



# Professional Risks

*Real Estate Agents 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](http://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: .....
- Principal Address: .....  
 .....  
 Telephone Number: ..... Facsimile Number: .....  
 Email Address: .....  
 Website Address: .....
- Address of other office(s): .....  
 .....  
 .....
- Date Business established: .....
- Is the business conducted as a franchise?  Yes  No  
 If **Yes**, state franchisor name: .....

### 6. 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:			

7. Staff numbers

	Full Time	Part time
Professionally Qualified including Principals		
Sales Persons / Property Managers		
Commission Agents		
Valuers		
Administrative Staff		
<b>TOTAL</b>		

8. Do you require cover to extend to Commission Agents?  Yes  No  
 If **Yes** a Claims Declaration is required for each agent.

9. Are you a member of any professional association?  Yes  No  
 If **Yes**, state which association(s): .....

10. Provide details of current licence(s) and the States where the licences are held

Licence	State

11. Has your licence been in force at all relevant times?  Yes  No  
 If **No**, provide details: .....

12. Mergers and acquisitions

- (a) Has the name of the business ever changed?  Yes  No
- (b) Have you ever carried on your business under a prior corporate entity?  Yes  No
- (c) Has any other business or practice amalgamated or merged with your business?  Yes  No
- (d) Do you anticipate any change to your business in the next 12 months?  Yes  No

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

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13. Are you applying for cover for a principal for the conduct of a previous business?  Yes  No

If **Yes**,

(a) State the name of the principal seeking Cover: .....

(b) Name and ABN of principals previous business: .....

.....

(c) Is the previous business in the same professional discipline as the current business?  Yes  No

(d) State the activities of the principal's previous business: .....

.....

(e) Provide the estimated gross fee income for the 2 financial years ended immediately prior to the principal leaving the previous business

Year Gross Fee Income	\$
Year Gross Fee Income	\$

(f) To the best of your knowledge, does the principal's previous business have its own professional indemnity insurance cover in place?  Yes  No

(g) After making appropriate enquiries, are there any facts or circumstances which you or any other principal, employee or consultant of the principal's previous business are aware of, that may give rise to a claim against you, in respect of the principal's previous business?  Yes  No

If **Yes**, provide details: .....

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**BUSINESS ACTIVITIES**

14. Provide a breakdown of your activities and set out the approximate percentage of fee income derived from each

	Last Financial Year (Actual)	Current Year (Estimate)	Next Financial Year (Estimate)
Sales – Residential	%	%	%
Sales – Commercial	%	%	%
Property Management – Residential	%	%	%
Property Management – Commercial	%	%	%
Business Broking (if yes, complete Business Broking Addendum)	%	%	%
Property Valuations – Residential	%	%	%
Property Valuations – Commercial	%	%	%
Off-The-Plan Sales	%	%	%
Property Development	%	%	%

	Last Financial Year (Actual)	Current Year (Estimate)	Next Financial Year (Estimate)
Other	%	%	%
<b>TOTAL</b>	100%	100%	100%

15. Do you carry out commercial property management activities for shopping centres?  Yes  No

If Yes, provide details: .....

.....

16. If property valuations are undertaken, state the average and maximum valuations

	Last Financial Year	Current Year	Next Financial Year
Residential Average			
Residential Maximum			
Commercial Average			
Commercial Maximum			

17. Provide a brief description of the 5 largest contracts undertaken by you during the last 5 years and the fee income derived from each contract

Brief description of contract	Fee Income
	\$
	\$
	\$
	\$
	\$

18. State the date of your financial year end: .....

19. Provide the amount of gross fee income for:

	Australia	Overseas
Last Financial Year	\$	\$
Estimate for Next Financial Year	\$	\$

20. Provide the approximate percentages of your revenue applicable to each State, Territory and Overseas

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

If overseas activities are carried out provide countries and percentage breakdown: .....

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**INSURANCE HISTORY**

21. Are you at present insured for Professional Indemnity Insurance?  Yes  No  
 If **Yes**, provide details:

Insurer	Expiry	Sum Insured	Excess	Premium
	___/___/___	\$	\$	\$

22. Has professional indemnity insurance or any other similar form of insurance for the Applicant or any of the principals or directors or firm or company of which any of the principals is or 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: .....

**CLAIMS AND CIRCUMSTANCES**

23. During the past 10 years has any Claim been made, or has breach of professional duty been alleged, against any entity or individual to be insured by this insurance (including any prior corporate entity and any of the present or former principals), or have any circumstances which may give rise to a claim against any of these been notified to insurers?  Yes  No

If **Yes**, provide details

Year	Insurer	Brief Description	Is it Finalised?	Amount Paid or Estimate Outstanding
			<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
			<input type="checkbox"/> Yes <input type="checkbox"/> No	\$

24. What action has been taken to prevent a recurrence of the situation which gave rise to each claim or circumstance at Question 1?  
 .....  
 .....

25. After making enquires, has any principal, employee, consultant, sub-contractor or commission agent ever been subject to external disciplinary proceedings?  Yes  No

If **Yes**, provide details: .....

**COVER REQUIRED**

26. Limit required:

\$1,000,000                       \$2,000,000                       \$5,000,000  
 \$10,000,000                       Other: .....

**27. Excess required:**

- \$2,500                                       \$5,000                                       \$10,000  
 \$20,000                                       Other: .....

**28. Do you require Fidelity Cover?** (If **Yes**, complete the Fidelity Extension)  Yes  No

**29. Do you require Business Broking Cover?** (If **Yes**, complete the Business Broking Addendum)  Yes  No

**FIDELITY EXTENSION**

**30. Indicate the sub-limit required for Fidelity cover**

- \$50,000                                       \$100,000                                       \$250,000  
 Other: .....

**31. Is any person allowed to sign cheques or fund transfer instructions on their signature alone?**  Yes  No

If **Yes**,

(a) Maximum Amount: \$ .....

(b) In what capacity is/are the person(s) engaged? .....

**32. Are bank accounts independently reconciled by persons not authorised to deposit or withdraw funds from the account at least monthly?**  Yes  No

**33. Are duties segregated so no one individual can open a new bank account without referral?**  Yes  No

**34. 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

**35. 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

**36. Before hiring, are written or verbal references obtained directly from former employers?**  Yes  No

**37. Are all employees who are responsible for money, goods, accounts, financial operations or computer programming operations required to take two weeks uninterrupted leave each year?**  Yes  No

**38. 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 of the loss: .....

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**BUSINESS BROKING ADDENDUM**

<b>Average Sale Price</b>	\$	<b>Largest Sale Price</b>	\$
Full Details of the largest businesses broked during the past 12 months.			
<b>Business Name</b>	<b>Business Type</b>	<b>Business Sale Price</b>	<b>Commission Earned</b>

Does the Applicant specialise in broking a particular type of business?  Yes  No

If **Yes**, advise type of business: .....

.....

When acting on behalf of the Vendor of a business does the Applicant always recommend in writing that the prospective purchaser(s) carry out their own due diligence or secure their own independent valuations?  Yes  No

If **No**, provide a copy of any warranties and or disclaimers used by the Applicant to protect their interests in relation to the sale of the business: .....

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**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: .....