

Professional Indemnity Proposal Form Miscellaneous Risks

IMPORTANT NOTICES

PLEASE READ AND RETAIN IN THE INSURED'S FILE

BINDER ARRANGEMENT

The contract of insurance is arranged by Procover Underwriting Agency Pty Ltd (ABN 46 165 322 592, AR No. 453410) ('Procover') an Authorised Representative of Miramar Underwriting Agency Pty Ltd (ABN 97 111 534 797, AFSL 314176) ('Miramar') acting under a binder as agent for the Insurer, certain Underwriters at Lloyd's.

CLAIMS - MADE INSURANCE

This Policy provides cover on a claims – made and notified basis. This means that the Policy only covers claims first made against the Insured during the period the Policy is in force and notified to us as soon as practicable in writing while the Policy is in force. The Policy may not provide cover for any claims made against the Insured if at any time prior to the commencement of the Policy the Insured became aware of facts which might give rise to those claims being made against the Insured.

Section 40(3) of the Insurance Contracts Act 1984 (Cth) provides that where the Insured gave notice in writing to us of facts that might give rise to a claim against the Insured as soon as was reasonably practicable after the Insured became aware of those facts while the Policy is in force, we cannot refuse to pay a claim which arises out of those facts, when made, because it was made after the expiry of the Policy.

After policy expiry, no new claims can be made on the expired policy even though the event giving rise to the claim may have occurred during the policy period.

If during the policy period the Insured becomes aware of circumstances which a reasonable person in the Insured's position would consider may give rise to a claim, and which the Insured fails to notify us during the policy period, we may not cover the Insured under a subsequent policy for any claim which arises from these circumstances.

When completing the proposal the Insured is obliged to report and provide full details of all circumstances of which the Insured is aware and which a reasonable person in the Insured's position would consider may give rise to a claim.

It is important that the Insured makes proper disclosure (see Duty of Disclosure, below) so that the Insured's cover under any new policy with us is not compromised.

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.

PRIVACY STATEMENT

In this Privacy Statement the use of 'we', 'us' and 'our' means the Insurer and Procover unless specified otherwise.

We are committed to protecting your privacy. We are bound by the obligations of the *Privacy Act 1988* (Cth). This sets out basic standards relating to the collection, use, storage and disclosure of personal information.

PRIVACY STATEMENT (CONT.)

We need to collect, use and disclose your personal information (which may include sensitive information) in order to consider your application for insurance and to provide the cover you have chosen, administer the insurance and assess any claim. You can choose not to provide us with some of the details or all of your personal information, but this may affect our ability to provide the cover, administer the insurance or assess a claim.

The primary purpose for our collection and use of your personal information is to enable us to provide insurance services to you.

Personal Information will be obtained from individuals directly where possible and practicable to do so. Sometimes it may be collected indirectly (e.g. from your insurance intermediary or co-insureds). If you provide personal information for another person you represent to us that:

- you have the authority from them to do so and it is as if they provided it to us;
- you have made them aware that you will or may provide their personal information to us, the types of third parties we may provide it to, the relevant purposes we and the third parties we disclose it to will use it for, and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done or will not do either of these things, you must tell us before you provide the relevant information.

We may disclose the personal information we collect to third parties who assist us in providing the above services, such as related entities, distributors, agents, insurers, reinsurers and service providers. Some of these third parties may be located outside of Australia. In all instances where personal information may be disclosed to third parties who may be located overseas, we will take reasonable measures to ensure that the overseas recipient holds and uses your personal information in accordance with the consent provided by you and in accordance with our obligations under the *Privacy Act 1988* (Cth).

In dealing with us, you consent to us using and disclosing your personal information as set out in this statement. This consent remains valid unless you alter or revoke it by giving written notice to Procover's Privacy Officer. However, should you choose to withdraw your consent, we may not be able to provide insurance services to you.

Procover's Privacy Policy which is available at www.procover.com.au or by calling Procover, sets out how:

- Procover protects your personal information;
- you may access your personal information;
- you may correct your personal information held by us;
- you may complain about a breach of the Privacy Act 1988 (Cth) or Australian Privacy Principles and how Procover will deal with such a complaint.

If you would like additional information about privacy or would like to obtain a copy of the Privacy Policy, please contact Procover's Privacy Officer by:

Postal Address: PO Box A2016, Sydney South, NSW 1235

Phone: +61 2 9307 6656

Fax: +61 2 9307 6699

Email: privacyofficer@steadfastagencies.com.au

You can download a copy of Procover's Privacy Policy by visiting www.procover.com.au.

RETROACTIVE LIABILITY

The proposed insurance may be limited by a retroactive date either stated in the schedule or endorsed onto the policy. Where the retroactive cover by the proposed policy is subject to such date, then the policy does not cover any claim arising from any actual or alleged act, error, omission or conduct occurring prior to such retroactive date.

KEY FACTORS

These questions reflect the key factors that are taken into account when determining your premium.

FOR YOUR INFORMATION

- 1 Answer all questions. Blanks &/or dashes, or answers 'known to underwriters or brokers' or 'N/A' are not acceptable & will delay consideration of this proposal.
- 2 If there is insufficient room to complete a question, please attach a signed & dated addendum.
- 3 Any documents attached to the proposal form are part of the proposal.
- 4 Where appropriate, please tick the yes or no box that best indicates the Insured's reply.
- 5 To qualify for additional premium discounts, please submit all requested additional information as per page 12.

THE INSURED'S DETAILS

1. Name

Full legal name of each incorporated body or natural persons including any Business or trading names

ABN

Date(s) of Commencement

<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

Input tax credits claimed

 %

Is the Insured registered for gst?

Yes No

2. Address

(a) Principal Address

(b) Other locations

(c) Website address

DETAILS OF PRACTICE

3. Please supply the following details:

	1	2	3	4
Name of all Partners/ Principals/Directors	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Age	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Qualifications	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Date Qualified	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Period Practicing as Partner/Principal/Director				
At This Practice	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
At Previous Practice	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Total number of:

(a) Principals/Partners/Directors	<input type="text"/>
(b) Professionally qualified staff	<input type="text"/>
(c) Other technical staff (including trainees)	<input type="text"/>
(d) Non-technical staff	<input type="text"/>
(e) Total employees	<input type="text"/>

DETAILS OF PRACTICE (CONT)

5.

- (a) Has the name of the Practice ever been changed or has the Insured traded under any other names? Yes No
- (b) Has any other practice or business amalgamated or merged with the Insured? Yes No
- (c) Has the Insured purchased any other practice or Business? Yes No

If the Insured has answered Yes to either (a), (b) or (c) please supply details:

6.

- (a) Is any Partner/Principal/Director connected or Associated (Financially or otherwise), with any other practices or Businesses? Yes No
- (b) Does this practice conduct work for or trade with any associations or related entities? Yes No

If the Insured has answered Yes to either (a) or (b) please supply details:

7.

Is the Insured a current member of a professional association or society? Yes No

Please provide full particulars (where the Insured is an incorporated body or Partnership, particulars must be given of each Principal or Partner)

Name of Association

Current Status

DETAILS OF INSURANCE COVER

8.

- (a) Does the Practice currently carry or has the practice ever carried Professional Indemnity Insurance? Yes No

If Yes, please supply details:

Insurer:

Expiry Date:

Limit of Indemnity:

Premium:

- (b) Has the Practice or any Partner, Principal or Director ever been refused this type of insurance, or had similar insurance cancelled, or had an Application of renewal declined, or had special terms imposed? Yes No

If Yes, please supply details:

THE INSURED'S PROFESSIONAL ACTIVITIES

9. Nature of the Insured's Business

(a) State fully the nature of the Insured's Business (Please provide copies of any brochures or other documentation which may assist the insurer in gaining a better appreciation of the risk being proposed).

(b) Please:

(i) Categorise the activities undertaken and indicate the percentage of the Insured's fee income activity presents

	%
	%
	%
	%

(ii) Provide clear details of the nature and type of advice given

(c) Are verbal reports or advice always confirmed in writing?

Yes No

Please give details of the approximate percentage of reports that have been given as verbal reports only in the last 12 months

%

(d) Are written disclaimers included where advice has been given?

Yes No

If Yes, please provide an example

10.

Does the Insured envisage any substantial changes to the Insured's activities or are there any new major operations being contemplated during the next 12 months?

Yes No

If Yes, please supply details:

11.

Is the Insured, or does the Insured have any parent, subsidiary or other related entity:

(i) engaged in or; (ii) have had a controlling share of an entity engaged in:

(a) Actual construction, fabrication, erection or any form of contracting?

Yes No

(b) Real estate development?

Yes No

(c) The manufacture, sale or distribution of any product or process or patented production process?

Yes No

If Yes, please provide details:

(i) Names of the other entities involved, outlining their relationship to the Insured

(ii) Full details, including a description of the nature of the involvement

THE INSURED'S PROFESSIONAL ACTIVITIES (CONT')

12. Consultants, Sub-consultants and Agents

Does the Insured engage consultants, sub-contractors or agents? Yes No

If Yes,

(a) Does the Insured insist they carry their own Professional Indemnity Insurance? Yes No

(b) Are there minimum sums insured that the Insured requires? Yes No

(c) Does the Insured enter into any hold-harmless agreements or otherwise waive any Legal rights or entitlements which the Insured may have against consultants, sub-contractors or agents? Yes No

If the Insured has answered Yes to either (a), (b) or (c) please provide details:

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13. Work (Outside Australia/New Zealand)

Does the Insured perform work outside of Australia/New Zealand, or work for clients located overseas? Yes No

If Yes, please provide details:

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14. Miscellaneous

Does the Insured perform work outside of Australia/New Zealand, or work for clients located overseas? Yes No

If Yes, in respect of each such client, state the approximate percentage of the Insured's income derived from that client or group of companies. Also explain the Insured's relationship with that client and the nature of the work the Insured performs for them.

Please attach information to a separate sheet of paper if required.

	%
	%
	%
	%

15. For Sole Traders only

What arrangements does the Insured have to cover the business or practice during the Insured's temporary absence while away on Business, sick leave, etc?

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16. Risk Management

(a) Does the Insured have a risk management program document (Consistent with Australian Standards AS/NZS 4360:1999) which addresses the Insured's professional duty of risk? Yes No

Please provide a copy

(b) What date was the program implemented?

(c) Is the program independently reviewed/monitored/audited? Yes No

If Yes, please provide details:

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(d) When was that program last reviewed and updated to ensure it complies with the current standards applying to the Insured's profession?

(e) Is there a principal/director/partner responsible for overseeing risk management within the Insured's practice? Yes No

If Yes, please provide details:

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FEE INCOME

17.

(a) Please state the Insured's Gross Professional Fees over the periods stated. Include fees paid to sub-consultants appointed by the Insured. Exclude fees collected for disbursement to Consultants appointed by the Insured's clients together with traveling accommodation or similar expenses reimbursed by the Insured's clients.

	Australia	Overseas
Estimated Current Year	<input type="text"/>	<input type="text"/>
Prior Financial Year	<input type="text"/>	<input type="text"/>
Previous Financial Year	<input type="text"/>	<input type="text"/>

(b) Please provide a percentage breakdown of the fee income disclosed in Question 17 (a) by State or Territory

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O'Seas	TOTAL
<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

18.

Please provide a brief description and fees for the five (5) largest contracts undertaken over the past five years.

Brief Description	Total Contract Value	Earned Fees \$
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

CLAIMS AND CIRCUMSTANCES

19.

Please answer the following questions, after enquiry, within the Insured's organisation.

During the past ten years has any Claim been made, or has negligence been alleged, against the Insured or any of the present or former Principals, or have any circumstances which may give rise to a claim against the Insured or any of the present or former Principals been notified to insurers? Yes No

If Yes, please give details in respect to each matter:

Matter 1

date <input type="text"/>	name of insurer (if any) <input type="text"/>	name of claimant or potential claimant <input type="text"/>
brief description of matter <input type="text"/>		
amount <input type="text"/>	amount type <input type="checkbox"/> Paid <input type="checkbox"/> Estimate <input type="checkbox"/> Potential Liability <input type="checkbox"/> Unknown	
status <input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding		

Matter 2

date <input type="text"/>	name of insurer (if any) <input type="text"/>	name of claimant or potential claimant <input type="text"/>
brief description of matter <input type="text"/>		
amount <input type="text"/>	amount type <input type="checkbox"/> Paid <input type="checkbox"/> Estimate <input type="checkbox"/> Potential Liability <input type="checkbox"/> Unknown	
status <input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding		

Matter 3

date <input type="text"/>	name of insurer (if any) <input type="text"/>	name of claimant or potential claimant <input type="text"/>
brief description of matter <input type="text"/>		
amount <input type="text"/>	amount type <input type="checkbox"/> Paid <input type="checkbox"/> Estimate <input type="checkbox"/> Potential Liability <input type="checkbox"/> Unknown	
status <input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding		

CLAIMS AND CIRCUMSTANCES (CONT)

20.

Are there any Partners Principals or Directors, after enquiry, aware of any Claim or has negligence been alleged, against the Insured or any of the present or former Principals, or have any circumstances which may give rise to a claim against the Insured or any of the present or former Principals which has not been referred to in the previous question?

Yes No

If Yes, please give details in respect to each matter:

Principals/Partners Matter ①

Name of claimant or potential claimant Estimate of potential liability

Brief Description of matter

Principals/Partners Matter ②

Name of claimant or potential claimant Estimate of potential liability

Brief Description of matter

Principals/Partners Matter ③

Name of claimant or potential claimant Estimate of potential liability

Brief Description of matter

21.

Has any Principal or staff member ever been subject to disciplinary proceedings for Professional Misconduct?

Yes No

If Yes, please give details in respect to each matter:

Are any of the principals, partners or directors aware, after enquiry of all staff, managers and contractors, of any accounts overdue for payment where there is reason to believe that the client is dissatisfied with the professional services rendered?

Yes No

If Yes, please provide details:

22. Has the Insured or any partner(s), shareholder(s) or director(s) of the business:

(a) Ever been declared bankrupt? Yes No

(b) Ever been involved in a company or business which became insolvent or subject to any form of insolvency administration (e.g. liquidation or receivership)? Yes No

(c) Been convicted of any criminal offence within the past 5 years (other than minor traffic convictions)? Yes No

(d) Been liable for any civil offence or pecuniary penalty (exceeding \$5,000)? Yes No

(e) Any other matters that the Insured should disclose? Yes No

If Yes to any of the above, please supply details:

COVER REQUIRED

23.

Please state:

(a) Amount of preferred total sum insured

\$

(b) Amount of preferred excess

\$

(N.B.) The Insured's Policy will be subject to a minimum excess

RETROACTIVE COVER

24. Retroactive Cover

Does the Insured require retroactive cover which may be subject to an additional premium?

Yes No

Retroactive cover extends cover under the Policy to liability arising from work carried out prior to the inception of the Policy to which this Proposal relates. There will be no cover for Claims from a Known Circumstance at Policy inception.

Please state the date from which retroactive cover is required

OPTIONAL EXTENSIONS

25. Fidelity Guarantee

Does the Insured require fidelity guarantee cover which may be subject to additional premium?

Yes No

If Yes, please provide details:

(a) Sub-Limit Required:

\$50,000

\$100,000

\$250,000

N/A

(b) Has the Insured ever sustained any loss through the fraud or dishonesty of any employee?

Yes No

(c) Are cash, securities and negotiable instruments subject to control by a partner, principal or director, or by at least two (2) employees?

Yes No

(d) Are cheques signed/co-signed by a partner, principal or director, or by at least two (2) employees?

Yes No

(e) Are bank reconciliations carried out by someone not authorised to deposit into or withdraw from bank accounts?

Yes No

(f) Does the Insured always require and obtain satisfactory references before hiring employees?

Yes No

If the Insured answered No to any of the above questions, please supply the relevant details and indicate what extra precautions the Insured takes to minimise the chances of fraud or dishonesty of employees.

26. Principals Previous Business Cover

Does the Insured require cover for any Principals in respect of their previous business?

Yes No

If Yes, please provide details:

Previous business ¹

Name of practice

Type of profession/business

From Date

To Date

Did the previous business activities differ from current Business activities?

Yes No

If Yes, please provide details:

OPTIONAL EXTENSIONS (CONT')

Please state the Gross Professional Fees for the previous business' last full year of trading

Previous business ②

Name of practice

Type of profession/business

From Date

To Date

26. Principals Previous Business Cover

Did the previous business activities differ from the current Business activities?

Yes No

If Yes, please provide details:

Please state the Gross Professional Fees for the previous business' last full year of trading

Previous business ③

Name of practice

Type of profession/business

From Date

To Date

Did the previous business activities differ from the current Business activities?

Yes No

If Yes, please provide details:

Please state the Gross Professional Fees for the previous business' last full year of trading

These questions reflect the key factors that are taken into account when determining the Insured's premium.

DECLARATION:

I/we hereby declare that:

My/our attention has been drawn to the Important Notices at the beginning of this Proposal form and further I/we have read these notices carefully and acknowledge my/our understanding of the content by my/our signature/s below.

The above statements are true, and I/we have not suppressed or mis-stated any facts and should any information given by me/us alter between the date of this Proposal form and the inception date of the insurance to which this Proposal relates I/we shall give immediately notice thereof.

I/we consent to Procover, Miramar and the insurer using the personal information (including sensitive information) I/we have provided on this form for the purposes of administering my/our insurance. I/we consent to the disclosure of personal information (including sensitive information) to third parties and overseas where it is reasonably necessary for the purposes of administering my insurance. I/we understand that if this consent is not given Procover, Miramar and the insurer may not be able to administer my/our insurance.

I/we have provided information about another individual I/we declare that the individual has been or will be made aware of that fact.

I/we also confirm that the undersigned is/are authorised to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form, and I/we complete this Proposal form on their behalf.

To be signed by the Chairman/President/Managing Partner/Managing Director/Principal of the association/Partnership/Company/Practice/Business.

Applicant ①

NAME

TITLE

SIGNATURE

DATE (DD/MM/YY)

Applicant ②

NAME

TITLE

SIGNATURE

DATE (DD/MM/YY)

It is important the signatory/signatories to the Declaration is/are fully aware of the scope of this insurance so that all questions can be answered. If in doubt, please contact the Insured's insurance broker since non-disclosure may affect an Insured's right of recovery under the policy or lead to the policy being voided.

REQUIRED ATTACHMENTS

The following documentation must be attached to this Proposal in order for the Insured's application to be considered for full premium discounts available:

- CV or resume for each Partner/Principal/Director/Senior professionally qualified staff
- Copies of all brochures and promotional material
- Copies of all Disclaimers
- Copies of Risk Management procedures
- Full details of all Claims Notifications
- Standard Contract Terms and Conditions (or Service Agreements) identifying areas of Liability Limitations or Waiver of any rights