



# **FINANCIAL INSTITUTIONS INVESTMENT MANAGEMENT INSURANCE PROPOSAL FORM**

## **Confidentiality**

The insurer will treat any information which the Proposer provides to it in connection with this Proposal Form as confidential and will not, without the prior written consent of the Proposer, disclose any such information to any third party, except as provided in Section 6 of this Proposal Form.

## **Notice**

Please note that this proposal form is being completed by the proposer on behalf of all persons and entities for which coverage is being sought.

Signing or completing this proposal does not bind the Proposer (or any individual or entity he or she is representing) or insurer to complete this insurance.

The proposal form is set out in the following sections:

1. Proposer Details
2. Fund Activities
3. Risk Management
4. Claims Information
5. Confidentiality and Declaration

## **Additional Information**

Please provide any supplementary information which is material to your responses. If referring to any supplementary information, please specify the page of the document to which it relates.

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**Please attach the following documentation:**

- A. Most recent audited annual report and accounts of the proposer and the funds to be covered
- B. Organisational structure chart (to include territorial breakdown)
- C. Copy of standard investment management agreement
- D. Each fund offering memorandum/prospectus and any supplementary updates/amendments.
- E. Copy of latest performance reports/investor newsletter
- F. Copies of any investor due diligence reports

It is acceptable to refer in your answers to the above documentation, but please cite relevant document name and page number.

**Section 1: Proposer Details**

- 1. Name of proposer:
- 2. Principal address:

- 3. Date of establishment:
- 4. Details of ownership/legal structure:

If the proposer listed on any exchange, please specify:

- 5. During the last three years, has:
  - a. the name of proposer changed? ☐ Yes ☐ No
  - b. any acquisition or merger involving the proposer taken place? ☐ Yes ☐ No
  - c. any subsidiary company been sold or ceased trading? ☐ Yes ☐ No
  - d. capital structure of the proposer changed? ☐ Yes ☐ No
  - e. any rights issue taken place? ☐ Yes ☐ No
  - f. the proposer changed its external auditors or legal advisors? ☐ Yes ☐ No

In respect of a to f above, please provide details on a separate sheet where relevant.

**FINANCIAL INSTITUTIONS**  
**Investment Management Insurance**  
**Proposal Form**

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Insurance



6. Total number of employees:

	Current Year	Previous Year
Directors and Officers		
Investment Professionals		
Compliance and Internal Audit		
Support Staff		



## Section 2: Fund Activities

7. Please complete the attached Appendix 1 – List of fund entities for which coverage is requested.
8. Please provide the percentage split of funds under management invested in the areas identified below

	Funds under Management
Hong Kong	
Far East, Middle East and Asia excl. Hong Kong	
Europe	
North America	
Latin America	
Australia	

9. Please provide percentage split by investor domicile for each fund:

Investor Domicile	Hong Kong	Asia	Europe	USA/Canada	Elsewhere
Fund 1					
Fund 2					
Fund 3					



10. Please provide percentage split by investor type:

	% of Funds under Management
Institutional	
High Net Worth Individuals	
Retail	
Other	

11. Is there any plan to create or acquire a new fund within the next 12 months?

☐ Yes ☐ No

Please provide relevant details.

12. What proportion of investors in the proposer's most recent fund have invested in previous funds of the proposer?

13. Can the investment manager make side investments with the funds?

☐ Yes ☐ No



### Section 3: Risk Management

14. Has any Fund for which cover is required:

a) Received redemption requests amounting to more than 20% of the total value of the Fund?

☐ Yes ☐ No

b) Imposed a suspension?

☐ Yes ☐ No

c) Had a drop in the Net Asset Value during any given 12 months exceeding 50% of its original Net Asset Value?

☐ Yes ☐ No

d) Been restructured or is likely to be liquidated or restructured over the next 12 months?

☐ Yes ☐ No

If yes, please give details as appropriate:

15. Please provide details of the procedures in place to monitor trading limits, acceptable counterparties and types of products.

☐ Yes ☐ No

16. Has there been any loan covenant breaches, lines of credit withdrawn or any credit facility materially altered?

☐ Yes ☐ No

If the answer is yes, please provide details and debt refinancing information:

17. Please provide details of the deal selection process and due diligence procedures involved prior to investment.



18. Please provide details of procedures and processes in place to monitor the performance of investments after initial investment has been made through to exit/write-off.

19. Do you provide asset valuations on the funds administered or managed? ☐ Yes ☐ No

If so,

a) are these independently verified by a third party? ☐ Yes ☐ No

b) who is the third party?

c) how regularly are these valuations made?

20. Please provide details of valuation procedures and processes in place for illiquid investments.

21. By which Official Body(ies) is the proposer regulated?

Are there any material recommendations outstanding or not implemented at present following a regulatory visit? ☐ Yes ☐ No

If yes, please provide details below:

22. Has the proposer received any investor complaints in the last 24 months? ☐ Yes ☐ No

If yes, please provide details of same and how dealt with and monitored:

23. Does the proposer have a function charged with ensuring compliance by all staff of the regulatory rules, principles, codes and guidelines? ☐ Yes ☐ No



24. Does the proposer maintain policies in respect of the following:

- |                                                    |                                                          |
|----------------------------------------------------|----------------------------------------------------------|
| a) money laundering and terrorist financing?       | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b) conflicts of interest?                          | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| c) anti-timing (Late Trading, Market Timing etc.)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d) fair value pricing?                             | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| e) personal trading practices?                     | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| f) brokerage allocation practices?                 | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| g) trade allocation practices (bunch trades etc.)? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| h) sales practices?                                | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| i) fee arrangements?                               | <input type="checkbox"/> Yes <input type="checkbox"/> No |

25. a) Are all client instructions recorded by receipt?

☐ Yes ☐ No

b) Does the proposer have procedures in place to ensure that all client instructions have subsequently been processed?

☐ Yes ☐ No

If yes, please describe these procedures below:

c) Are records maintained of unfulfilled instructions?

☐ Yes ☐ No





#### Section 4: Claims Information

26. After enquiry, has there been or is there now pending, any claim(s) or loss (es) against any person and/or entity proposed for insurance? ☐ Yes ☐ No

If yes, please provide details:

27. After enquiry, has any person and/or entity proposed for insurance knowledge or information of any fact, circumstance, act, error or omission which might give rise to a claim(s) or loss (es) under the proposed insurance? ☐ Yes ☐ No

If yes, please provide details:

28. After enquiry, has any person and/or entity proposed for insurance been the subject of any action(s) or investigation(s)? ☐ Yes ☐ No

If yes, please provide details:



## Section 5: Confidentiality and Declaration

### Confidentiality

The insurer will treat as confidential all information which the Proposer provides to it in connection with this Proposal Form and will not, without the prior written consent of the Proposer, disclose any such information to any third party, with the exception that:

- A. the insurer shall be entitled to disclose confidential information to:
  - 1. any director, officer, employee, reinsurer or professional adviser of the insurer and/or its group companies or Xchanging Claims Services Limited or any loss adjuster appointed by the insurer in dealing with the insurance of the Proposer; or
  - 2. to any person in order to comply with any legal or regulatory requirement; or
  - 3. a court, mediator, or arbitrator to whom matters are referred in connection with this insurance or with any reinsurance thereof.
- B. the insurer will not be required to treat as confidential any information provided to it by the Proposer if that information:
  - a) is in the public domain, other than by means of the insurer having disclosed it; or
  - b) was in the insurer's possession prior to it being provided by the Proposer.
- C. The insurer will cooperate with the Proposer in preserving the confidentiality of the confidential information and will inform the Proposer in the event that the insurer is asked by a third party other than the parties listed in Section 5.A. above to produce any confidential information.
- D. It is agreed that, if the Proposer is advised by its lawyers in respect of any subsequent claim or potential claim under the policy to which this proposal form relates that a separate confidentiality agreement is required to preserve common interest privilege between the insurer and the Proposer, the provisions of that confidentiality agreement, once agreed, will supersede the provisions of this clause.

### Declaration

It is declared that to the best knowledge and belief of the Proposer, the responses contained in this proposal form are true and accurate and that, after enquiry, no material facts have been misstated or suppressed. The Proposer undertakes to inform insurers of any change to any facts which are or become material before inception of the contract of insurance.

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

Signed .....

Title .....

(Must be signed by the Proposer's CEO, CFO, General Counsel,  
Chairman of the Board or President)

Company .....

Date .....



**Appendix 1 – Fund entities for insurance**

Name of Fund	Date of Establishment	Country of Registration	Size of Fund	Investment term	Average Investment size	Gross Annualised Rate of Return	Leverage Average / Maximum	Investment Strategy