



PROFESSIONAL INDEMNITY INSURANCE PROPOSAL

NOTICE TO THE PROPOSED INSURED
[Including notices under the Insurance Contracts Act]

Nova Underwriting Pty Ltd
ABN 42 127 786 123 / AFSL 324767

**IMPORTANT – PLEASE READ THE FOLLOWING ADVICE BEFORE
COMPLETING THIS PROPOSAL**

1. DUTY OF DISCLOSURE

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

You have the same duty to disclose those matters to use 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 insurer.
- that is common knowledge.
- that the insurer knows or, in the ordinary course of business as an insurer, ought to know.
- as to know which compliance with your duty is waived by the insurer.

NON-DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its liability under the contract in respect of a claim or may cancel the contract. If your non-disclosure is fraudulent, the insurer 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 [EG: 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 which might conceivably influence the insurer's consideration of your proposal.

2. UTMOST GOOD FAITH

Every insurance contract is subject to the doctrine of utmost good faith which requires the contracting parties to act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of the insurance contract.

3. CLAIMS MADE POLICY

This proposal is for a “claims made and notified” policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. This policy does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy [if such a date is specified].
- claims made after the expiry of the period of cover even though the act, error or omission giving rise to the claim may have been committed during the period of cover.
- claims notified or arising out of facts or circumstances notified [or which ought reasonably to have been notified] under any previous policy.
- claims made, threatened or intimated against you prior to the commencement of the period of cover.
- facts or circumstances of which you first became aware prior to the period of cover, and which you knew or ought reasonably to have known, had the potential to give rise to a claim under this policy.
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

Where you give notice in writing to the insurer of any facts that might give rise to a claim made against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, you may have rights under Section 40[3] of the ICA to be covered for claims arising from those facts, even though the claim is made against you after the period of cover has expired. Any such rights arise under the ICA only, and not by medium of the policy.

4. AVERAGE PROVISION

If the policy provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of a claim, the insurer’s liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount the indemnity available under this policy bears to the amount paid to dispose of the claim.

5. SUBROGATION WAIVER

Our policy contains a provision that has the effect of excluding or limiting cover for a liability incurred as a result of you entering an agreement that impairs your legal rights against another party.

6. PRIVACY

We comply with the Privacy Act when dealing with your personal information. We need to collect personal information to deliver our services and products, and we may also need to pass that information to third parties such as our security, their reinsurers, agents, lawyers and other service providers. You can have access to, and if necessary, correct your personal information, by contacting our privacy officer. When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to 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 either of these things, you must tell us before you provide the relevant information.

7. NOT A RENEWABLE POLICY

Any policy issued by us will terminate at a time and date specified in the policy. There is no right to automatic extension or renewal of the policy. If you wish to effect similar insurance for a subsequent period, it’s necessary to complete a new proposal prior to the termination of the expiring policy so that we may consider whether or not to offer a replacement policy, and if so, on what terms.

8. CHANGE OF RISK OR CIRCUMSTANCES

The terms of any policy issued by us are based and rely on the information provided to us. If any material change occurs to the information provided on or with this proposal prior to inception of the policy, you must tell us about these changes before the policy incepts, as failure to do so could prejudice any claim and/or continuation of the plicy.

9. OUR POLICY

You should familiarise yourself with our standard policy wording before submitting this proposal to us. Obtain a copy from your broker, us or download from www.novaunderwriting.com.au

10. GENERAL INSURANCE CODE OF PRACTICE

We have adopted the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry, including the manner in which complaints must be handled. For further information about the Code, visit our website www.novaunderwriting.com.au or visit the Code website www.codeofpractice.com.au or contact our Compliance Manager. As part of our Code compliance obligations, we advise that the key factors affecting premiums are the nature and size of the risk, and the claims experience.

IMPORTANT

- Please answer **ALL** questions fully. If there is insufficient space, please provide details on your own letterhead, and attach to this form.
- Where provided, tick the appropriate box to indicate your answer.
- The applicant, and all persons seeking cover, will be referred to in this proposal as “**You**” or “**Your**”.

APPLICANT’S DETAILS

1. **Full name of all persons and/or entities to be insured.** *[It is essential that **You** specify the names of all entities including service, administrative or nominee companies and subsidiaries that **You** wish to be covered by this policy]:*

2. **Principal address:**

3. **Address of other locations from which You operate:**

4. **Website Address:**

5. **Date the business was established:**

6. Please supply the following details:

| NAMES OF ALL PARTNERS/ PRINCIPALS/ DIRECTORS | AGE | QUALIFICATIONS | DATE QUALIFIED | PERIOD PRACTICING AS PARTNER/DIRECTOR/ PRINCIPAL | |
|---|-----|----------------|-------------------|---|------------------------|
| | | | | THIS BUSINESS | * PREVIOUS BUSINESS |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

** PLEASE ALSO ATTACH A LIST OF THE NAMES OF THE PREVIOUS BUSINESSES*

7. Please supply total number of:

| | | | |
|-------------------------------|----------------------|---|----------------------|
| Partners/principals/directors | <input type="text"/> | Non-technical administrative staff | <input type="text"/> |
| Professional qualified staff | <input type="text"/> | Clerical staff – typists, receptionists, etc. | <input type="text"/> |
| Other technical staff | <input type="text"/> | Other staff (please specify) | <input type="text"/> |
| Trainee staff | <input type="text"/> | Total of all partners/principals/ directors and staff | <input type="text"/> |

FOR SOLE PROPRIETORS ONLY – QUESTIONS 8 AND 9

8. State the experience of Your assistants and their length of service:

9. What arrangements do You have to assist you during your temporary absence on business, leave or sickness, or unforeseen emergency?

BUSINESS DETAILS

10. Has the name of the business ever been changed?

Yes No

If "Yes", please supply details:

11. Is any partner, principal, or director connected or associated [financially or otherwise] with any other business? Yes No

If "Yes", please supply details:

12. Have You ever merged or acquired another business? Yes No

If "Yes", please attach details on Your letterhead and include the following information:

- Nature of transaction, such as acquisition of entity, acquisition of business only etc.
- Names of all entities involved.
- Claims or potential claims against the acquired or merged entity.
- Describe any significant difference between the business and services provided by the entities involved.
- Arrangements for unfinished projects.
- Liabilities assumed, or indemnities granted, by the parties to the transaction.

13. Please list the professional associations to which You belong:

14. Are You required to be registered or licensed to conduct Your business? Yes No

If "Yes", please supply details, including name of regulator, registration or licence number and expiry date, and disclose if any person has had their licence cancelled, suspended, revoked or made subject to special conditions.

15. [a] Please provide details of the precise nature of activities of, or services provided by, the business:

NOTE: IF YOU ARE AN ACCOUNTANT, ARCHITECT, ENGINEER, SURVEYOR, INFORMATION TECHNOLOGY CONSULTANT, INSURANCE BROKER, UNDERWRITING AGENT, BUILDER OR FINANCIAL PLANNER, PLEASE ASK FOR AND COMPLETE THE RELEVANT ADDENDUM TO THIS PROPOSAL.

[b] Please categorise the activities or services of the business outline in Question 15(a) and indicate the approximate percentage of Your fee income derived from same:

TYPE OF WORK

| | |
|--|---|
| | % |
| | % |
| | % |
| | % |

[c] [i] Please provide details of advice given in relation to activities or services of the business outlined in Question 15[a] above:

[ii] Are verbal reports always confirmed in writing?

Yes No

If "No", how do You substantiate such verbal reports?

16. Do You provide written reports to clients?

Yes No

If "Yes", please attach specimen copies of typical reports, together with details of any disclaimers and/or warranties used in connection with such reports.

17. Please provide brief description and fees earned for the 5 largest contracts undertaken over the past 5 years:

| BRIEF DESCRIPTION | FEES (\$) |
|-------------------|-----------|
| | A\$ |
| | A\$ |
| | A\$ |
| | A\$ |
| | A\$ |

18. Does any contract or client represent more than 50% of Your annual work or fees?

Yes No

If "Yes", please supply details:

19. Do You engage consultants, sub-contractors or agents?

Yes No

If "Yes":

[a] Do You insist they carry their own Professional Indemnity insurance?

Yes No

[b] Do You enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which you may have against such consultants, sub-contractors or agents?

Yes No

20. Do You envisage any substantial changes in Your activities or are there any major new operations contemplated during the next 12 months?

Yes No

If "Yes", please supply details:

21. Do You issue any brochures or other promotional material [including capability statements] describing Your activities or services?

Yes No

If "Yes", please attach copies.

22. Do You perform work outside of Australia, or work for clients located overseas?

Yes No

If "Yes", please supply details:

FINANCIAL DETAILS

23. Please advise the date of Your financial year end:

[a] Please provide your annual revenue for the following periods:

| | Australia | Overseas |
|--|----------------------------------|----------------------------------|
| [i] Current financial year [estimate]: | <input type="text" value="\$A"/> | <input type="text" value="\$A"/> |
| [ii] Last financial year: | <input type="text" value="\$A"/> | <input type="text" value="\$A"/> |
| [iii] Previous financial year: | <input type="text" value="\$A"/> | <input type="text" value="\$A"/> |
| [b] . Please provide the annual revenue from Your largest client. | <input type="text" value="\$A"/> | <input type="text" value="\$A"/> |

CLAIMS DETAILS

24. After making appropriate inquiries, has any partner, principal, director or employee ever been the subject of disciplinary proceedings for professional misconduct? Yes No

If "Yes", please supply details:

25. After making appropriate inquiries, have any claims [including claims for negligence, breach of professional duty or civil liability] ever been made against You, Your predecessors in business, or any present or former partner, principal, director or employee? Yes No

If "Yes", please provide the following details in respect to each matter:

| DATE MATTER NOTIFIED | NAME OF INSURER (IF ANY) | NAME OF CLAIMANT OR POTENTIAL CLAIMANT | BRIEF DESCRIPTION OF MATTER | AMOUNT PAID OR ESTIMATE OF POTENTIAL LIABILITY | STATUS: FINALISED OR OUTSTANDING |
|----------------------|--------------------------|--|-----------------------------|--|----------------------------------|
| | | | | A\$ | |
| | | | | A\$ | |
| | | | | A\$ | |
| | | | | A\$ | |
| | | | | A\$ | |

26. After making appropriate inquiries, are You, or any partner, principal, director or employee, aware of any claims, or circumstances that could result in claims [including claims for negligence, breach of professional duty or civil liability], against You or Your predecessors in business or any present or former partner, principal, director or employee? Yes No

If "Yes", please provide the following details in respect to each matter:

| NAME OF CLAIMANT OR POTENTIAL CLAIMANT | BRIEF DESCRIPTION OF CLAIM/ CIRCUMSTANCE | ESTIMATE OF POTENTIAL LIABILITY |
|--|--|---------------------------------|
| | | A\$ |
| | | A\$ |
| | | A\$ |
| | | A\$ |
| | | A\$ |
| | | A\$ |

27. After making appropriate inquiries, are You, or any partner, principal, director or employee, aware of any litigation or inquiry involving You, any partner, director or employee, the business, or Your predecessors in business? Yes No

If "Yes", please provide the following details:

| BUSINESS OR INDIVIDUAL INVOLVED | NATURE OF LITIGATION OR INQUIRY | COSTS EXPENDED TO DATE | ESTIMATED FINAL COST |
|---------------------------------|---------------------------------|------------------------|----------------------|
| | | A\$ | A\$ |
| | | A\$ | A\$ |
| | | A\$ | A\$ |

28. Other than disclosed in questions 25, 26 and 27, and after making appropriate inquiries, are You, or any partner, principal, director or employee, aware of any:

- demands for compensation or damages against You? Yes No
- assertion of a right or entitlement to compensation, damages or other legal relief against You? Yes No
- assertion, allegation or complaint of a breach of professional duty against You? Yes No
- assertion, allegation or complaint of any act or omission causing or potentially causing loss or damage against You? Yes No
- intention to seek compensation or damages, or other legal relief against You? Yes No

If "Yes", please attach details.

29. Do You maintain a complaints register? Yes No

If "Yes", please attach an up to date copy of the register.

IN RELATION TO QUESTIONS 25, 26, 27, 28 AND 29, IT'S AGREED THAT IF SUCH FACTS, CIRCUMSTANCES, SITUATIONS OR CLAIMS EXIST, ANY POLICY ISSUED BY US WILL EXCLUDE CLAIMS ARISING FROM THEM, REGARDLESS OF WHETHER THEY WERE DISCLOSED OR NOT.

DETAILS OF INSURANCE COVER

30. [a] Do you currently have, or have you previously had, Professional Indemnity insurance? Yes No

If "Yes", please supply details:

Insurer:

Expiry Date:

Limit of Indemnity:

Excess:

Broker:

(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:

31. [a] Limit of Indemnity required:

[b] Excess requested [each and every claim]:

[c] These Automatic Provisions are standard in the Miscellaneous Risks policy unless advised otherwise:

- | | |
|-------------------------------------|--|
| • Libel and Slander | • Breach of Fiduciary Duty |
| • Trade Practices/Fair Trading Acts | • Estates, Spouses and Legal Representatives |
| • Fraud and Dishonesty | • Consultants, Sub-Contractors and Agents |
| • Outgoing Principals and Others | • Intellectual Property |
| • Loss of Documents | • Prior Entity |
| • Inquiries | • One Automatic Reinstatement |

[d] Do You want any of the following Optional Provisions?:

- | | |
|---|--|
| • 1 Automatic Reinstatement [D & C only] | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Fidelity | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Joint Venture Liability | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| • Previous Business [questionnaire to be completed] | <input type="checkbox"/> Yes <input type="checkbox"/> No |

32. If You do want the Fidelity extension, please complete the following:

[a] Do You presently carry any Fidelity or Crime Insurance? Yes No

If "Yes", please supply details:

| | |
|--------------|---|
| Insurer: | <input style="width: 500px;" type="text"/> |
| Expiry Date: | <input style="width: 250px;" type="text"/> |
| Limit: | <input style="width: 250px;" type="text" value="\$"/> |
| Excess: | <input style="width: 250px;" type="text" value="\$"/> |

[b] Have You sustained any loss through the fraud or dishonesty of any employee? Yes No

If "Yes", please supply details and state precautions taken to prevent recurrence:

[c] Is any member of Your staff allowed to handle cash or transferable documents or sign cheques on their signature alone? Yes No

[d] How often, and by whom, are the entries in the cash book checked with the vouchers and reconciled with the book statements and returned cheques?

[e] Do **You** always require and obtain satisfactory references when engaging employees? **Yes** **No**

STAMP DUTY

Please provide a state breakdown of your annual revenue:

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

DECLARATION

The signatory declares:

- that the signatory is authorised to make this proposal on behalf of all persons and entities seeking insurance.
- that the signatory has read and understood the “Notice to Proposed Insured” at the front of this proposal.
- that the information supplied in this proposal [and any attachments relating to it] is true and correct.
- that the signatory understands and acknowledges that Nova Underwriting Pty Ltd relies on the information contained in the proposal [and any attachments relating to it].
- the signatory understands and acknowledges that the proposal [and any attachments to it] and any other information supplied to Nova Underwriting Pty Ltd in support of this application for insurance shall form the basis of any contract of insurance subsequently effected.

Name of Signatory

Position

Signature

Date

Coverholder at **LLOYD'S**