PROPOSAL FORM

Comprehensive crime

An Important Notice

Your Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

IF YOU DO NOT TELL US SOMETHING

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

Subrogation

This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.

Privacy Notice

This notice sets out how AIG Australia Limited (AIG) collects, uses and discloses personal information about:

- **you, if an individual; and**
- **other individuals you provide information about.**

Further information about our Privacy Policy is available at www.aig.com.au or by contacting us at australia.privacy.manager@aig.com or on 1300 030 886.

HOW WE COLLECT YOUR PERSONAL INFORMATION

AIG usually collects personal information from you or your agents. AIG may also collect personal information from:

- Our agents and service providers;
- other insurers;
- people who are involved in a claim or assist us in investigating or processing claims, including third parties claiming under your policy, witnesses and medical practitioners;
- third parties who may be arranging insurance cover for a group that you are a part of;
- providers of marketing lists and industry databases; and
- publically available sources.

WHY WE COLLECT YOUR PERSONAL INFORMATION

AIG collects information necessary to:

- underwrite and administer your insurance cover;
- maintain and improve customer service; and
- advise you of our and other products and services that may interest you.

You have a legal obligation under the Insurance Contracts Act 1984 to disclose certain information. Failure to disclose information required may result in AIG declining cover, cancelling your insurance cover or reducing the level of cover, or declining claims.

TO WHOM WE DISCLOSE YOUR PERSONAL INFORMATION

In the course of underwriting and administering your policy we may disclose your information to:

- entities to which AIG is related, reinsurers, contractors or third party providers providing services related to the administration of your policy;
- banks and financial institutions for policy payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to you; and
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

AIG is likely to disclose information to some of these entities located overseas, including in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which you have a claim and such other countries as may be notified in our Privacy Policy from time to time.

You may request not to receive direct marketing communications from AIG.

ACCESS TO YOUR PERSONAL INFORMATION

Our Privacy Policy contains information about how you may access and seek correction of personal information we hold about you. In summary, you may gain access to your personal information by submitting a written request to AIG.

In some circumstances permitted under the Privacy Act 1988, AIG may not permit access to your personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

COMPLAINTS

Our Privacy Policy also contains information about how you may complain about a breach of the applicable privacy principles and how we will deal with such a complaint.

CONSENT

If applicable, your application includes a consent that you and any other individuals you provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

Proposer Details

1.	Name of Proposer:	
2.	Principal address of Proposer:	
3.	Do you hold a registration pursuant to A New Tax System (Goods and Services Tax) Act 1999?	☐ Yes ☐ No
	If so, what is registration number?	
4.	Do you or any other entity insured under the policy intended to claim an input tax credit for the premium of the policy? If so, to what extent is an input tax credit being claimed by any and which insureds?	☐ Yes ☐ No
5.	Proposers Dunn & Bradstreet Number:	
6.	Date Established:	D D M M Y Y Y Y
7.	Principal activities/services of Proposer:	

8.	Number of permanent directors:		
9.	Number of employees:	(a) Australia	(b) Overseas
10.	Number of locations:	(a) Australia	(b) Overseas

Internal Controls and Procedures

11.	Does the company have an employee Handbook/Manual?	☐ Yes ☐ No
	If "Yes",	
	(a) does it contain written instructions on all aspects of your business?	☐ Yes ☐ No
	(b) does it clearly define the individual duties of each employee?	☐ Yes ☐ No
	(c) does it address security procedures (including electronic data security)?	☐ Yes ☐ No
12.	Are employees trained and re-trained, if necessary, on all aspects of:	
	(a) Physical and electronic data security	☐ Yes ☐ No
	(b) Operational procedures?	☐ Yes ☐ No
13.	Are all employees required to take an uninterrupted, two week holiday each calendar year?	☐ Yes ☐ No
14.	Are the duties of each employee arranged so that no one employee is permitted to control any transaction from commencement to completion?	☐ Yes ☐ No
15.	(a) Do you have an established group recruitment policy which assesses the suitability for all positions?	☐ Yes ☐ No
	(b) Do you have established employee leaving procedures?	☐ Yes ☐ No

16. Are any branches, subsidiaries or associated companies allowed to maintain different operational procedures than the Head Office/Parent Company? ☐ Yes ☐ No

If "Yes", is prior approval required from Head Office/Parent Company? ☐ Yes ☐ No

17. Do you maintain dual control over the handling of:

(a) Securities? ☐ Yes ☐ No

(b) Company/corporate cheques and drafts? ☐ Yes ☐ No

(c) Dormant accounts (if dormant for longer than 6 months)? ☐ Yes ☐ No

(d) Access codes, cyphers, test keys? ☐ Yes ☐ No

18. Is joint custody maintained for the safeguarding of:

(a) access codes, cyphers, test keys? ☐ Yes ☐ No

(b) access to Property whilst in safes and/or vaults? ☐ Yes ☐ No

Computer Systems

19. Do you operate or subscribe to any automated teller machine network or electronic point of sale system? ☐ Yes ☐ No

20. Do you make or receive funds transfer instruction via any of the following methods?:

(a) interbank electronic communications systems

(i) Bacs ☐ Yes ☐ No

(ii) Swift ☐ Yes ☐ No

(iii) Chaps ☐ Yes ☐ No

(iv) Bankwire ☐ Yes ☐ No

(v) Other, please specify:

(b) Internet ☐ Yes ☐ No

(c) Electronic mail ☐ Yes ☐ No

(d) Telex ☐ Yes ☐ No

(e) Facsimile ☐ Yes ☐ No

(f) Voice initiated ☐ Yes ☐ No

(g) On-line cash management ☐ Yes ☐ No

(h) Other, please specify:

21. Are all fund transfer instructions subject to a verification and authentication process? ☐ Yes ☐ No

22. Do you secure fund transfer instructions (e.g. through the use of passwords, encryption, testing, call back or other authentication)? ☐ Yes ☐ No

23. Do you permit the transfer of funds via telephonic instruction? ☐ Yes ☐ No

If "Yes", in respect of corporate or business accounts only:

(a) Is there a written agreement with customers? ☐ Yes ☐ No

(b) does the written agreement contain transfer limits? ☐ Yes ☐ No

(c) is verification, by someone other than the initiator of the transfer instruction, required prior to such transfer taking place? ☐ Yes ☐ No

24. Are passwords used to give varying levels of access to your computer system and funds transfer systems on the need and authorisation of user basis? ☐ Yes ☐ No

25. Are all key source documents maintained in a secure environment prior to being entered into the computer system in order to prevent unauthorised modification or inappropriate use of data? ☐ Yes ☐ No

26. Are remote terminals kept in a physically secure location accessible by authorised personnel only? ☐ Yes ☐ No

27. Do you utilise any recognised software packages to control access to your computer system? ☐ Yes ☐ No

If "Yes", do you modify such software to your own specifications? ☐ Yes ☐ No

28. Are your data processing centres physically separated from other departments? ☐ Yes ☐ No

29. Do you have an access control system for your data processing centres? ☐ Yes ☐ No

30. Are data file generations stored and secured off-site in a restricted area? ☐ Yes ☐ No

31. Do you utilise independent contractors to prepare electronic computer programs? ☐ Yes ☐ No

If "Yes",

(a) are specific parameters in place to restrict their access? ☐ Yes ☐ No

(b) are their activities overseen when accessing your computer system? ☐ Yes ☐ No

(c) are safeguards in place to prevent access to your other systems? ☐ Yes ☐ No

Internet Facility / E-Commerce

32. 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-authorised account to account transfers ☐ Yes ☐ No

(d) Loan applications ☐ Yes ☐ No

(e) Interactive mortgage applications ☐ Yes ☐ No

(f) Business/company account management facilities ☐ Yes ☐ No

(g) Insurance products ☐ Yes ☐ No

(h) On-line securities dealing ☐ Yes ☐ No

(i) Other, please specify:

33. Do you have formal terms and conditions for the use of your Internet facility, which outline the obligations and responsibilities of the users? ☐ Yes ☐ No

34. Is the identity of users verified and authenticated? ☐ Yes ☐ No

If "Yes", please identify the method used:

(a) Password ☐ Yes ☐ No

(b) One-time password ☐ Yes ☐ No

(c) Public/private key encryption ☐ Yes ☐ No

(d) Digital signature ☐ Yes ☐ No

(e) Other, please specify:

35. Do you encrypt data whilst it is stored or held within your Internet facility? ☐ Yes ☐ No

36. Are firewalls and/or comparable software used to authorise access to your Internet facility? ☐ Yes ☐ No

If "Yes", do you modify such software to your own specifications ☐ Yes ☐ No

37. Do you use any anti-virus software? ☐ Yes ☐ No

38. Do you monitor and produce reports on intrusion/unauthorised access activity? ☐ Yes ☐ No

39. Do you restrict access between your Internet facility and your main computer system? ☐ Yes ☐ No

40. Do you have a specific department which maintains your Internet facility (e.g. carrying out program development, testing, firewall maintenance, intrusion monitoring)? ☐ Yes ☐ No

41. Do you have a fully tested disaster recovery and business continuity plan? ☐ Yes ☐ No

If "Yes", does it include an off-site back-up facility? ☐ Yes ☐ No

Lending Procedures

42. Do you operate and maintain a formal loan policy manual or similar internal document? ☐ Yes ☐ No

If "Yes", does this include:

(a) individual lending limits? ☐ Yes ☐ No

(b) tiered authority levels? ☐ Yes ☐ No

(c) lending criteria? ☐ Yes ☐ No

(d) collateral equirements and authentication procedures (e.g. property, letter of credit, bill of exchange, certificate of deposit, securities and the like)? ☐ Yes ☐ No

43. Are all loans independently reviewed to ensure compliance with the loan policy manual or similar internal document? ☐ Yes ☐ No

Fund/Investment/Asset Management Companies

Only Complete if the Proposer offers such services to third parties

44. Are transactions only entered into on the basis of appropriate authorisation in accordance with management criteria? ☐ Yes ☐ No

45. Has management defined and communicated formal trading policies and dealing limits? ☐ Yes ☐ No

46. Are trading transactions and positions reviewed for compliance with formal trading policies manual or similar internal document ☐ Yes ☐ No

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

48. Do counterparties receive authorised confirmation for all deals prior to settlement? ☐ Yes ☐ No

49. Is the book of investments and securities periodically substantiated and evaluated against recorded values independently of the dealer and fund managers? ☐ Yes ☐ No

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

Insurance Companies

Only complete if the Propose offers such services to third parties

51. Do you operate and maintain a formal underwriting manual in respect of all classes of insurance written? ☐ Yes ☐ No

52. Please indicate where business production is obtained from as a percentage of the following:

(a) Agents on commission	
(b) Direct sales	
(c) Brokers/consultants	
(d) Other, please specify	

53. Are clients/brokers/agents instructed to pay premium in the Proposer's name? ☐ Yes ☐ No

54. Is the department/individual designated to receive premium completely divorced from the day to day handling of business? ☐ Yes ☐ No

55. Is responsibility for claims inspection/settlement completely divorced from underwriting? ☐ Yes ☐ No

56. Are all claims examined and agreed by a minimum of two authorised individuals before payment is made who ensure that claim payments are made direct to your insured? ☐ Yes ☐ No

Audit and Compliance

57. Do you have an internal audit department which has separate duties from the auditing services provided by an external accountant? ☐ Yes ☐ No

    If "Yes",

    (a) is there a formal written audit programme which includes EDP audit? ☐ Yes ☐ No

    (b) is there an established audit cycle which encompasses all operations? ☐ Yes ☐ No

    (c) are the internal audit department independent of any other function? ☐ Yes ☐ No

    (d) are written reports made to either an audit committee or an individual that reports to the Board of Directors? ☐ Yes ☐ No

    (e) do you have procedures in place to monitor the implementation of recommendations made by the internal audit department? ☐ Yes ☐ No

    (f) does the audit team periodically review the segregation of duties, accuracy of records, management and supervisory procedures and the physical and non-physical internal controls? ☐ Yes ☐ No

58. (a) are you audited annually by a chartered accountant? ☐ Yes ☐ No

    (b) do they review the internal controls and report their findings? ☐ Yes ☐ No

    (c) has your accountant made any recommendation in the last two years? ☐ Yes ☐ No

    If "Yes",

    (i) have such recommendations been complied with? ☐ Yes ☐ No

    If "No",

    (ii) have you adopted alternatives arrangements to the satisfaction of your accountant? ☐ Yes ☐ No

59. Do you have a compliance officer who monitors and implements all regulatory directives, rules, principles and guidelines? ☐ Yes ☐ No

Values at Risk

60. Please state the maximum value of securities (including negotiable collateral, unissued stock certificates etc.):

(a) At head office	$
(b) At branches	$
(c) With custodians	$

61. Please state the maximum amount of cash:

(a) At head office	$
(b) At branches	$
(c) At individual tellers	$
(d) Within automated teller machines	$
(e) With custodians	$

62. Please state the maximum amounts/values carries by:

(a) Armoured motor vehicle:

(i) Cash	$
(ii) Securities	$

(b) Messengers:

(i) Cash	$
(ii) Securities	$

Loss Information

63. Please give brief details of any loss sustained by the Proposer (whether insured or uninsured) during the past 5 years as follows:

Nature of Loss	Date of Discovery	Location	Amount of Loss
	D D M M Y Y Y Y		$
	D D M M Y Y Y Y		$
	D D M M Y Y Y Y		$
	D D M M Y Y Y Y		$

64. Does the Proposer, after full enquiry, or any of its directors, officers, partners or trustees have any knowledge, of any act, omission, fact, event or circumstance which might give rise to a loss under this proposed insurance? ☐ Yes ☐ No

If "Yes", please provide details on a separate sheet.

65. In the event that a loss has been discovered, has the Proposer taken remedial action to prevent or avoid recurrence? ☐ Yes ☐ No

Stamp Duty Information

66. For the purpose of calculating Stamp Duty please confirm the location of the Company's staff numbers as follows:

NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Overseas

Declaration

We declare that the statements and particulars in this proposal are true and that no material facts have been misstated or suppressed after enquiry. We agree that should any of the information given by us alter between the date of this Proposal and the inception date of the insurance to which this Proposal relates, we will give immediate notice thereof to the insurer. We agree that this Proposal together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

We consent to AIG collecting, using and disclosing personal information as set out in AIG's privacy notice in this proposal and the Policy.

If we have provided or will provide information to AIG about any other individuals, we confirm that we are authorised to disclose his or her personal information to AIG and also to give the above consent on both our and their behalf.

We acknowledge receipt of the "Important Notice" contained in this Proposal and that we have read and understood the content of that Notice.

To be signed by the Chairman and ane other Executive Officer.

Name:	
Title:	
Signature:	
Date:	D D M M Y Y Y Y

Name:	
Title:	
Signature:	
Date:	D D M M Y Y Y Y

Please enclose with this Proposal Form:

- The last two Annual Reports and Financial Statements for the Company.
- The last two Interim Statements (if applicable).
- Any other Prospectus-type document published in the last 12 months.

aig.com.au

AIG

Contact:

AIG Australia Limited
Head Office
NEW SOUTH WALES
Level 19, 2 Park Street
Sydney, NSW 2000, Australia

General customer service
Tel: +61 2 9240 1711