

# Professional Indemnity Insurance Proposal.

## Important information

### What is a proposal?

This proposal tells us information, which we need to know in order to decide whether to offer you insurance, the premium to be charged, any deductibles to apply to any claim and whether any special conditions should be imposed on the policy.

### How to complete this proposal

1. Read the important notices below (in particular the duty of disclosure notice) before completing this proposal.
2. Before completing this proposal, you should ask each entity or person to be insured under this insurance about the questions and declarations to be completed on their behalf.
3. Where provided, please tick the box that indicates your response. Answer each question in the proposal fully, accurately and clearly. Where there is insufficient space to answer a question please answer on an attached separate sheet.
4. Please keep a copy of the completed proposal for your records.

### Your duty of disclosure (applicable to each person or entity being insured)

Before we agree to give you insurance, you must tell us every matter that:

- you know; or
- could reasonably be expected to know which is relevant to our decision to give you insurance and the terms on which it is provided.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate your policy.

You do not need to tell us anything that:

- reduces our risk;
- is commonly known;
- we already know or ought to know in the ordinary course of business as an insurer; and
- we tell you we don't wish to know.

If in doubt it is better to tell us because if you do not comply with your duty of disclosure, we may:

- refuse or reduce a claim;
- cancel your policy; or
- if your failure is fraudulent, avoid your policy from its beginning.

Please note – Your duty is not limited to answering the specific questions in this proposal. You must also tell us about any other relevant matters.

Your duty also requires you to tell us of changes to any matters disclosed in this proposal which occur after the proposal is submitted but prior to cover being entered into.



### What is a 'claims made' policy?

The insurance you are applying for is a 'claims made' policy, which covers claims made during the period of cover. It does not provide cover for:

- claims arising from an event which occurred before the policy's retroactive date specified in the schedule;
- claims made after the period of cover expires (even where the event giving rise to the claim occurred during the period of cover);
- claims made before the commencement of the policy;
- claims arising from facts or circumstances of which you first became aware before commencement of the policy and which you knew or ought reasonably to have known, had the potential to give rise to a claim under the policy or under any previous policy; and
- claims arising from circumstances noted on the proposal form or any previous proposal form for this insurance.

However, where you give us written notice of facts that might give rise to a claim under the policy as soon as was reasonably practicable after you became aware of them and before expiry of the period of cover, the policy will, subject to its terms and

conditions, cover you for any claim made after the expiry of the period of cover which arises from those facts.

The above is subject to the terms and conditions of the policy wording which you should read carefully.

### What happens where you waive your right to recover loss from another person?

If another person would be liable to compensate you for any loss covered by the policy, but you agreed with that person either before or after the loss occurred, not to make a recovery against them in relation to such loss, you will not be covered under the policy to the extent you have waived your rights to recover that loss from them. Question 2.4b asks you about such agreements.

### Average provision

If a payment in excess of the limit of indemnity under the policy needs to be made to finalise a claim, Allianz's liability for defence costs incurred with its written consent will be the same proportion of the defence costs as the amount of the limit of indemnity bears to the amount of your civil liability in respect of the claim.

## 1. Applicant Details

1.1a. Full name of persons, partnership, corporation or other entities to be insured, including trading name (hereinafter referred to as the Applicant)

1.1b. Professional Business

1.2 Principal address

State

Postcode

Phone ( )

1.3 Date on which the Applicant's business was established

1.4 Are you registered for GST? No  Yes  ABN Number

To what extent are you entitled to claim on Input Tax Credit on your insurance premiums?

%

1.5 Please provide the following details for each of the Applicant's principals, partners or directors:

Name	Age	Qualifications	Date qualified	Period practicing

1.6 State the total number of :

Principals / Partners / Directors:		Other qualified staff	
Trainee staff		Others (please give details)	
Part-time or temporary staff			
Administrative and clerical staff			
TOTAL STAFF			

1.7 Previous Business

Is cover required for any of the Applicant's principals, partners or directors in respect of their previous business? No  Yes

If YES please provide the following details:

Name of practice	Name of person	Type of profession/business	Dates of previous business
			From: To:
			From: To:
			From: To:

1.8 Does the Applicant or any of its principals, partners or directors belong to any professional association? No  Yes

If YES, please provide details:

## 2. Details of Business

2.1a Has the business ever traded under any other name? No  Yes

2.1b Has the business ever been involved in any merger or acquisition? No  Yes

If you have answered YES to either a or b, please supply details:

2.2a Please provide a detailed description of the Applicant's business and professional activities, including details of any advice given and services provided. Also, please attach copies of any brochures or promotional materials issued by the Applicant.

2.2b Please categorise the business and professional activities described in Question 2.2a and set out the approximate percentage of the fee income derived from each.

Type of work	% of fee income

2.2c Are verbal reports or advice always confirmed in writing? No  Yes

If NO, how do you substantiate such verbal reports and advice?

---

---

---

2.3 Please provide details of the 5 largest jobs or contracts undertaken by the Applicant during the last 5 years.

Particulars Fees / contract value / derived \$

Particulars	Fees / contract value / derived \$
1.	
2.	
3.	
4.	
5.	

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

If YES,

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

(b) Does the Applicant enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which it may have against such consultants, sub-contractors or agents? No  Yes

2.5 Does the Applicant envisage any substantial changes in its business activities, or are there any major new operations contemplated, during the next 12 months? No  Yes

If YES, please provide details:

---

---

### 3. Business Income

3.1a What is the date of the Applicant's financial year end?

3.1b Please provide the amount of gross income/fees for: Australia Overseas

(i) current financial year (estimate)	\$A	\$A
(ii) last financial year	\$A	\$A
(iii) previous financial year	\$A	\$A

3.1c Please provide details of work performed outside Australia and work for overseas clients:

---

---

---

3.1d Does any contract or client represent more than 40% of the Applicant's annual income?

If YES, please provide details: No  Yes

---

---

---

---

## 4. Claims History

- 4.1 Has the Applicant or any of its principals, partners, directors or staff members, or any of the Applicant's predecessors, or any prior practice of any of its present or former partners, principals or directors ever been subject to disciplinary proceedings or actions for misconduct in a professional respect? No  Yes

If YES, please provide details:

--

- 4.2 Has the Applicant or any of its principals, partners, directors or staff members, or any of the Applicant's predecessors, or any prior practice of any of its present or former partners, principals or directors:

a. ever been subject to any claims for civil liability or breach of professional duty in the last ten (10) years; or No  Yes

b. notified circumstances to insurers that may give rise to such a claim? No  Yes

If YES to either part a or b, please provide the following details in respect to each matter. (Use a separate sheet if necessary)

Date matter notified	Name of insurer (if any)	Name of claimant or potential claimant


Brief description of matter	Amount paid or estimated potential liability	Is the matter finalised or outstanding?


- 4.3 Is the Applicant or any of its principals, partners or directors aware, after reasonable enquiry of all staff and managers, of any other facts or circumstances which may give rise to a claim of the type insured by the proposed insurance? No  Yes

If YES, please provide details:

Name of claimant / potential claimant	Brief description of matter	Estimate of liability


## 5. Existing or Past Insurance Cover

- 5.1 Please provide full details of any professional indemnity insurance held by the Applicant during the past three years.

Insurer(s)	Expiry date	Limit of liability	Deductible(s)	Premium
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$

5.2 Has the Applicant or any proposed insured person ever had this type of insurance refused (including renewal), cancelled, avoided or an application or proposal declined, or had special terms imposed? No  Yes

If YES, please provide details:

5.3 Has the Applicant or any proposed insured person ever had his/her entitlement to indemnity under an insurance policy denied or reduced by reason of non-disclosure, misrepresentation or breach of policy condition? No  Yes

If YES, please provide details:

## 6. Cover Requested

6.1 What Limit of Indemnity do you require? \$

6.2 What Deductible do you require (each claim)? \$

6.3 Under Allianz's Professional Indemnity Insurance policy the following important cover is given automatically:

- Libel and Slander
- Outgoing Principals
- Loss of Documents
- Joint Ventures
- Previous Business
- Fraud and Dishonesty
- Trade Practices and Related Legislation
- Infringement of certain Intellectual Property rights

Please see policy wording for details of this cover.

6.4a. You may also choose to obtain the following Optional Extensions of cover.

Please indicate the extensions you require:

i) Automatic Reinstatement No  Yes

ii) Pre-acquisition Liability for Subsidiaries (If YES, please answer 6.4b) No  Yes

iii) Fidelity (If YES, please answer 6.4c) No  Yes

Sub-limit required for Fidelity: \$

6.4b If Pre-acquisition Liability for Subsidiaries is required please provide the following details in relation to any Subsidiary acquired or disposed of in the last 6 years.

Name	Date acquired / disposed	Reason for acquisition / disposal
------	--------------------------	-----------------------------------

<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"/>

6.4c If Fidelity extension is required

i) has the Applicant any Fidelity Guarantee Insurance in force at present? No  Yes

If YES, please give details (name of insurer and limit of liability):

ii) has the Applicant suffered any loss through fraud or dishonesty of any principal, partner, director or employee over the past 5 years? No  Yes

If YES, what steps have been taken to strengthen the internal control environment?

iii) Are procedures in place to ensure segregation of duties, ie between payment approval and cheque signing? No  Yes

iv) Is a counter signature on all cheques required? No  Yes

v) How often, and by whom, are the entries in the cashbook checked with the vouchers and reconciled with the bank statements?

vi) Does the Applicant always require and obtain satisfactory references when engaging employees? No  Yes

vii) Does the Applicant have an Internal Audit Department or person responsible for a similar function? No  Yes

If YES,

a. how often is each department audited/reviewed?

b. are spot audits carried out? No  Yes

c. please advise name of the Applicant's external auditors.

## 7. Declaration

I/We declare and acknowledge that:

- I/we have made due inquiry of the Applicant and its principals, partners, directors and employees concerning the questions asked within this proposal and have authority to sign this proposal on their behalf;
- I/we have read and understood the Important Information of this proposal;
- the statements and particulars in this proposal are true and correct;
- this proposal along with any other information supplied by me/us shall form the basis of any policy entered into;
- I/we understand that up until the policy is entered into, we must notify any change in the matters disclosed in this proposal; and
- I/we will notify any material alteration to the matters disclosed in this proposal occurring after completion of the proposal.

Name of Applicant :

Signed by, or on behalf of, the Applicant:  Date:

Partner, Principal or Director :  Date:

SIGNATURE OF THIS FORM DOES NOT BIND YOU OR US TO COMPLETE THE INSURANCE.



The Power On Your Side.

Allianz Australia Limited ACN 000 006 226  
Head Office: 2 Market Street, Sydney NSW 2000  
Phone (02) 9390 6283 Fax (02) 9390 6466  
Internet [www.allianz.com.au](http://www.allianz.com.au)