

Professional Indemnity Insurance Proposal Form Accountants

IMPORTANT NOTICE TO THE INSURED

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.

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.

Claims Made & Notified Insurance

This insurance is written on a "claims made and notified" basis. This means that the Underwriters indemnifies you for Claims (as defined) that are made against you during the period of insurance and notified to the Underwriters 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 to 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 Underwriters 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 Underwriters 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.

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.

Subrogation

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

Privacy

We safeguard your privacy and the confidentiality of your personal information and are committed to handling your personal information in a responsible way. We will abide by the Privacy Act 1988 (Cth) (the 'Act') including the Australian Privacy Principles which are set out in the Act. We have developed a Privacy Policy that sets out how we collect, store, use and disclose your personal information. Please refer to our website (www.newlinegroup.com.au) for a copy of our Privacy Policy.

Proposer Details

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

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2. **Address of the Firm:**

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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:**

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6. **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

7. **Please state total numbers of:**

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

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

8. **Does the Firm belong to any Professional Associations?**

ICAA CPA Australia NIA **Other** Please Specify: _____

9. 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

10. (a) Do you use the services of independent sub-contractors? Yes No

(i) If **No**, proceed to question 11, 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?

\$

(iii) If **Yes** to Question 10(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)

b) What percentage of your income relates to sub-contracted work?

%

FEE INCOME INFORMATION

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

	Last Year	Current Year	Estimated Year
Year End (Month / Year)	/	/	/
Gross Fees	\$	\$	\$
Average Fee	\$	\$	\$
Maximum Fee	\$	\$	\$

(b) Split of Gross Fees in the last complete financial year:

Accounting / Bookkeeping	%
Insolvency / Liquidation	%
Audit Public Company	%
Audit Private Company	%
Personal taxation	%
Business taxation	%
Secretarial / Share Registration	%
EDP / Computer Consultancy Services	%
Mergers & Acquisitions	%
Management Consultancy	%
Investment Advice	%
Executorship / Trusteeship	%
Business Valuations	%
Securities Services	%
Financial Planning	%
Mortgage / Finance Broking	%
Other	%
	100%

(c) Please provide a percentage split of your income by geographical area:

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

(d) Please provide a percentage split of your income by client types:

Client Type		Client Type	
Individuals	%	Non-Profit or Charities	%
Individuals – High Net Worth (>\$10M)	%	Trusts (>\$5M)	%
Private Companies	%	Financial Institutions	%
Public Companies	%	Other	%
Government or Public Institutions	%	TOTAL	100%

GENERAL INFORMATION

12. (a) Has any person for whom insurance is now sought ever been the subject of disciplinary proceedings by the Institute of Chartered Accountants, CPA Australia, NIA or any other professional organisation? **Yes** **No**
- (b) In the last complete financial year, did more than 20% of fee income derive from one client? **Yes** **No**
- (c) In the last 5 years, has the firm merged with or acquired the business of any sole practitioner, accounting firm or any other business entity? **Yes** **No**
- (d) Do you anticipate any material changes to the firm or its practice within the next 12 months? **Yes** **No**

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

13. In the last 5 years have you:
- (a) Received loans from any client? **Yes** **No**
- (b) Made recommendations as to the sale or purchase of any investments including specific stocks, bonds or other securities for which you received compensation? **Yes** **No**
- (c) Provide information technology services? **Yes** **No**
- (d) Provided (or has any member or former member of your firm provided) auditing or any consulting services to or acted as a Director or Officer or been a committee member of any financial institution? **Yes** **No**

If **Yes**, give full details of the nature of the association together with the name and business of the third party:

OPTIONAL COVERAGE EXTENSIONS

14. 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 15.

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

15. 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:

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

If **No**, go directly to Question 17. If **Yes**, please complete the balance of Question 16.

- (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:

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- (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

17. Has the Firm (or its predecessors) 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:

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

If **Yes**, please confirm:

Name of Insurer(s)	
Limit of Indemnity	
Retroactive Date	
Premium	
Excess	
Renewal Date	
Base Premium	

LIMITS & EXCESS

19. (a) For what Limit/s of Indemnity are quotations required?
- \$1,000,000 \$2,000,000 \$3,000,000
 \$5,000,000 \$10,000,000 \$20,000,000

Other - Please specify:

\$

(b) Is a reinstatement of the Limit of Liability required? Yes No

If **Yes**, how many reinstatements are required? One Two Other: _____

(c) There will be a minimum level of uninsured excess. Is a quotation required with a voluntary excess to achieve a premium saving? Please tick as appropriate:

\$2,500 \$5,000 10,000
 \$20,000 \$50,000

Other - Please specify:

\$

CLAIMS INFORMATION

20. (a) If an insurance similar to that now proposed has been or is now in effect would any claim which has been made or which is now pending against any persons proposed for insurance fall within the scope of such insurance? Yes No

If **Yes**, please give details including date and cost/estimated cost of claim/loss:

If **Yes**, what steps have been taken to prevent a recurrence?

(b) Is any person aware, AFTER ENQUIRY, of any circumstances or incidents which he/she has reason to believe might give rise to any claim against the Directors, Officers or Employees of the Firm? Yes No

If **Yes**, please give details including estimated cost of claim/loss:

RISK MANAGEMENT

21. Do you have a policies and procedures manual? Yes No

22. Do you have a written policy about screening and evaluating?

▪ New Clients Yes No

▪ Existing Clients Yes No

23. Do you use engagement letters or a standard form of contract or agreement? Yes No

If **No**, please provide details of the basis of engagement?

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

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Hold Harmless or Indemnity Agreements inuring to your benefit? ▪ Hold Harmless or Indemnity Agreements inuring to the benefit of others? ▪ Guarantees or warranties? ▪ Disclaimers inuring to your benefit? | <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p> |
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24. Are verbal reports always confirmed in writing? Yes No

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

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.