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SUM MANAGEMENT LIABILITY INSURANCE

APPLICATION FORM

General Notes With Regard To This Application Form

This form is in respect of a claims made policy which covers claims made against the Company in whose name a policy will be issued (which includes all its subsidiaries), any other company or other person(s) insured under the policy and any main board director, officer, manager, governor, council member, trustee or employee or the like of any of the forgoing during the currency of the Policy Period.

This application form is to be completed by or on behalf of each prospective or actual Insured under the policy.

Signing or completing this form does not bind the Insured or the Insurers to complete a contract of insurance.

Please respond to all questions requiring responses.

If there is not enough room on the form to provide responses to all questions or provide any other requested information, please provide an additional sheet or sheets (preferably on the Company's headed paper).

Please provide the following data with this application form:

1. The most recent annual report and accounts or financial statements in respect of the Company.
2. Any other information requested elsewhere in the form.

SECTION 1 – COMPANY INFORMATION

1. Name of Company: _____

2. Main Address of Company: _____

3. Province of Incorporation of Company: _____

4. Date of Incorporation of Company: _____

5. Official Website Address of Company: _____

6. What was the Company's total revenue for the last full year? CAD \$ _____

7. What is the total number of full and part-time Employees? _____

8. What percentage of all Employees are based in the USA? % _____

9. What are the activities and/or purpose of the Organization?

- Agriculture and Fishing
- Biotechnology/Chemical/Pharmaceutical
- Construction/Property Development
- Education
- Manufacturing (Light Industry)
- Manufacturing (Heavy Industry)
- Media (Radio, Newspapers, Television, Press)
- Medical, Healthcare and Veterinary Services
- Mining, Oil & Gas, Exploration and Energy
- Miscellaneous Professional Services
- Professional Services (Legal, Accountancy, IFA, Insurance Broker)
- Retail
- Software Development /Consultancy /Internet
- Telecommunications
- Tobacco
- Transportation (road, rail, marine, air)
- Travel & Leisure
- Utilities (Water, Electricity, Gas provision)
- Other: please state _____

SECTION 2 – COVERAGE REQUIREMENTS:

- 10. Do you require a separate limit for Employment Practices Liability cover? Yes No
- 11. Is coverage required for Pension Trustee/Fiduciary Liability Insurance? Yes No
- 12. Is coverage required for Employee Fidelity Insurance? Yes No

SECTION 3 – GENERAL QUESTIONS:

Please complete all of the following questions:

- 13. Please confirm that the Company is privately owned and not traded on any stock exchange.

Yes No

- 14. Is the Company a Financial Institution and/or does it provide any financial advice?

Yes No If Yes, please provide details:

- 15. Is the Company involved in or considering liquidation or insolvency proceedings in the next twelve months?

Yes No If Yes, please provide details:

- 16. Does the Company have more than one Director (or equivalent) on the board?

Yes No If No, are there any plans to increase the number of Directors (please provide details):

- 17. Can the Company confirm it has less than 500 Employees?

Yes No

- 18. Is the Company planning to sell to or merge with another entity in the next 12 months?

Yes No If Yes, please provide details:

- 19. Is the Company considering planning to acquire any other entity in the next 12 months that would increase its total assets and/or revenues by more than 50%?

Yes No If Yes, please provide details:

- 20. Is the Company in breach of any of its loan covenants?

Yes No If Yes, please provide details:

21. Does the Company have a Human Resources department?

Yes No If Yes, please provide details:

22. Does the Company have a Human Resources and/or Employee Manual?

Yes No If No, who is responsible for all HR matters?

23. Does the Company have a Human Resources and/or Employee Manual?

Yes No

SECTION 4 – PENSION TRUSTEE LIABILITY QUESTIONS

Please complete only if Pension Trustee Liability Coverage is required.

24. Are all Employee Benefit Plans fully funded?

Yes No If No, please confirm level of funding:

25. Does the Company intend to terminate any Employee Benefit Plans in the next 12 months?

Yes No If Yes, please provide details:

26. Can the Company confirm that all Employee Benefit Plans have been amended to comply with Canadian Labour Code R.S.C 1985 or any similar federal or provincial workers compensation regulation or similar law of Canada where applicable and that all Plans are reviewed and/or audited?

Yes No If No, please provide details:

SECTION 5 – EMPLOYEE FIDELITY QUESTIONS

Please complete only if Employee Fidelity Coverage is required.

27. Does the Company have dual control for the validation of all checks, transfer payments and new bank account formation?

Yes No If No, please advise the processes involved:

28. Does the Company mandate that no one individual controls the appointment of suppliers or the awarding of contracts without referral to others?

Yes No If No, please advise the processes involved:

29. Are wages/salaries independently checked for unusual or excessive payments?

Yes No If No, please advise the processes involved:

30. Can the Company confirm that an independent physical count of stock, raw material, work in progress and finished goods is undertaken at least half yearly and that this count is reconciled against stock records?

Yes No If No, please advise the processes involved:

31. Are unique passwords used to give various level of entry to the computers depending on the user's job function?

Yes No If No, please advise the processes involved:

32. Are bank statements independently reconciled by those not permitted to make payments including drawings and signature of cheques and the use of electronic bank transfers at least every 30 days?

Yes No If No, please advise the processes involved:

SECTION 6 – LIMIT REQUIREMENT

33. What Limit is required (please tick multiple options if required)?

- \$250,000 \$500,000
- \$1,000,000 \$2,000,000
- \$3,000,000 \$4,000,000
- \$5,000,000 Other (please state) \$ _____

34. What deductible is required (please tick multiple options if required)?

- \$1,000
- \$2,500
- \$5,000

SECTION 7 – CLAIMS INFORMATION

Very important note: the following questions should be responded to after full enquiry.

35. a) Has the Company or any Insured ever been subject to any investigation by any official body, commissioner or regulatory body or the like?

Yes No If Yes, please provide details:

35. b) If the response to (a) above is yes, did the investigation in question result in any disciplinary proceedings, admonishment, or recommendations?

Yes No If Yes, please provide details:

36. Has any claim been made against the Company or the Insureds in the past 5 years?

Yes No If Yes, please provide details:

37. Are the Company or any Insureds aware of or have any knowledge of any of any act, error, omission, fact, event or circumstances which might reasonably be expected to give rise to a claim that would be covered by a policy, if effected?

Yes No If Yes, please provide details:

SECTION 8 – PREVIOUS COVER

38. Does the Proposer currently maintain any Management Liability insurance?

Yes No If yes, please provide details of the:

Current Insurer: _____

Limit: \$_____ Expiry/Renewal date:_____

39. Has any prior policy of Management Liability insurance effected by the Proposer ever been cancelled?

Yes No If Yes, please provide details:

40. Has the Proposer ever been refused Management Liability insurance?

Yes No If Yes, please provide details:

SIGNING THIS PROPOSAL DOES NOT BIND THE ORGANIZATION TO COMPLETE THIS INSURANCE

Declaration

I, the undersigned, declare that:

1. I am authorised to sign this proposal form on behalf of all Insureds.
2. I have read and understood the notes in this application form, in particular the very important note in Section 5 of this proposal form.
3. The statements and particulars in this application form are true and no material facts have been misstated or suppressed after full enquiry.
4. I agree that this application, together with any other information supplied, shall form the basis of the contract of insurance affected thereon.
5. I undertake to inform Insurers of any material alterations to those facts occurring before the completion of the contract of insurance.

A material fact is one which would influence the acceptance or assessment of the risk.

Signed: _____

Title: _____

Date: _____

It is very important that the signatory of this application form is aware of the nature and scope of the insurance that will be afforded by a policy, if effected, in order to respond accurately to the questions in this application form. If necessary, the signatory of this proposal form should consult their insurance broker or agent, as non-disclosure of material facts may prejudice any rights to be indemnified under a policy, if effected.



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