

# Financial Institutions

Investment Management  
Insurance

Proposal Form

ONYX

## 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.

## Insurance Act 2015 – Duty Of Fair Presentation

1. Before this insurance contract is entered into, the Insured must make a fair presentation of the risk to the Insurer, in accordance with Section 3 of the Insurance Act 2015. In summary, the Insured must:
  - (a) Disclose to the Insurer every material circumstance which the Insured knows or ought to know. Failing that, the Insured must give the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
  - (b) Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
  - (c) Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
2. For the purposes of clause (1)(a) above, the Insured is expected to know the following:
  - (a) If the Insured is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
  - (b) If the Insured is not an individual, what is known to anybody who is part of the Insured's senior management; or anybody who is responsible for arranging the Insured's insurance.
  - (c) Whether the Insured is an individual or not, what should reasonably have been revealed by a reasonable search of information available to the Insured. The information may be held within the Insured's organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If the Insured is insuring subsidiaries, affiliates or other parties, the Insurer expects that the Insured will have included them in its enquiries, and that the Insured will inform the Insurer if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

### **Remedies for a breach of the duty of fair presentation under the Insurance Act 2015**

In the event of a breach by the Insured of the duty of fair presentation the insurer may apply the following remedies if the insurer shows that, but for the breach, the insurer:

- (a) would not have entered into the contract of insurance at all; or
- (b) would have done so only on different terms.

A breach for which the insurer has a remedy against the Insured is referred to as a "qualifying breach" and can be either;

- (a) deliberate and reckless; or
- (b) neither deliberate and reckless

Deliberate or reckless breaches

If a qualifying breach was deliberate or reckless, the insurer;

- (a) may avoid the contract and refuse all claims, and
- (b) need not return any of the premiums paid.

## Other breaches

If a qualifying breach was neither deliberate nor reckless.

- (a) If, in the absence of the qualifying breach, the insurer would not have entered into the contract on any terms, the insurer may avoid the contract and refuse all claims, but must in that event return the premiums paid.
- (b) If the insurer would have entered into the contract, but on different terms (other than terms relating to the premium), the contract is to be treated as if it had been entered into on those different terms if the insurer so requires.
- (c) In addition, if the insurer would have entered into the contract (whether the terms relating to matters other than the premium would have been the same or different), but would have charged a higher premium, the insurer may reduce proportionately the amount to be paid on a claim.

Please attach the following documentation:

1. Latest Annual report
2. Organisational structure chart (including regional breakdown)
3. Fund prospectus
4. Fund fact sheets/ latest performance reports
5. Any other supporting document

## Section A - Proposer Details

1. Name of Policyholder/ Investment Manager
2. Principal Address
3. Date of Establishment
4. Details of ownership/legal structure
5. Website address
6. Description of activities (please tick YES where necessary)
  - Loans - Please specify Retail, Commercial or Syndication      Yes      No
  - Trade financing      Yes      No
  - Securities trading - Please specify Execution or Advisory
  - Commodities trading/dealing      Yes      No

- Derivatives or specialist trading/dealing                      Yes              No
- Structured financial product advice                      Yes              No
- Acting as securities broker/dealer                      Yes              No
- Acting as custodian/depositor or managing agent for securities or money  
Yes              No
- Financial, investment or economic advisor with regard to share placing/new issues – Please  
specify debt or equity issuance                      Yes              No
  
- Financial, investment or economic advisor with regard to venture capital  
Yes              No
- Financial, investment or economic advisor with regard to other Administration of trusts, estates  
or guardianships\*                      Yes              No
- Asset or Fund management Insurance products or services                      Yes              No
- Foreign Exchange                      Yes              No
- Acting as a real estate broker, or providing surveying or conveyancing services  
Yes              No
- Other (Please specify)

## Section B – Investment Manager Information

1. Who is the proposer regulated by?
  
2. Is the investment manager an Alternative Investment Fund Manager (AIFM) as regulated under the Alternative Investment Fund Managers Directive (AIFMD)?
  
3. Please confirm that the investment manager and all of its subsidiaries (Please specify YES or NO for the following questions):
  - a) Are registered in the UK?  
Yes              No
  - b) Are not listed on any stock exchange or any other form of securities market?  
Yes              No
  - c) Do not anticipate making any acquisitions or disposals in the next 12 months?  
Yes              No
  - d) Have not had any board directors leave the company in the last 12 months?  
Yes              No

If you have answered NO to any of the questions above, please give details here:

4. Total number of employees:

	Current year	Previous year
Directors and Officers		
Investment Professionals		
Compliance and Internal Audit		
Administration and back office functions		
Others		
Total		

Section C – Fund Details

1. Please provide the list of funds and investment mandates requiring insurance:

Fund Name/ Investment Mandates	Date of Establishment	Funds Under Management	Domiciled	Investment Strategy
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2. Please give a breakdown of the type of investor across all funds:

Type of Investor	Percentage of FUM
Institutional	%
UHNW/ HNW	%
Retail	%
Other (please specify)	%
Total	%

3. Please provide geographical split (by FUM) of investors across all funds combined:

	Past year	Current year (estimated)	Next year (estimated)
United Kingdom	%	%	%
Europe (outside UK)	%	%	%
USA	%	%	%
Other (please specify)	%	%	%

4. Please provide your revenues for all funds combined:

	Past year	Current year (estimated)	Next year (estimated)
Management Fees	%	%	%
Performance Fees	%	%	%
Total	%	%	%

5. Please specify YES or NO for the following questions:

a) No fund has had redemptions of more than 30% of total fund value in the past 12 months?

Yes      No

b) No fund has ever implemented any redemption gates or suspended redemptions?

Yes      No

c) No fund had a reduction of greater than 50% of its NAV in the past 12 months?

Yes      No

d) No fund was liquidated or restructured in the past 12 months?

Yes          No

e) No fund is likely to be liquidated or restructured in the past 12 months?

Yes          No

If you have answered NO to any of the questions above, please give details here:

6. Do you outsource any administration, mid-office, back office, custodial or compliance functions to independent third parties?

Yes          No

If you have answered YES to any of the questions above, please give details here:

## Section D – Risk Management Information

Please specify YES or NO for the following questions:

1. Please provide details of how the Compliance Function is managed. If outsourced to a specialist provider, then please provide the name.
  
2. What proportion of new business files are checked before the recommendations are presented?
  
3. What proportion of new business files are checked after any recommendations are presented?
  
4. Do you have adequate procedures to ensure that:
  - a) There is a formal due diligence and approval process when selecting new investments?  
Yes      No
  - b) Incorrect and unauthorised trades are quickly identifiable and rectified?  
Yes      No
  - c) Investment restrictions and trading limits are complied with and that breaches are promptly identifiable and rectified?  
Yes      No
  - d) Deals may only be made via approved counterparties?  
Yes      No
  - e) Counterparties receive authorised confirmation for all trades prior to any settlement?  
Yes      No
  - f) The back office and accounting responsibilities are segregated away from the investment professionals?  
Yes      No

If you have answered NO to any of the questions above, please give details here:



5. Has any such insurance been declined or has any such insurance ever been cancelled or renewal refused?

Yes          No

6. Can you confirm the following best practices and minimum security standards are in place:

a) Background checks are performed on all new employees?

Yes          No

b) Staff education and monitoring procedures in place –

Yes          No

Please specify

c) Bank accounts are reconciled at least weekly?

Yes          No

d) The computer systems require passwords for access and restrict users from performing functions that they are not authorised to perform?

Yes          No

e) Do you password protect (or use biometrics) your operating systems and all portable media including, but not limited to, smartphones, tablets and memory sticks?

Yes          No

f) All staff receive training to identify and prevent social engineering frauds

Yes          No

g) Staff required to follow a rigorous process to establish the authenticity of new clients/ customers?

Yes          No

If you have answered NO to any of the questions above, please give details here:

7. Are there any material recommendations outstanding or not implemented at present following a regulatory visit? If yes, please provide details:

Yes          No

8. Has the proposer received any investor complaints in the last 24 months? If yes, please provide details:

Yes          No

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

a) Money laundering and terrorist financing

Yes          No

b) Conflicts of interest

Yes          No

c) Anti-timing

Yes          No

d) Fair value pricing

Yes          No

e) Personal trading practices

Yes          No

f) Trade allocation practices

Yes          No

g) Sales practices

Yes          No

h) Fee arrangements

Yes          No

## 10. Current Insurance Arrangements

Insurer	Renewal Date (if applicable)	Premium	Excess	Limit of Indemnity
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## 11. Insurance Requirements

a) Please indicate which insurance cover is required;

Yes      No

b) Company Civil Liability

Yes      No

c) Company Director's & officers Liability

Yes      No

d) Fund Civil Liability

Yes      No

e) Fund Director's & Officer's

Yes      No

f) Crime

Yes      No

## Section E – Cyber Security

Please specify YES or NO for the following questions:

1. Does the Company have a 'best practice' guide for Data Protection? If yes, please provide a copy.  
Yes      No
2. Does the manager or funds hold or process any of the following types of sensitive data of investors?
  - a) Names, addresses and/or telephone numbers  
Yes      No
  - b) Identity Information (for example NI numbers, passport, identity card numbers)  
Yes      No
  - c) Banking details (including credit and debit cards records)  
Yes      No
3. Please provide the name and position within the Company that is responsible for ensuring such practices are adhered to  
Yes      No
4. Please provide an overview of the Company's data management procedures  
Yes      No
5. Please mention each type of back-up used by the Company (for example, cloud, etc)  
Yes      No
6. Please mention each method of data archiving used by the Company (for example on-site, off-site, other)  
Yes      No
7. Do you have a disaster recovery plan (DRP) or a business continuity plan (BCP) in place?  
Yes      No
8. In your DRP/BCP, how long would it take for you to be fully operational again?  
Yes      No
9. How often do you test your DRP/BCP?  
Yes      No

Please disclose any additional information that may be relevant to this application of cover including details of any previously identified security breaches, whether successful or otherwise.

## Section F – Claims History

Please specify YES or NO for the following questions:

1. After making appropriate enquires, has there been or is there now pending, any claims or losses against any person and/or entity proposed for insurance?

Yes          No

If yes, please provide details below:

2. After making appropriate enquires, 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 below:

3. 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 below:

4. After making appropriate enquires, are there any claims of which you, or any other principal, employee or consultant are aware that may give risk to a claim against you, or any of you, including your predecessors in business?

Yes          No

If yes, please provide details below:

5. If yes to any of the above, please state what steps or actions have been taken to prevent a recurrence of the situation.

## Declaration

I/We declare that I/we have made a fair presentation of the risk, by disclosing all material matters which I/we know or ought to know or, failing that, by giving the Insurer sufficient information to put a prudent Insurer on notice that it needs to make further enquiries in order to reveal material circumstances

Signature of Director/Partner/Principal

Name

Date

**PLEASE RETAIN A COPY OF THIS COMPLETED PROPOSAL FORM FOR YOUR RECORDS**