# PROFESSIONAL INDEMNITY INSURANCE PROPOSAL

## NOTICE TO THE APPLICANT FOR INSURANCE

## 1. YOUR DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with the insurers, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurers every matter which you know, or could reasonably be expected to know, is relevant to the insurers’ decision whether to accept the insurance risk and, if so, on what terms. You have the same duty to disclose those matters to the insurers 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;
* as to which compliance with your duty is waived by the insurers.

### 1. NON-DISCLOSURE

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

COMMENT: The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything that might conceivably influence the insurers’ consideration of your proposal.

### 2. CLAIMS MADE POLICY

1. This proposal is for a "claims made and notified" policy of insurance. This means that the policy indemnifies you for claims made against an insured and notified to the insurers during the period of insurance. The policy does not provide indemnity in relation to:
2. claims arising from acts errors or omissions committed prior to the retroactive date of the policy (if such a date is specified);
3. claims made, threatened or intimated prior to the commencement of the period of insurance;
4. claims made after expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance;
5. claims arising from facts or circumstances notified (or which ought reasonably to have been notified) under any previous insurance policy;
6. claims arising from facts or circumstances noted on the proposal form for the current period of insurance or on any previous proposal form;
7. claims arising from facts or circumstances of which you first became aware prior to the commencement of the period of insurance, and which you knew or ought reasonably to have known might to give rise to a claim under this policy.

The policy will respond to claims pursuant to Section 40 (3) of the Insurance Contracts Act 1984 which states:

“Where the insured gave notice in writing to the insurer 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 but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the period of insurance cover provided by the contract”.

### 3. AVERAGE PROVISION

The policy provides that if a payment in excess of the limit of liability available under the policy is made to dispose of a claim, the insurers’ liability for defence costs incurred with its consent shall be such proportion of the total defence costs as the limit of liability available under the policy bears to the amount paid to dispose of the claim.

### 4. RIGHTS OF RECOVERY

The policy does not cover liability, loss or damage in respect of which you have at any time foregone, excluded or limited a right of recovery.

### YOUR BROKER

|  |  |  |  |
| --- | --- | --- | --- |
| Brokers name: |  | | |
| AFS Licence No. |  | ABN: |  |

### YOUR DETAILS

|  |  |  |
| --- | --- | --- |
| **1.** Name of all entities to be insured: | ABN | Website |
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| **2.** Address of the Company’s head office: |
| State:       Postcode |

|  |  |  |
| --- | --- | --- |
| **3.** Address of other offices: | | |
|  | State: | Postcode |
|  | State: | Postcode |
|  | State: | Postcode |

|  |  |
| --- | --- |
| **4.** Commencement date of your business: | /    / |

|  |  |  |
| --- | --- | --- |
| **5.** Please describe your Professional Services: | | |
|  | | |
| If your Professional Services falls into one of the following categories, please complete the specific proposal from our website: | | |
| * Accountant * Financial Planner | * Finance Broker * Engineering | * Design & Construct * Real Estate/Valuer; |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **6.** Please advise the following details in respect of your principals or directors | | | | |
| Name | Age | Professional Qualifications | Date qualified | Date appointed |
|  |  |  | /    / | /    / |
|  |  |  | /    / | /    / |
|  |  |  | /    / | /    / |
|  |  |  | /    / | /    / |
|  |  |  | /    / | /    / |

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| --- | --- | --- | --- |
| **7.** Please supply total numbers of: | | | |
| Principals or directors |  | Professionally qualified staff |  |
| Other staff |  | TOTAL |  |

|  |
| --- |
| **8.** *Sole practitioners only* – Please advise what arrangements you have in place to assist during your absence from the business. |
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### YOUR BUSINESS DETAILS

**9.** In the last 6 years:

1. Has the name of the business changed? **Yes  No**
2. Has any other business or practice amalgamated or merged with you? **Yes  No**
3. Have you purchased any other business or practice? **Yes  No**

If **Yes** to any of the above, please supply the details.

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**10.** Is any partner, principal or director connected or associated (financially or otherwise) with any other business or practice? **Yes  No**

If **Yes**, please supply the details.

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**11.** Please list the professional bodies or associations to which you belong.

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**12.** (a) Please describe the precise the nature of your activities or business.

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| --- |
|  |

(b) Please list the categories of activities or business described in Question 12 (a) and indicate the approximate percentage of your income derived from each category.

|  |  |
| --- | --- |
| **Categories** | **Percentage** |
|  | % |
|  | % |
|  | % |
|  | % |
|  | % |
|  | % |

(c) Do you undertake any work which involves:

* + 1. construction, erection or fabrication **Yes**  **No**
    2. the manufacture, sale or supply of any product **Yes**  **No**

If **Yes**, please provide details.

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(d) Do you always confirm verbal reports and advice in writing? **Yes  No**

If **No**, how do you substantiate such verbal reports or advice?

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**13.** Please provide a brief description of each of the five (5) largest contracts undertaken by you during the last three (3) years and the fee income derived from each contract.

|  |  |
| --- | --- |
| **Brief description of the contract** | **Fee income** |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
|  | $ |

**14.** Does any contract or client represent more than 50% of your workload or income?  **Yes  No**

If **Yes**, please supply the details.

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**15.** Do you engage consultants, sub-contractors or agents? **Yes  No**

If **Yes**, please answer the following question:

(a) Do you always insist and confirm that they carry their own professional indemnity insurance? **Yes  No**

If **No**, please explain the circumstances under which you would insist that they carry such insurance.

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***NB****: For your own protection, it is recommend that you always insist that your consultants, sub-contractors or agents carry adequate professional indemnity insurance*

(b) Do you ever enter into hold-harmless agreements or otherwise waive any legal right or entitlement that you may have against such consultants, sub-contractors or agents? **Yes  No**

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

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**16.** (a) Has there been any substantial change in your activities during the last 12 months? **Yes  No**

(b) Do you envisage any substantial change in your activities or are any major new operations contemplated during the next 12 months? **Yes  No**

If **Yes,** to either of the above, please supply details.

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**17.** Do you perform work outside Australia, or work for clients located overseas? **Yes  No**

If **Yes**, please provide details.

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### YOUR FINANCIAL DETAILS

**18.** (a) Please state the date of your financial year-end. Day    Month

(b) Please supply details of gross income or fees in Australian dollars (A$) for the following:

|  |  |  |  |
| --- | --- | --- | --- |
| Financial Year | Australia | Overseas | Total |
| Last year | $ | $ | $ |
| Current year | $ | $ | $ |
| Estimate for next year | $ | $ | $ |

(c) Please state the amount of the largest annual income derived from any one client.

|  |  |  |  |
| --- | --- | --- | --- |
| **Last Financial Year** | | **Estimate for next year** | |
| Australia | Overseas | Australia | Overseas |
| $ | $ | $ | $ |

(d) Please advise any overseas countries in which you have earned, or intend to earn, any income.

|  |  |  |  |
| --- | --- | --- | --- |
| **Last Financial Year** | | **Estimate for next year** | |
| Country | Fee Income | Country | Fee Income |
|  | $ |  | $ |
|  | $ |  | $ |
|  | $ |  | $ |
|  | $ |  | $ |

**19.** Please state the approximate percentage of your activities (based on income) applicable to each State, Territory and Overseas.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NSW** | **VIC** | **QLD** | **SA** | **WA** | **TAS** | **ACT** | **NT** | **O/S** |
| % | % | % | % | % | % | % | % | % |

### YOUR CLAIMS DETAILS

**20.** In the last ten (10) years, have any claims for negligence or breach of professional duty been made against your business or practice or any of its predecessors in business or any prior business or practice of any of its present or former partners, principals or directors **(whether or not you consider there is or was a liability)**, or has any fact or circumstance been notified to insurers that has the potential to give rise to such a claim? **Yes  No**

If **Yes**, please provide the following details in respect of each claim, fact or circumstance:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Date notified** | **Name of Insurer** | **Brief description** | **Finalised?** | **Paid** | **O/standing** |
| /    / |  |  | Yes  No | $ | $ |
| /    / |  |  | Yes  No | $ | $ |
| /    / |  |  | Yes  No | $ | $ |
| /    / |  |  | Yes  No | $ | $ |

**21.** Are any of the partners, principals or directors, **after enquiry**, aware of any fact or circumstance which has the potential to give rise to a claim against your business or practice or any prior business or practice of any of their present or former partners, principals or directors **(whether or not you consider there is a liability)**, which fact or circumstance is not referred to in question 20 above? **Yes**  **No**

If **Yes**, please provide the following details in respect of each claim, fact or circumstance:

|  |  |  |
| --- | --- | --- |
| **Claimant** | **Brief description** | **Estimated liability** |
|  |  | $ |
|  |  | $ |

**22.** Has any partner, principal, director or staff member ever been subject to disciplinary proceedings for professional misconduct? **Yes  No**

If **Yes**, please supply the details.

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**23.** Are any of the partners, principals or directors, **after enquiry**, aware of any inquiry (including any coronial inquiry or any inquiry under the disciplinary rules of a professional association of which they are a member) or other similar process relating to or connected with the affairs of your business which you may be required to attend? **Yes  No**

If **Yes**, please provide the following details in respect of each inquiry or similar process:

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### YOUR INSURANCE DETAILS

**24.** (a) Does your business or practice currently carry or carried professional indemnity insurance? **Yes  No**

If **Yes**, please provide the following details:

|  |  |  |  |
| --- | --- | --- | --- |
| Insurer: |  | Expiry date: | /    / |
| Limit of liability: | $ | Deductible: | $ |

1. Has your business or practice or any partner, principal or director ever been declined this type of insurance, or had similar insurance cancelled, or had an application for renewal declined, or had special terms or restrictions imposed?

**Yes  No**

If **Yes**, please supply the details.

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| --- | --- | --- | --- |
| 25. Limit of Liability required | $ | Deductible required | $ |

### OPTIONAL EXTENSIONS

##### 26. Previous Business:

Do you require cover for any of your partners or directors in respect of a previous business of theirs? **Yes  No**

If **Yes**, please identify the previous practices with which all partners, principals & directors have been associated.

| **Names of Partners/Principals/Directors** | **Name of Previous Practice** | **Years practising as Partner/Principal/Director** |
| --- | --- | --- |
|  |  | years |
|  |  | years |

**27. Fidelity**:

Do you require Fidelity cover? **Yes  No**

If **Yes**, please complete the remainder of this question.

**NB**: Provided that the insurers offer this extension, the limit available under this Insuring Clause will be sub-limited.

(a) Does your business or practice carry any fidelity insurance? **Yes  No**

If **Yes**, please advise:

|  |  |  |  |
| --- | --- | --- | --- |
| Insurer: |  | Expiry date: | /    / |
| Limit of liability: | $ | Deductible: | $ |

(b) Have you ever sustained any loss through the fraud or dishonesty of any employee? **Yes  No**

If **Yes**, please supply the details and advise what precautions have been taken to prevent a reoccurrence.

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(c) (i) Are cash, securities and negotiable instruments subject to control by a principal or director? **Yes  No**

(ii) Are cheques signed/co-signed by a principal or director, or by at least two Employees? **Yes  No**

(iii) Do you apply the principle of separation of duties, as much as is practicable, in order to minimise the incidence of fraud and dishonesty by employees? **Yes  No**

(iv) Do you always require and obtain satisfactory references before hiring employees? **Yes  No**

If you answered **No** to any of the above questions, please supply the relevant details and indicate what extra precautions you take to minimise the chances of fraud or dishonesty by an employee.

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| --- | --- | --- | --- |
| 1. Fidelity Limit required | $ | Deductible required | $ |

## DECLARATION

I declare as follows:

1. I am authorised by the persons or entities applying for this insurance, to make this declaration.
2. I have read and understood the “Notice to the applicant for insurance” and the “Privacy Statement” in this proposal.
3. I have read this proposal and the accompanying documents and acknowledge the contents to be true and complete.
4. I understand that, up to the date of the commencement of the period of insurance, the Insured is under a continuing obligation to immediately inform SUA of any material change in the information provided in this proposal and in accompanying documents.

Although the signing of this proposal does not bind the applicants to effect insurance, I acknowledge that the particulars and statements contained in this proposal and in the accompanying documents shall be the basis of the contract if a policy is issued. I also acknowledge that the proposal and the accompanying documents will be incorporated in the contract of insurance.

|  |  |
| --- | --- |
| Name of Business or Practice: |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Insurer: |  | | Expiry date: | /    / | |
| Limit of liability: | $ | | Deductible: | $ | |
| **Signature of Principal or Director:** | |  | | |

|  |  |  |  |
| --- | --- | --- | --- |
| Name of signatory: |  | Date: | /    / |

## Privacy Statement

### Protecting your privacy

We are committed to protecting your privacy and the privacy of any personal information provided to us. We comply with the Australian Privacy Principles set out in the Privacy Act 1988. A full version of our ***Privacy Policy*** is available (see the link below) which sets out details about how we manage and what we do with your personal information. In summary:

#### What personal information will we collect and why do we need it?

We may need to collect personal information from you so that we can provide you with the insurance services you are seeking from us.

#### How do we collect the personal information?

Information is primarily collected through brokers or directly from you. It might also be collected on occasion in person by investigators or to the officers or service providers of ours, in writing, by telephone and by other electronic communication channels.

We may need to obtain personal information from others to ensure that we are fully informed in relation to the issues that we need to address with regard to your insurance and any claim that you may make.

#### Who will see or have access to your personal information?

Unless we are required to provide your personal information to others by law, by court order or to administer or investigate an application for insurance or a claim, your information will only be seen or used by persons working within the Specialist Underwriting Agencies group of companies.

#### Security of Information

Our information systems and files are kept secured from unauthorised access and our staff and contracted agents and service providers have been informed of the importance we place on protecting your privacy and their role in helping us to do so. Information will be stored and disposed of in a secure environment, which may only be accessed by authorised personnel.

#### What if I want to check what personal information you hold about me?

We are happy to advise you what personal information we hold about you and share this information with you. This will be the case unless there is a relevant exception under the Privacy Act 1998 that applies.

#### Can I correct the information?

If you believe there are errors in our records about you, please let us know and we will be happy to investigate and correct any inaccuracies.

#### Cookies

Our website may use cookies to provide a better browsing experience. If you prefer not to have cookies collected, you can disable this option in your browser settings.

#### Direct Marketing

Apart from notifying you of our service offerings, we do not, without your consent, sell, rent, license or otherwise disclose your information to any party for the purposes of direct marketing.

#### Cross Border Storage

In order for us to provide our services, we may receive and share personal information with the Specialist Underwriting Agencies group of companies, third parties and we may also store that information on servers that are not in Australia. We will ensure that any party with whom we share personal information overseas will be required to comply with the Privacy Act 1988.

#### Further information

If you would like further information, please review our full **Privacy Policy** or if you have any complaints or concerns over the protection of the information you have given to us or that we have collected from others, contact the privacy officer at:

Specialist Underwriting Agencies Pty Ltd

255 Sandgate Road

Albion QLD 4010

Ph: 07 3624 9419

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Email: info@sua.com.au