



Professional Risks

Accountants Proposal

V0121

Important Notices

PEN UNDERWRITING PTY LTD
 ABN 89 113 929 516 AFSL 290518

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 POLICY

The Policy is issued on a claims made and notified basis. This means that the Policy only covers the Insured for claims first made against the Insured during the Period of Insurance and notified to us during the Period of Insurance.

Section 40(3) of the Insurance Contracts Act 1984 may provide additional rights at law. That section provides that 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 during the period of insurance, 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.

RETROACTIVE DATE

The Policy does not provide cover in relation to the provision of the Professional Services or the conduct of the Professional Business prior to the Retroactive Date.

PRIVACY

Pen Underwriting and the Insurer(s) handle your personal information with care and in accordance with the Privacy Act 1988 and the Australian Privacy Principles. We collect personal information about you to provide you with insurance and insurance related services. We may disclose your personal information to third parties for the purposes described in our Privacy Policy, including related entities, insurers, reinsurers, agents and service providers, some of whom may be located in the United States of America, United Kingdom, Singapore, Germany, Sweden and India. By asking us to provide you with insurance and insurance related services, you consent to the collection, use and disclosure (including overseas disclosure) of your personal information for the purposes described in our Privacy Policy. Where you provide personal information about others, you represent to us that you have made them aware of that disclosure and of our Privacy Policy and that you have obtained their consent. If you do not consent to provide us with the personal information that we request, or withdraw your consent to the use and disclosure of your personal information at any stage, we may not be able to offer you the products or provide the services that you seek. For information about how to access and or correct the personal information we hold about you or if you have any concerns or complaints, ask us for a copy of our Privacy Policy or visit www.penunderwriting.com.au.

Instructions

Please download and save this PDF to your desktop and open via Adobe Acrobat to fill out digitally. Filling the form out in your browser will not save your answers.

Please read this Proposal Form fully prior to answering the questions.

- Answer all questions in full. Where appropriate, tick the 'Yes' or 'No' box that best indicates your reply.
- If there is insufficient space, provide further information on your letterhead.
- All attached documents form part of this Proposal.

APPLICANT DETAILS

- Name of all entities or person(s) to be insured:
.....
.....
- Telephone Number: Facsimile Number:
- Email Address:
Website Address:
- Address of Principal Office:
.....
.....
Address(es) of Other Offices:
.....
.....
- Date Business Established:
- Describe the precise nature of the Applicant's professional business practice**
.....
.....
.....
- Has the nature of the business changed in the last 6 years?** Yes No
If **Yes**, provide details (including any activities previously undertaken but which are no longer performed):
.....
.....
.....
- Have any amalgamations or acquisitions taken place during the last 6 years?** Yes No
If **Yes**, provide details:
.....
.....

9. Provide the total number of partners or directors and staff

	Full Time	Part time
Partners / Directors		
Qualified Employees (Accountants/Consultants)		
All Other Staff		
TOTAL		

Provide details of ALL Principals

Name:				
Age:				
Qualifications:				
Years Practicing as Principal:	This Practice:		Previous Practice:	
	Period of Previous Practice:			
Name of Previous Business Practice:				

Name:				
Age:				
Qualifications:				
Years Practicing as Principal:	This Practice:		Previous Practice:	
	Period of Previous Practice:			
Name of Previous Business Practice:				

Name:				
Age:				
Qualifications:				
Years Practicing as Principal:	This Practice:		Previous Practice:	
	Period of Previous Practice:			
Name of Previous Business Practice:				

10. Is the Applicant or any partner or director of the Applicant connected or associated (financially or otherwise) with any other business practice including any national and international affiliations?

Yes No

If Yes, provide details:

.....

INSURANCE DETAILS

11. Is the Applicant currently insured for Professional Indemnity risks? Yes No

If Yes, provide details

Insurer	Indemnity Limit	Premium	Period

12. Cover Required

Amount of Indemnity Required:	\$
Excess Required:	\$
Fidelity Extension:	\$

13. Has the professional indemnity insurance or any other similar form of insurance for the Applicant or any of the principals or partnerships or firm or company of which any of the principals is/was a partner or director been

- (a) Declined? Yes No
- (b) Cancelled or not renewed by the Insurer? Yes No
- (c) Had special terms or restrictions imposed? Yes No

If Yes, provide details:

FEES AND ACTIVITIES

14. Income

- (a) Actual Gross fees for the past 12 months: \$.....
- (b) Estimated Gross fees for the next 12 months: \$.....
- (c) In relation to (a) above, indicate as a percentage the approximate total fees derived from the following activities

Accounts – Bookkeeping	___%	Management Consultancy	___%
Audit (Complete question 16)	___%	Corporate Advisory	___%
Receivership / Liquidation / Insolvency	___%	Business Valuations	___%
Financial Planning / Investment Advice	___%	Executorships	___%
General Insurance Distributor	___%	Forensic Accounting	___%
Taxation	___%	Mortgage / Finance Broking	___%
Superannuation Fund Management	___%	Other (provide details below)	___%
Mergers and Acquisitions	___%		

(d) Does the Applicant or any of its principals or staff hold an AFSL: Yes No

If **Yes**, state the activities carried out under the AFSL:

(e) For the purpose of calculating state duty payable on premium, provide a geographic breakdown of income:

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S
____%	____%	____%	____%	____%	____%	____%	____%	____%

15. Provide a percentage breakdown of the Applicant’s client base between the following categories

Individuals and Small Business (up to 20 employees)	____%
Medium Sized Business (21-200 employees)	____%
Large Corporate (over 200 employees)	____%
ASX Listed Companies	____%
High Net Worth Individuals (over \$1 million in liquid financial assets)	____%
TOTAL	____%

16. Largest Audit Clients

(a) List the Applicant’s 6 largest audit clients, their type of business and their annual fee

Name	Business	Annual Fee
		\$
		\$
		\$
		\$
		\$
		\$

(b) Provide details of the percentage of the Applicant’s audit work falling into the following categories

Non-Profit and Private Companies:	____%
Unlisted Public Companies:	____%
Listed Public Companies:	____%
Self-Managed Superannuation Funds:	____%
Other Superannuation Funds:	____%
Financial Institutions (provide details below):	____%

17. Administration of Client Money

Does the Applicant administer client monies or investments (whether or not received or held) Yes No

If **Yes**,

- (a) Provide details including annual value of monies and/or investments administered:
- (b) State the controls that are in place for the administration of monies and/or investments:

18. Investment Advice / Financial Planning

- (a) Elaborate on the nature of activities and advice given to clients:
- (b) Is the Applicant or any of its principals or employees a member of the Financial Planners Association? Yes No
- (c) Does the Applicant or any of its principals or employees hold separate insurance cover for investment advice or financial planning? Yes No
If **Yes**, provide details:
- (d) If the Applicant or any principal or employee is an Authorised Representative, identify the licensee(s) through which proper authority is held:
Authorised Representative Number:
Authorised Representative Number:
Authorised Representative Number:
Authorised Representative Number:
Authorised Representative Number:

CLAIMS EXPERIENCE

19. Has the Applicant, or any of its principals been disqualified or suspended or subject to any disciplinary proceedings in any jurisdiction? Yes No

If **Yes**, provide details:

20. Has any applicant, including any of its principals been:

- (a) investigated by any regulatory authority or commission in any jurisdiction in respect of the sale, supply or distribution of any financial products? Yes No
- (b) disqualified from acting as a director or officer of any entity? Yes No
- (c) declared bankrupt? Yes No

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

21. Has any claim for negligence or breach of professional duty ever been made against the Applicant or its' predecessors in business, or against any of the present or former principals, or against any partnership or firm or company of which any of the principals is or was a partner or director? Yes No

If **Yes**, complete the Claims Addendum.

22. After inquiry, is the Applicant or any of the principals aware of any circumstances which may result in a claim being made against the Applicant, or against any of the principals, or against any partnership or firm or company of which any of the principals is or was a partner or director? Yes No

If Yes, complete the Claims Addendum.

RISK MANAGEMENT

23. Risk management

- (a) Is any person allowed to sign cheques or fund transfer instructions on their signature alone? Yes No
If Yes,
 - (i) Maximum Amount: \$.....
 - (ii) In what capacity is/are the person(s) engaged?
- (b) Are bank accounts independently reconciled by persons not authorised to deposit or withdraw funds from the account at least monthly? Yes No
- (c) Are duties segregated so no one individual can open a new bank account without referral? Yes No
- (d) Do employees receiving cash and cheques in the course of their duties remit or bank all monies received on the date of receipt or the next banking day? Yes No
- (e) Is any employee allowed to process any refund or accept any return of goods in excess of \$1,000 without authorisation by a supervisor or manager? Yes No
- (f) Before hiring, are written or verbal references obtained directly from former employers? Yes No
- (g) Are all employees who are responsible for money, goods, accounts, financial operations or computer programming operations required to take 2 weeks uninterrupted leave each year? Yes No
- (h) Has the Applicant sustained any loss through fraud or dishonesty of any principal or employee? Yes No

If Yes, provide details

Date of Loss	Description	Amount	Open/Finalised
		\$	
		\$	
		\$	

State what steps have been taken to prevent a recurrence:

.....

.....

24. Describe the risk management and quality assurance process used by the Applicant to assist in prevention of potential breaches of professional duty and control of actual breaches of professional duty

.....

.....

.....

.....

25. Is cover required for an independent accountant to whom work is sub-contracted? Yes No

If **Yes**, provide the following details

Name	Qualifications	Fees Paid (annually)	Does accountant have own cover?	If Yes, what is the limit?
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	

26. Does the Applicant maintain a register to ensure that taxation deadlines are not missed? Yes No

27. Work Procedures

(a) Does the Applicant have written work procedures or checklists for services provided? Yes No

(b) How often does the Applicant review working procedures to ensure they are current and in line with the latest best practice and what form does that review take:

.....

28. Letter of Engagement

(a) Is a letter of engagement, in line with the terms or recommendations provided by the Applicant's professional association, sent to every client? Yes No

(b) Describe the Applicant's procedure prior to the letter of engagement being sent to ensure that the client's requirements are clearly identified and can be met

.....

.....

29. What records are kept of telephone conversations and attendance at meetings

.....

.....

.....

30. What steps does the Applicant take to review work undertaken by staff

.....

.....

.....

CLAIMS ADDENDUM – This section must be completed if you answered YES to Question 22 and / or 23

Claim No. 1

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, advise the total of all costs	\$

Claim No. 2

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, advise the total of all costs	\$

Claim No. 3

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, advise the total of all costs	\$

DECLARATION

I/We declare that:

- I/We am authorised by each of the Applicant(s) to sign this Proposal
- The statements in this Proposal are true and complete and no material information has been withheld
- I/We have read and understood the Important Notices accompanying this Proposal
- I/We have diligently made all necessary enquiries in order to comply with the duty of disclosure
- I/We have read the Pen Underwriting Privacy Statement on this Proposal and consent to the use, disclosure and obtaining of personal information about the insured for the purposes shown in the Privacy Statement
- Where I/We have provided information about another individual, that individual has been made aware of that fact and of the Pen Underwriting Privacy Statement
- I/We acknowledge that Pen Underwriting relies on the information and representations in this Proposal and otherwise made by me or on my behalf in relation to this insurance
- Except where indicated to the contrary, I/We understand that any statement made in this Proposal will be treated as a statement made by all persons to be insured
- I/We undertake to notify Pen Underwriting of any material alteration to the information contained in this Proposal prior to inception of the proposed insurance
- I/We understand that no insurance is in place until such time as Pen Underwriting has confirmed acceptance of the proposed insurance

Signature:.....

Date:

Full Name:.....

Title: