

## Professional Indemnity Insurance Proposal Form

### Miscellaneous Risks

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#### IMPORTANT NOTICE

##### Your Duty of Disclosure

Before you enter into a contract of general insurance with any insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter you know or could reasonably be expected to know to be a matter relevant to the decision of the insurer whether to accept the risk and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the insurers;
- that is common knowledge;
- that the insurers know or, in the ordinary course of business as insurers, ought to know; or
- as to which compliance with your duty is waived by the insurers.

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (for example, claims, whether founded or unfounded), is of the utmost importance with this type of insurance.

If you do not understand any part of this Proposal Form, seek advice from your professional insurance adviser, as you will be bound by your answers and any of the information provided by you.

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##### Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their liability under the contract in respect of a claim. If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.

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##### Claims Made & Notified Insurance

This insurance is written on a "claims made and notified" basis. This means that the insurer indemnifies you for Claims (as defined) that are made against you during the period of insurance and notified to the Insurer during the period of insurance. The policy does **not** provide cover for any claims made against you during the period of insurance if at any time prior to commencement of the period of insurance you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you gave notice in writing to the insurer of any facts that might give rise to a Claim against you as soon as reasonably practical after you become aware of those facts, but before the

expiry of the period of insurance, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it was made after the period of insurance had expired.

The policy does not cover your civil liability for breach of professional duty arising from any claim:

- first made prior to the inception of the Policy;
  - directly or indirectly based upon, or attributable to, or in consequence of, any incident, occurrence, fact or matter which you knew or ought or should have reasonably known, had the potential to give rise to a claim under the Policy; or
  - directly or indirectly based upon, or attributable to, or in consequence of any fact, matter, circumstance or occurrence which has been notified under any other insurance attaching prior to the inception date of the Policy.
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##### Retroactive Date

The proposed insurance may be limited by a retroactive date. If so, the policy will not cover any claims or circumstances arising from any events, omissions or conduct prior to such retroactive date.

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##### Subrogation

Where you have prejudiced the insurer's rights to recover a loss from another party, this may have the effect of excluding or limiting the insurers liability in respect of that loss.

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##### Change in Risk or Circumstances

You should advise the insurer(s) as soon as practicable of any material change in your business activities (as disclosed in the Proposal Form).

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##### Privacy

New privacy legislation took effect on 21<sup>st</sup> December 2001. The legislation regulates the way private sector organizations can collect, use, keep, secure and disclose personal information. We have developed a privacy policy that explains what sort of personal information we hold about you and what we do with that information. Please refer to our website for a copy of our Privacy Statement.

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##### Additional Notes

If there is insufficient space to adequately complete your answers, please provide further details on your letterhead, clearly identifying the question referenced.

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Proposer Details

New Business

Renewal to Newline



1. Name of Firm to be Insured (including any predecessors):

Entity to be Insured	ABN	Commencement Date

2. Address of the Firm:

3. Website of Firm (if applicable):

www. 

4. Contact Details:

Contact Person	
Email	
Telephone	

5. Date since the Firm has continuously carried on the business:

6. How many offices does your Firm operate from?

7. Please provide a full description of your business activities including:

- Any activities undertaken in the last six (6) years not currently undertaken; and
- Any new activities planned in the next 12 months.

8. Please provide details of the Principal(s) of the Firm:

Name in full of all Partners / Principals / Directors	Qualifications	Date Qualified	How many years as a Partner / Principal / Director	
			This Practice	Prior Practice

9. Please state total numbers of:

Principals/Directors		Other Technical Staff	
Qualified staff		Administrative/Other staff	

10. In the past five (5) years, has your staff size increased or decreased by more than 50% Yes  No

11. Does the Firm belong to any Professional Associations or Trade Associations? Yes  No



If Yes, please specify:

[Empty box for specifying details]

- 12. If a sole practitioner, does the Proposer have a locum arrangement in force for periods of absence from the office due to leave or sickness? Yes  No

SUB-CONTRACTORS

- 13. (a) Do you use the services of independent contractors, sub-contractors or agents? Yes  No 
  - (i) If No, proceed to question 14. If Yes, do you require them to maintain their own Professional Indemnity insurance? Yes  No
  - (ii) If Yes, what limit of indemnity do you require them to carry?

\$ [Empty box]

- (iii) If No to Question 13(a)(i), do you require any consultant, sub-contractor or agent to be indemnified under your insurance? Yes  No

If Yes, please state:

Name	Qualifications	Fees Paid (last financial year)

- (iv) Do you enter hold harmless or similar agreements which limits legal rights , entitlements or recoveries against such consultants, sub-contractors or agents? Yes  No

If Yes, provide full details:

[Empty box for providing details]

- b) What percentage of your income relates to sub-contracted work? [Empty box] %

GENERAL INFORMATION

- 14. (a) Has any person for whom insurance is now sought ever been the subject of disciplinary proceedings by any professional organisation of which they are a member? Yes  No
- (b) In the last complete financial year, did more than 30% of fee income derive from one client? Yes  No
- (c) In the last five (5) years, has the firm merged with or acquired any other business entity? Yes  No
- (d) Do you anticipate any material changes to the firm or it practice within the next 12 months? Yes  No

If Yes to any of the above, please give full details:

[Empty box for providing details]

- (e) Does the Firm or any Principal, Partner or Director act on behalf or undertake work for any firm, company or organisation in which the Firm or the Principal / Partner / Director has a financial interest? Yes  No

If Yes, does your Principal, Partner or Director perform an executive role or hold a position whereby he or she is able to make a major policy decision on behalf of such firm, company or organisation? Yes  No

Is such other firm, company or organisation associated with any process of manufacture, construction, or erection or any form of contracting or supply? **Yes**  **No**

15. Are you involved in any process of manufacture, construction, alteration, repair, installation, sale or supply of any products other than in a pure consultancy capacity? **Yes**  **No**

If **Yes**, please provide details:

**FEE INCOME INFORMATION**

16. a) Please provide details of gross fees received for the following financial years:

	Last Year	Current Year
Year End (Month / Year)	/	/
Description of Professional Service provided:	\$	\$
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•		
•		
•		
•		
•		
•		

- (b) Percentage of work undertaken overseas (Last Year)

USA / Canada:	%	Elsewhere Overseas:	%
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- (c) Please provide a percentage split of your FEE income by geographical area:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas
%	%	%	%	%	%	%	%	%

- (d) Please provide a brief description of each of the five (5) largest contracts undertaken by you during the last five (5) years and the income derived from those contracts:

	Approximate Completion Date	Description of Services Performed	Firm's Contract Value	Total Contract Value
1			\$	
2			\$	
3			\$	
4			\$	
5			\$	

**OPTIONAL COVERAGE EXTENSIONS**

17. Do you require cover for the **Previous Business Activities** of any Partner / Principal / Director? **Yes**  **No**

If **Yes**, Please complete the following, if **No** please proceed to question 18.

Name of Principal		
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Name of Practice		
Position at Practice		
Period at Practice		
Fees for Practice (last complete year)	\$	\$
Reason for Leaving		

18. Do you require the cover to indemnify you in respect of any **Joint Ventures** you are involved in? Yes  No

If **Yes**, give full details of the nature of the Joint Venture and the parties involved:

19. Do you require any **Fidelity** cover? Yes  No

If **No**, go directly to Question 20. If **Yes**, please complete the balance of Question 19.

(a) Are satisfactory written references obtained from former employers for at least three years prior to the engagement of any employee responsible for money, accounts or goods? Yes  No

(b) Has the proposer/s suffered any loss through fraud or dishonesty or are you aware, **AFTER ENQUIRY**, of any circumstances which might give rise to a loss against the Firm? Yes  No

If **YES**, state date, circumstances, amount and steps taken to prevent a recurrence:

(c) Do all cheques drawn for more than \$5,000 require at least two signatures? Yes  No

(d) Is cash in hand and petty cash and bank reconciliation checked independently of those employees responsible for cash or to deposit into or withdraw from bank accounts? Yes  No

(e) Are bank statements, receipts, counterfoils and supporting documents checked at least monthly against the cash book entries independently of those employees making cash book entries or paying into the bank? Yes  No

(f) Are employees receiving cash and cheques in the course of their duties required to pay in daily? Yes  No

**INSURANCE HISTORY**

20. Has the Firm (or its predecessors or any past or present principal or director) had any insurer decline a proposal, impose special terms or had a similar insurance cancelled or refused to renew? Yes  No

If **Yes**, please provide full details:

21. Are you currently insured for Professional Indemnity insurance? Yes  No

If **Yes**, please confirm:

Name of Insurer(s)	
Limit of Indemnity	
Retroactive Date	
Premium (excl GST & Stamp Duty)	
Excess	
Renewal Date	





If **Yes**, do your contracts contain any of the following:

- Hold Harmless or Indemnity Agreements inuring to your benefit? Yes  No
- Hold Harmless or Indemnity Agreements inuring to the benefit of others? Yes  No
- Guarantees or warranties? Yes  No
- Disclaimers inuring to your benefit? Yes  No

26. Are verbal reports always confirmed in writing? Yes  No

If **No**, how are they substantiated?

27. Can you confirm that:

- Work undertaken by professional / technical staff is regularly reviewed by a Principal/Manager? Yes  No
- Written procedures or checklists are used for the professional / technical services provided? Yes  No
- Contracts /terms of acceptance are evidenced in writing, specifying the work to be undertaken and the extent of the firms responsibility? Yes  No
- Records are kept of all contracts, letters of engagement, client meetings and phone calls? Yes  No
- Diary systems, registers and other procedures are in operations to ensure that deadlines are met? Yes  No
- Satisfactory documented references are always obtained for new employees undertaking professional / technical services? Yes  No

**DECLARATION**

I hereby declare that:

1. I am authorised to complete this Proposal Form and to accept the quotation terms for this insurance on behalf or the Firm referred to in Question 1 (including on behalf of its partners, principals and directors); and
2. All answers to the questions contained in this Proposal Form are, AFTER ENQUIRY, true and correct to the best of my knowledge and belief and that no material facts have been misstated, omitted or suppressed; and
3. I have received the Important Notice at the beginning of this Proposal Form and I have read and understood the contents therein; and
4. I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the Underwriters of any change in the particulars or statements contained in this Proposal Form or accompanying documents; and
5. I understand that the submission of this Proposal Form does not bind either the Underwriters or the Firm specified in Question 1 to enter into a binding contract of insurance.

Signed: \_\_\_\_\_

Capacity: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

A copy of this proposal should be retained by you for your own records.