

## Proposal Form

# Charities and Association (including Societies, Clubs and the like)

(Executive and Professional Liability,  
Employment Practices Liability, Commercial Crime (Fidelity))

## Let Us Explain!

At first glance we appreciate the length of this form looks rather daunting, however

- A number of questions only require a simple 'tick box' YES or NO response
- This one comprehensive form replaces a number of previously separate forms which duplicated the same requests for information
- Two of the five sections are optional, dependant upon the scope of cover you require

Sections A (Page 2), B (Page 6) and E (Page 16) are mandatory and the undernoted sections should be completed where the appropriate cover is required:

Section C (Page 9)

– Employment Practices Liability

Section D (Page 11)

– Commercial Crime (Fidelity)



(b) Has the Charity/Association been established for at least twelve months?

YES  NO

If NO please answer the following question

Date of establishment

**3** Does the Charity/Association have any trading subsidiaries?

YES  NO

If YES please provide full details

**4** (a) What is the Charity's/Association's total gross income for its last complete financial year?

£

(b) Provide a percentage breakdown of the source of such income between

- (i) Funding from Government, Local Authorities or Government/Local Authority agencies
- (ii) Subscriptions and membership fees
- (iii) Voluntary income/donations
- (iv) Fee-generating activities
- (v) Other

%

100%

Total

If income derived from (iv) fee-generating activities or (v) 'Other' sources please provide full details

**N.B. you are only insured for those activities declared**

**5** Can you confirm that

- (a) you do not anticipate any major changes in these activities in the forthcoming twelve months?
- (b) there have not been any fundamental changes in the Charity's/Association's activities over the last five years?
- (c) the Charity's/Association's total gross income from each of its last three financial years and its estimated gross income from its current financial year does not vary from one successive year to another by more than  $\pm 25\%$ ?
- (d) no work is undertaken or activities conducted outside of the United Kingdom?

YES  NO

If NO please provide full details

**6** Can you confirm that the Charity's/Association's funds are managed by suitably qualified external professional managers?

YES  NO

If YES please answer question (a)

If NO please answer question (b)

(a) Can you confirm that

- (i) there has been no change in the external professional managers used by the Charity/Association within the last three years?
- (ii) the Charity/Association and/or its Trustees maintain full legal rights against such external professional managers?

YES  NO

If NO please provide full details

(b) Please provide full details of who manages the Charity's/Association's funds, the length of time they have undertaken such duties and their experience in fulfilling this function

**7** Can you confirm that

- (a) during the last three years you have not
  - (i) merged with or been taken over by any other entity?
  - (ii) acquired or disposed of any entities?
- (b) there are no plans presently under consideration for the merger with or take over by another company or the acquisition or disposal of any of your operations?

YES  NO

If NO please provide details

**8** Have any of your senior executives/officers terminated their relationship with the Charity/Association during the last twelve months?

YES  NO

If YES to any of the above please provide details

**9** (a) For your current Financial Year what is your total number of:

(i) Full time employees

(ii) Part time employees

(iii) Seasonal employees

(iv) Volunteers

(b) Can you confirm that all of your employees are employed in England, Wales or Scotland?

YES  NO

If NO please provide full details

## **PART B - EXECUTIVE AND PROFESSIONAL LIABILITY SECTION (Mandatory)**

Please complete (✓) if cover required YES  NO

**10** Does the Charity/Association have any subsidiaries?

YES  NO

If YES please answer the following questions

(a) In respect of such subsidiaries, are they wholly owned?

YES  NO

If NO please answer the following questions

(i) Who owns the minority interest?

(ii) What proportion of the share capital is the minority interest?

 %

(b) In respect of such subsidiaries can you confirm that:

- (i) none have had a pre-tax loss or a negative net worth (share capital plus reserve) in any of its last two complete financial years nor is a pre-tax loss or negative net worth anticipated in its current financial year?
- (ii) none are insolvent (liabilities exceed assets), in liquidation, the subject of a winding-up petition or have issued notices of a meeting to consider a resolution for liquidation?
- (iii) none are the subject of an administration order or an application for an administration order?
- (iv) they are all able to pay their debts as they fall due?
- (v) they have not changed their auditors within the last two years?

YES  NO

If NO please provide full details

**11** Can you confirm that

- (a) any pension scheme provided by the Charity/Association is **not** a final salary (defined benefit) scheme?
- (b) the implementation of FRS 17 (Financial Reporting Standard 17) has **not** highlighted a deficit in the fund value of any pension scheme?

YES  NO

If NO please provide full details

**12** Can you confirm that

- (a) the Charity's/Association's activities are solely confined to fund raising and/or the provision of advice or support to an identifiable group or community, and that such advice and support
  - (i) does not involve providing any form of treatment and/or medical/surgical care or advice?
  - (ii) does not involve providing any legal, financial or environmental advice?
  - (iii) does not involve undertaking any scientific or medical research?
  - (iv) is free of any specific charge or fee and is not the subject of a contract for the provision of professional services?

OR

- (b) that the Charity/Association is either a sports, social or recreational society, association or club?

AND THAT

- (c) the Charity/Association does not undertake any certification, examination, licensing or regulatory activities or functions?

YES  NO

If NO please provide full details

**13** Do the activities of the Charity/Association involve either

- (a) the provision or running of residential homes for, and/or
- (b) the regular care of, training, supervision or sole charge of

persons under the age of 18, or of vulnerable adults, by members, employees or volunteers of the Charity?

YES  NO

If YES please answer the following questions

(i) Please provide full details of the Charity's/Association's activities

(ii) Please provide full details of the Charity's/Association's policies and procedures to ensure the suitability of such members, employees or volunteers to work with children or vulnerable adults

## **PART C - EMPLOYMENT PRACTICES LIABILITY SECTION (Choice)**

Please complete (✓) if cover required (N.B. not available in Northern Ireland) YES  NO

**14** Can you confirm that

- (a) you do not anticipate any major changes in the number of employees employed?
- (b) your total number of employees employed in each of your last three financial years and your estimated number of employees employed in your current financial year does not vary from one successive year to another by more than  $\pm$  20%?
- (c) you do not envisage any redundancies or early retirement within your business in the next twelve months?
- (d) there are no plans to revise any existing employee benefits during the next twelve months (e.g. Pensions etc)?

YES  NO

If NO please provide full details

**15** Within the last twenty four months how many Employees have

- taken early retirement
- resigned
- had their employment terminated (with or without cause)

**16** Do you have a Human Resources or Personnel Department (which performs its functions for yourself and all your subsidiaries) which deals with all aspects of employment contracts and employment legislation?

YES  NO

If NO please provide details of who handles this function together with relevant experience in such matters

- 17** Can you confirm that
- (a) a contract of employment is issued to all employees?
  - (b) written instructions and procedures are issued to all staff in the proper implementation of personnel policies and procedures including disciplinary, grievance and equal opportunities policies?
  - (c) training is provided to all staff regarding the correct implementation of such policies and procedures and such training is fully recorded?
  - (d) all grievance and/or disciplinary hearings are fully minuted?
  - (e) such contract, instructions and procedures were drafted in accordance with the latest ACAS guidelines/recommendations and relevant anti-discrimination codes of practice and that these are regularly updated and reviewed?

YES  NO

If NO please provide reasons why not

- 18** Please provide details of solicitors or any other employment law specialists/consultants consulted by you in the drafting of the standard contract(s) of employment and generally in connection with employment matters.

- 19** Can you confirm that you have not, in the last five years,
- (a) had any employees who have
    - (i) made, or have had made against them, allegations of bullying and/or harassment (whether sexual, racial or otherwise)?
    - (ii) been absent for work related reasons, including alleged stress?
  - (b) become involved in a dispute with another party which has or could have resulted in an Employment Tribunal (or similar) or legal proceedings?

YES  NO

If NO please provide full details including, in respect of any Employment Tribunals, full details of the claims/allegations, the outcome and any settlement or compensation payments.

## **PART D - COMMERCIAL CRIME (FIDELITY) SECTION (Choice)**

Please complete (✓) if cover required YES  NO

**20** Please provide a split of your locations and employees in the UK (please note we are unable to provide cover for the acts of non UK employees)

(a) Number of locations

(b) Number of employees (including working directors) and volunteers with responsibility for money and/or stock and/or accounts and/or computer operations

(c) Number of all other employees (including working directors) and volunteers

**21** Can you confirm that

(a) you do not use or employ

(i) consultants or contract personnel in connection with computer operations?

(ii) any temporary staff?

or

(b) if employed, such consultants and/or contract personnel and/or temporary staff are supervised and controlled by you in the same way as your own employees?

YES  NO

If NO please provide full details

**22** Please state

(a) The amount above which all cheques and other bank instruments require two hand-written signatures

(b) The maximum value of stock at any one location

(c) The annual volume of funds transfer instructions given to banks or other financial institutions

(Please write 'O' if not applicable)

**23** Can you confirm the following 'good practice' in respect of 'money'?

- (a) all money received by inside staff is recorded and banked daily
- (b) all employees are required to account for money received at least weekly
- (c) all bank statements, bank paying-in slips, receipt counterfoils and other supporting documents are checked at least monthly against the cash book and other records independently of the employees making cash entries or paying into the bank
- (d) petty cash payments are always made against authorised vouchers
- (e) cash in hand, petty cash and unpaid wages are checked at least monthly independently of the employees preparing wage sheets to ensure payments match payroll and staff numbers
- (f) salaries/wages which are not paid by credit transfer or crossed cheque are always checked independently of the employee handling such money
- (g) all payments, other than petty cash and salaries/wages are made by crossed cheque
- (h) all cheques are prepared independently of the signatory who examines full supporting evidence
- (i) presigned cheques are not used
- (j) ledger postings and despatch of accounts and reminders are undertaken by employees/volunteers other than those responsible for handling cash
- (k) all accounts and reminders are sent by post at least monthly

YES  NO

If NO to any of the above please provide full details of your system

**24** Can you confirm the following 'good practice' in respect of 'stock and other goods'?

- (a) different employees/volunteers, acting independently, are responsible for ordering, certifying receipt of and authorising payment for goods and services
- (b) independently of employees responsible for stock
  - (i) physical stock and inventory checks are carried out at least annually
  - (ii) additional physical and stock checks are carried out, without warning, on key items at least six times a year

YES  NO

If NO to any of the above please provide full details of your system

**25** Do you use your own computer for electronic funds transfer?

YES  NO

If YES please give the total value of electronic funds transferred in your last completed financial year

**26** Do you engage in 'on-line' purchasing/selling of goods or services?

YES  NO

If YES please provide details of the security measures utilised, including use of 'secure sites' for payment collection

27 (a) Can you confirm the following 'good practice' in support of 'computer operations'?

- (i) passwords are used to afford varying levels of access to the computer system depending on the need and authorisation of the user
- (ii) passwords are changed in the event of turnover in knowledgeable personnel
- (iii) all such computer systems installations are audited at least once a year by professional external auditors
- (iv) programming and processing personnel are physically separated
- (v) new programs and amendments are implemented only on authorisation of a director or senior employee
- (vi) all application software are protected by either built-in security or a security package
- (vii) removable disks and tapes are kept in securely locked cabinets when not in use
- (viii) a fully documented procedures manual is maintained which covers all funds transfer operations (i.e authorised personnel (own and customers), call-back procedures and transfer limits)
- (ix) banks and financial institutions are required to authenticate any instructions before payment
- (x) all instructions are confirmed in writing within twenty-four hours

YES  NO

If NO to any of the above please provide full details of your system

(b) Please advise the procedures that you take to avoid the introduction of virus's and other malicious programs into your systems (including the internet)

- (c) Please advise the procedures that you have in place for the backing up of your computer systems, programs and data including off-site procedures

**28** Can you confirm the following 'general good practice'?

- (a) in respect of all persons applying for employment
- as a computer analyst, programmer or operator, or
  - who will be involved in the handling of money, or
  - who will have responsibility for money, books of accounts or goods
- (or in respect of existing employees with less than two years service being transferred to such duties) you always,
- (i) obtain written references direct from all former employers within the previous three years
- (ii) ensure that any gaps in former employment are satisfactorily accounted for
- (iii) make any appointment conditional on such references being satisfactory to you regarding the honesty and integrity of the applicant
- (b) professional external auditors audit your accounts at least once a year
- (c) you have an internal audit department which carries out full audits of all departments and premise and all computer systems and installations at least once a year
- (d) all auditor's recommendations on security against fraud are implemented to their satisfaction
- (e) all of your business locations which are to be included in this proposal are subject to the same methods of operation and control

YES  NO

If NO to any of the above please provide full details of your system

## **PART E - GENERAL SECTION (Mandatory)**

**29** Please state whether the following classes of insurance have been carried during any of the past three years, together with appropriate detail

(a) Executive Liability (Trustee or Directors and Officers Liability) and/or Professional Indemnity

YES  NO

If YES please provide details of Insurer, Period and Indemnity Limit

(b) Employment Practices Liability or Employment Legal Expenses

YES  NO

If YES please provide details of Insurer, Period and Indemnity Limit

(c) Commercial Crime/Fidelity Guarantee

YES  NO

If YES please provide details of Insurer, Period and Indemnity Limit

**30** Can you confirm that

- (a) no person proposing for insurance has been convicted, or charged but not yet tried, of any criminal offence other than a motoring offence?
- (b) the Proposer has never had an application for this type of insurance declined by an insurer, had a renewal of such insurance declined, nor had similar insurance cancelled or made subject to special conditions?
- (c) no claims, prosecutions, proceedings or investigations (successful or otherwise) have been made or instigated against the Proposer and/or any person proposing for insurance to which this proposal relates?
- (d) no person proposing for insurance is aware, AFTER ENQUIRY, of any circumstance or incident which they have reason to suppose might afford grounds for any future claim such as would fall within the scope of the proposed insurance?

YES  NO

If NO, please provide full details

**31** What indemnity limits are required?

Executive and Professional Liability

£

Employment Practices Liability

£

Commercial Crime (Fidelity)

£

## DECLARATION

I hereby declare that I am authorised to complete this proposal on behalf of the Proposer and that, to the best of my knowledge and belief, the statements and particulars in this proposal are true and complete and no material facts have been mis-stated or suppressed.

I undertake to inform Underwriters of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on this proposal is effected and acknowledge that this proposal (together with any other information supplied to Underwriters) shall be the basis of such contract.

\*Signed: \_\_\_\_\_ Name: \_\_\_\_\_

\*Capacity: \_\_\_\_\_ Date: \_\_\_\_\_

\*the signatory should be a governor, director, council member, senior officer or trustee in the Proposer.

## EASY PAYMENT PLAN

Markel (UK) Limited has negotiated a highly competitive 10 month premium finance plan with a premium finance company, for the exclusive use of its Assureds.

To take advantage of these facilities please tick the box below enabling the finance company to dispatch a pre-prepared agreement directly to you for completion and return. Your Certificate of Insurance shall be endorsed accordingly.

The level of charge, applied to total premium (including IPT where appropriate), will be confirmed on the agreement. Contact your broker or ourselves for a note of current charge.

I WISH TO TAKE ADVANTAGE OF THE 10 MONTH EASY PAYMENT PLAN (TICK AS APPROPRIATE)

## NOTICE TO THE PROPOSER

### THE UNDERWRITERS

Markel (UK) Limited underwrites business on behalf of Markel Syndicate 3000 at Lloyd's and Markel International Insurance Company Limited.

Prior to any placement being concluded, the Proposer will be advised which insurer is to write this contract of insurance.

### THE LAW OF THE INSURANCE CONTRACT

The parties to this proposed insurance are free to choose the law applicable to the insurance contract. Unless you specifically agree otherwise with Underwriters, your proposed contract will be governed by English Law.





MARKEL (UK) LIMITED\*

**BIRMINGHAM**

Telephone:

+44 (0)121 236 4787

Facsimile:

+44 (0)121 236 5316

**HOME COUNTIES**

Telephone:

+44 (0)1737 247 127

Facsimile:

+44 (0)1737 222 137

**LEEDS**

Telephone:

+44 (0)113 234 3734

Facsimile:

+44 (0)113 245 0924

**MANCHESTER**

Telephone:

+44 (0)161 237 3344

Facsimile:

+44 (0)161 237 5858

Markel Syndicate  
Management Limited

Markel Syndicate 3000  
at Lloyd's

Markel International  
Insurance Company  
Limited\*

Telephone:

+44 (0)20 7953 6000

Facsimile:

+44 (0)20 7953 6001

\* appointed representatives  
of Markel Syndicate  
Management Limited and  
Markel International  
Insurance Company Ltd,  
who are authorised and  
regulated by the FSA

[www.markeluk.com](http://www.markeluk.com)

Markel (UK) Limited  
Registered in England No. 2430992  
Registered Office: The Markel Building, 49 Leadenhall Street, London EC3A 2EA

Blackfriars Insurance Brokers Ltd. 6 Congleton Road, Sandbach, Cheshire CW11 1HN  
Tel: 08702 201047 Fax: 8702 201048 Email: [pii@blackfriarsgroup.com](mailto:pii@blackfriarsgroup.com)

PROP/CASC/10/03