US\$	US\$
c) <b>USA/Canada</b> offices	US\$	US\$	US\$
<b>Total</b>	US\$	US\$	US\$

10. a) Please state the **total salaries** (including bonus and commission) paid to directors and employees during the last financial year: **US\$**\_\_\_\_\_.
- b) Are any director or employee are compensated by bonus, profit commission, or similar performance related reward, which is based upon their own performance or that of their department/division and distinguished from the Insured company as a whole?  
**No / Yes**  
If **Yes**, provide details:\_\_\_\_\_

11. a) Please indicate the percentage split of gross fees derived from each of the following:

Portfolio/Fund Management	%	Venture capital investments	%
Mutual funds management	%	Loans and leasing	%
Securities Underwriting	%	Mergers and Acquisitions	%
Dealing in Israeli securities	%	Financial and Economic Consultancy	%
Dealing in Futures/Options	%	Corporate Finance	%
Dealing in Overseas Securities	%	Other (please specify) _____	%
Dealing in Unit Trusts/Bonds	%	<b>TOTAL:</b>	100%

- b) Please indicate the total managed portfolio value and/or the total managed funds: \$ \_\_\_\_\_
- c) Largest managed portfolio value or the largest managed fund: \$ \_\_\_\_\_

### **PROFFESIONAL ACTIVITY**

12. Does the Proposer undertake trust activities or discretionary accounts management?

**No / Yes.**

**If Yes:**

- a) Are all clients' agreements reviewed annually?  
**No / Yes.**
- b) Briefly describe the investment decision's process: \_\_\_\_\_  
\_\_\_\_\_
- c) Are all trust/discretionary transaction subject to the same procedures and reviewed, as the Proposers' own account transactions? **No / Yes.**  
If **No** please describe: \_\_\_\_\_
- d) How often are financial reports rendered to clients? \_\_\_\_\_  
\_\_\_\_\_
- e) Does the Proposer has an approved list of securities which can be recommended to clients? **No / Yes.**

13. a) Does the Proposer use or subscribe to any electronic funds transfer system?  
“Electronic Funds Transfer System” means a system which operates automated teller machines or point of sale terminals and includes any shared networks or facilities for said system in which the Proposer participates.

**No / Yes.**

If **Yes** please provide details: \_\_\_\_\_

- b) Does the proposer use or subscribe to any electronic funds transfer system which allow direct access by clients to the Proposers’ database?

**No / Yes.**

If **Yes** please provide details: \_\_\_\_\_

- c) Does the Proposer use or subscribe to any electronic funds transfer system, which allow clients to directly execute a transfer of funds?

**No / Yes.**

If **Yes** please provide details: \_\_\_\_\_

14. Does the Proposer permit the initiation of funds transfer / securities transactions by telephonic instruction from clients?

**No / Yes**

**Please provide the instructions allowed by phone:** \_\_\_\_\_

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

**No / Yes**

- b) What are the call back parameters for verifications? \_\_\_\_\_

- c) Describe the procedures adopted when instructions are received by phone: \_\_\_\_\_

- d) Are all such instructions directed only to the wire transfer room?

**No / Yes**

- e) Are all conversations including these instructions recorded?

**No / Yes**

- f) Is written document produced in respect of each instruction, sent to the client and filed in his file?

**No / Yes**

15. a) State the name of the external accountant: \_\_\_\_\_  
b) State the frequency of auditing services performed by the accountant for the Proposer: \_\_\_\_\_

- c) Has the auditing accountant made any recommendations in the last three audits?

**No / Yes.**

If **Yes**, state the recommendations and confirm that they all have been adopted: \_\_\_\_\_

- d) Has the auditing firm been changed in the last 5 years?

**No / Yes.**

If **Yes**, please state the reason for the change: \_\_\_\_\_

16. a) State the name of the external legal advisor acting for / on behalf of the Proposer: \_\_\_\_\_

- b) Does the legal advisor provides written opinions as to the legality of any change in the investment management policy:

**No / Yes.**

- c) Does the Proposer use a standard form of contract / agreement of letter of appointment with regard to the services performed?

**No / Yes. Please attach.**

- d) Are all publications issued by the Proposer reviewed by the legal advisor?

**No / Yes.**

- e) Has the Legal advisor been changed in the last 5 years?

**No / Yes.**

If **Yes**, please state the reason for the change: \_\_\_\_\_

**INFIDELITY**

17. Has the Proposer sustained any loss through fraud or dishonesty of any employee?

**No / Yes.**

18. Does the Proposer know of any fraud or dishonesty at any time of any present or former employee?

**No / Yes.**

If **Yea**, please give details and state the precautions taken to prevent a recurrence: \_\_\_\_\_

19. Number of cash handling employees: \_\_\_\_\_

20. Is any employee allowed to sign cheques or withdraw monies on his signature alone?

**No / Yes.**

If **Yes**, up to what amount? \_\_\_\_\_

21. Are there safes at the premises?

**No / Yes.**

22. Has any of the Proposer's directors, officers, members of the Investment committee or employees been accused, charged or found guilty of any offense?

**No / Yes.**

If **Yes**, please provide details: \_\_\_\_\_

**PREVIOUS INSURANCE EXPERIENCE**

23. Do you currently carry Professional Indemnity insurance? **Yes/ No**  
 If **Yes**, please state:
- a) Name of Insurer\_\_\_\_\_
  - b) Limit of Indemnity\_\_\_\_\_
  - c) Excess\_\_\_\_\_
  - d) Renewal Date\_\_\_\_\_

24. a) Please state the Limit of Indemnity desired: \$\_\_\_\_\_
- b) Please state the self-insured Excess desired: \$\_\_\_\_\_

25. Have any claims in respect of the risks to which this Proposal Form relates ever been made against the Proposer or any Partner or Director? **Yes/ No**  
 If **Yes**, give details, including the date of the claim(s), the amount claimed, brief details of the background of the claim(s), the status of the claim(s), and any amount paid or reserved by Insurers:

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26. Are any of the partners, Directors or employees After ENQUIRY, aware of any circumstances, which may give rise to a claim against the Proposer or any present or former partners or directors or employees of the Proposer?

**Yes/ No.**

If **Yes**, please give details:

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27. a) Are there any other facts of which Underwriters should be made aware?

**Yes / No**

- b) Have any present or former partners or directors or employees of the Proposer ever been found guilty of any criminal, dishonest or fraudulent activity and/or investigated by any professional association?

If **Yes**, please give details:

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28. Has the Proposer or any of its directors, officers, partners or employees been subject to, or currently under any regulatory investigation? **Yes / No**

If **Yes**, please provide full details on a separate sheet.

29. Did such an investigation result in disciplinary proceeding, admonishments or recommendations? **Yes / No**

- a) If **Yes** please provide full details on a separate sheet.

- b) If **Yes**, were all recommendations implemented? **Yes / No**

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

Please read carefully:

It is essential that every Proposer or Assured when seeking a quotation to take out or renew any insurance discloses to the prospective Underwriters all material facts and information (including all material circumstances) which might influence the judgment of an Underwriter in deciding whether to accept the risk and on what terms. The obligation to provide this information continues up until the time that there is a concluded contract of insurance, and then throughout the period of the contract. Failure to do this entitles the Underwriters, if they so wish, to avoid the contract of insurance from inception and so enables them to repudiate liability. If you have any doubts as to what constitutes a material fact or circumstance please do not hesitate to ask the advice of the Insurer and/or the Broker.

I/We declare that, after full enquiry, the contents of this Proposal Form are true. I/We agree that this Proposal together with any other information supplied by me/us shall form the basis of any contract of insurance which may be concluded. I/We undertake to inform Underwriters of any alteration in the material information.

**PROPOSERS SIGNATURE**

**(authorized representative):** \_\_\_\_\_

**POSITION HELD:** \_\_\_\_\_

**DATE:** \_\_\_\_\_