



**Accountants Professional Indemnity
Insurance**

Proposal Form

IMPORTANT NOTICES

CLAIMS MADE POLICY

This Proposal is for a policy issued by ProRisk, which includes coverage on a claims made and notified basis. This means that the policy provides cover for claims first made against you during the insurance period. The policy does not provide cover for any claims made against you during the insurance period if at any time prior to the commencement of the insurance period you were 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 the insured gives notice in writing to the insurer during the insurance period of facts that might give rise to a claim against the insured, the insurer cannot refuse to pay a claim which arises out of those facts, by reason only that the claim is made after the insurance period has expired.

YOUR DUTY OF DISCLOSURE:

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that 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, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure 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 inception.

RETROACTIVE LIABILITY

The policy is limited by a retroactive date. The policy does not cover any liability arising from your conduct prior to the retroactive date.

ALTERATION TO RISK AND DEREGISTRATION

The policy requires you to notify the insurer within thirty days of any material change in the nature of your organisation, or any act of insolvency or bankruptcy. The policy requires you to give immediate notice of the cancellation, suspension, termination or imposition of conditions in respect of your statutory registration. Claims arising

following the cancellation, suspension or termination of your statutory registration are excluded from indemnity under the policy.

LIMITED LIABILITY

The policy provides that if a payment greater than the limit of indemnity is required to dispose of a claim, the insurer's liability for costs and expenses will be limited to the proportion that the limit of indemnity bears to the payment required to dispose of the claim.

POLICY CANCELLATION

In the event of policy cancellation by the insured, ProRisk's cancellation rates will apply.

WAIVER OF RIGHTS OF SUBROGATION

The policy provides that you must not, without our prior written consent, enter into any contract or agreement which excludes, limits or prejudices a right of recovery in respect of any claim covered under the policy. Further, you must not do anything or fail to do anything which excludes, limits or prejudices our rights of subrogation.

PRIVACY STATEMENT

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy. We may disclose your information to third parties (who may be located overseas), such as the insurer, lawyers, claims adjusters, and others appointed by ProRisk or by the insurer to assist us and them in providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

A copy of our Privacy Statement is available from our website www.prorisk.com.au. To request access to or update your personal information, contact the Privacy Officer at ProRisk by email: enquiries@prorisk.com.au or by mail at the address shown on this Proposal.

IMPORTANT NOTICE:

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

Applicant's Details

1. Name(s) of the Proposed Policyholder:
 (Please include the name of all entities, businesses and trading names, which are not subsidiaries of the ultimate of the proposed Policyholder. References to the Applicant are references to the Proposed Policyholder throughout)

2. ABN

3. Website address(s) .

4. Principal business address

5. Date of commencement of business

6. Names and qualifications of principals / directors:

NAME	AGE	QUALIFICATIONS AND DATE QUALIFIED; OR DETAIL EXPERIENCE	PERIOD AS PRINCIPAL	
			THIS PRACTICE	PREVIOUS PRACTICE

Please attach CV where the Applicant has been established less than 3 years and/or where any individual has no relevant qualifications.

7. Staff numbers

STAFF	NUMBER
Directors, Partners or Proprietors	
Full time employees (excluding the above)	
Part time and casual employees	
Independent contractors	
Voluntary workers, secondees and interns	
Total	

8. Is the Applicant, including any Directors, connected or associated (financially or otherwise) with any other entity or business? No Yes

If **Yes**, please provide details:

9. a) Has the name of the Applicant's business ever changed? No Yes
 b) Has the Applicant ever carried on your business under a different corporate entity? No Yes
 c) Has any other business or practice amalgamated or merged with the Applicant's business? No Yes
 d) Has the Applicant purchased any other business or practice? No Yes

If **Yes** to any of questions **9 a) to d)**, please provide details in an attachment.

Your Business

10. Please provide a detailed description of the Applicant's business below.

Attach any relevant brochures, capability statements, or other documentation to describe your activities.

11. Does the Applicant hold an AFSL (either full or limited)? No Yes
 12. Does the Applicant operate as an AR under another entity's AFSL (either full or limited)? No Yes

If **Yes** to question **11** or **12**, please provide details below.

13. Is the Applicant licensed or accredited in order to carry out the business? No Yes
 14. Has the Applicant's license been in force at all times? No Yes

If **No** to question **13** or **14**, please explain why below.

15. Please provide the Applicant's total **Revenue** from all activities for each financial year from client's based in:

	LAST FINANCIAL YEAR	CURRENT FINANCIAL YEAR (PLAN)	NEXT FINANCIAL YEAR (PROJECTION)
Financial year ended	/20	/20	/20
Australia			
USA or Canada			
Elsewhere			
Total fee income			

If fee income declared from **Elsewhere**, please provide a list of the countries / locations.

16. For the last financial year, please provide a breakdown of the Applicant's gross fee income by state:

VIC	<input style="width: 60px;" type="text"/> %	NT	<input style="width: 60px;" type="text"/> %	QLD	<input style="width: 60px;" type="text"/> %	Overseas	<input style="width: 60px;" type="text"/> %
SA	<input style="width: 60px;" type="text"/> %	ACT	<input style="width: 60px;" type="text"/> %	TAS	<input style="width: 60px;" type="text"/> %	Total	<input style="width: 60px;" type="text"/> %
NSW	<input style="width: 60px;" type="text"/> %	WA	<input style="width: 60px;" type="text"/> %				

17. If income is generated in NSW, please answer the following additional questions.

- a) Is the proposer a Capital Gains Tax small business entity (within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 (Cth))? No Yes
- b) Is the proposer a small business individual, partnership, company and/or trust, which is carrying on a business, and the business has an aggregated turnover of less than \$2,000,000? No Yes
(Aggregated turnover is your Australia wide annual turnover plus the annual turnover of any business entities that are your affiliates or are connected with you).

18. What is the Applicant's largest transaction, and the average transaction for the last year?

Largest transaction last year \$ Average transaction last year \$

19. Please allocate below, as a percentage of a total of 100%, the split of total Revenue between activities for the last complete financial year:

ACTIVITIES	LAST FINANCIAL YEAR %	CURRENT / PROJECT FINANCIAL YEAR	HAVE PERFORMED IN THE PAST
Accounts Preparation	%	%	<input type="checkbox"/> Yes
Bookkeeping	%	%	<input type="checkbox"/> Yes
BAS Statements	%	%	<input type="checkbox"/> Yes
Audit – SMSF, Trusts, NFP	%	%	<input type="checkbox"/> Yes
Audit – Private Companies	%	%	<input type="checkbox"/> Yes
Audit – Public Companies	%	%	<input type="checkbox"/> Yes
Audit – Financial Services	%	%	<input type="checkbox"/> Yes
Management Consulting	%	%	<input type="checkbox"/> Yes
Company Secretarial Activities	%	%	<input type="checkbox"/> Yes
Self-managed Superfund Administration activities	%	%	<input type="checkbox"/> Yes
Tax – Individuals	%	%	<input type="checkbox"/> Yes
Tax – Companies under \$2M in revenue	%	%	<input type="checkbox"/> Yes
Tax – Companies over \$2M in revenue	%	%	<input type="checkbox"/> Yes
Forensic Accounting	%	%	<input type="checkbox"/> Yes
Software Consulting	%	%	<input type="checkbox"/> Yes
Corporate Advisory services (including M&A)	%	%	<input type="checkbox"/> Yes

Liquidator, Receiver, Administration	%	%	<input type="checkbox"/> Yes
Investment advice / Management; Financial Planning; Wealth Creation	%	%	<input type="checkbox"/> Yes
Business Valuations	%	%	<input type="checkbox"/> Yes
Mortgage, Finance or Insurance Broking	%	%	<input type="checkbox"/> Yes
Other - please specify below: <input type="text"/>	%	%	<input type="checkbox"/> Yes
Total	100%	100%	

20. Is the Applicant aware of any change in activity/structure that will occur in the coming financial year? No Yes

If **Yes**, please advise below.

Claim History

21. After making appropriate enquires, are there any facts or circumstances of which the Applicant, or any principal, employee or consultant are aware that may give risk to a claim against the Applicant, or any principal, employee or consultant, including the Applicant's predecessors in business? No Yes

22. After making appropriate enquiries, has the Applicant, or any principal, employee or consultant ever been subject to external disciplinary proceedings, including the Applicant's predecessors in business? No Yes

23. After making enquiries, has the Applicant discovered any losses from employee dishonesty, burglary, robbery, disappearances, destruction or forgery or other criminal or dishonest act in the last five years? No Yes
If **Yes**, please provide details in an attachment. Details provided

24. After making enquiry, has the Applicant been audited or been the subject of a Risk Review by the Australian Taxation Office, any State or Territory Revenue Office, or any other official body authorised to investigate the taxation paid or payable by the Applicant within the last five years? No Yes
If **Yes**, please provide details in an attachment. Details provided

25. After enquiry, is the Applicant aware of any facts or circumstances, which might afford valid grounds for any future investigations, inquiries, regulatory proceedings, or other claims, which may be covered by us, under any coverage for which it has applied? No Yes
If **Yes**, please provide details in an attachment. Details provided

26. After making appropriate enquiries, are there any claims of which the Applicant, or any principal, employee or consultant are aware that may give risk to a claim against the Applicant, or any principal, employee or consultant, including the Applicant's predecessors in business? No Yes

If **Yes** to question 26, please provide details of all professional indemnity claims against you, your principals, employees, or consultants in the last 5 years.

YEAR	INSURER	AMOUNT PAID	AMOUNT OUTSTANDING	TOTAL INCURRED	DESCRIPTION

If matters are listed, a claims report on Insurer letterhead must be provided with the submission.

27. Please state what steps or actions have been taken to prevent a recurrence of the situation which gave rise to each claim listed in question 26.

Risk Management

28. Does the Applicant have an accredited risk management / quality control system? No Yes

29. Does the Applicant Operate a diary or record keeping system to ensure deadlines are met?..... No Yes

30. If the Applicant is a sole trader, what procedures do they have in place to ensure service standards in the event of sickness or holiday? Provide details below.

31. Does the Applicant engage in any form of Continued Professional Development?..... No Yes

32. Does the Applicant ensure any work performed by Unqualified / non-accredited staff is reviewed by Qualified/Accredited Staff prior to being submitted / completed? No Yes

33. Is all verbal advice confirmed in writing? No Yes

34. Does all written advice contain disclaimers? No Yes

35. Does the Applicant use standardised engagement contracts with all clients, with clear disclaimers and declarations?..... No Yes

36. Does the Applicant engage outside consultants / sub-contractors? No Yes

If **Yes** to question 36:

a) Does the Applicant ensure they hold their own Professional Indemnity policy? No Yes

b) Is covering being sought under this policy for sub-contractors? No Yes

Insurance History

37. Is the Applicant currently insured? No Yes

If **Yes**, please provide details.

	EXPIRY DATE	INSURER	LIMIT	EXCESS	PREMIUM
Professional Indemnity			\$	\$	\$
Public & Products Liability / General Liability			\$	\$	\$
Management Liability			\$	\$	\$
Cyber			\$	\$	\$

38. Have you ever had a professional indemnity insurer:

- a) Impose special terms? No Yes
- b) Decline to renew your insurance? No Yes
- c) Cancel your insurance? No Yes

If **Yes** to any of question 38 a), b) or c), please provide details below.

Prior Business

If not seeking prior business cover, please skip to question 41.

39. Are you applying for cover for a prior corporate entity through which you previously carried on your business? Yes No

If **Yes**, please state:

- Full name of the entity
- ABN of the entity

40. Are you applying for cover for a principal's prior business? Yes No

a) If **Yes**, please state the:

- i Name of the principal seeking cover
- ii Full name of the principal's prior business
- iii ABN of the principal's prior business

b) Is the Principal's prior business in the same professional discipline as the business? Yes No

c) Please state the activities of the Principal's prior business, below.

d) Please state the estimate gross fee income for the two financial years ended immediately prior to the principal leaving the prior business:

YEAR		GROSS FEE INCOME	\$
YEAR		GROSS FEE INCOME	\$

e) To the best of your knowledge, does the principal’s prior business have its own professional indemnity cover in place? Yes No

f) After making appropriate enquiries, are there any facts or circumstances for which the Applicant, or any principal, employee or consultant of the principal’s prior business are aware that may give risk to a claim against the Applicant, or any principal, employee or consultant in respect to the principal’s prior business? Yes No

If **Yes** to question **40 f)**, please provide details below.

Coverage required

If not seeking fidelity cover, please skip to question 43.

41. Do you wish to apply for fidelity cover? Yes No

If **Yes**, please complete the following Questions.

If **No**, please skip to question **43**.

a) Has your business ever sustained loss through fraud or dishonesty of any employee?

If **Yes**, please provide details below.

b) When engaging employees, are satisfactory reference required and obtained directly from their former employer? Yes No

c) Are employees who are responsible for financial and accounting functions and computer programming operations required to take two weeks uninterrupted leave each year? Yes No

d) Are duties segregated so that one employee can open a bank account, handle cash or transferable documents or sign cheques without referral to others? Yes No

e) Are bank accounts independently reconciled on a monthly basis by persons not authorised to deposit or withdraw funds from accounts? Yes No

If **No** to any of **41 b) to e)**, please provide details below.

42. What limit of fidelity cover are you applying for?

43. Please advise limit(s) required for Professional Indemnity.

- | | | |
|--------------------------------------|--------------------------------------|---|
| <input type="checkbox"/> \$1,000,000 | <input type="checkbox"/> \$4,000,000 | <input type="checkbox"/> \$10,000,000 |
| <input type="checkbox"/> \$1,500,000 | <input type="checkbox"/> \$5,000,000 | <input type="checkbox"/> Other - Please specify \$ <input type="text"/> |
| <input type="checkbox"/> \$2,000,000 | <input type="checkbox"/> \$7,500,000 | |

44. Please advise excess(es) preferred.

- | | | |
|----------------------------------|-----------------------------------|---|
| <input type="checkbox"/> \$1,000 | <input type="checkbox"/> \$7,500 | <input type="checkbox"/> \$20,000 |
| <input type="checkbox"/> \$2,500 | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> \$25,000 |
| <input type="checkbox"/> \$5,000 | <input type="checkbox"/> \$15,000 | <input type="checkbox"/> Other - Please specify \$ <input type="text"/> |

Declaration

After making appropriate enquiries, I declare that:

- I am authorised on behalf of the Applicant(s) to complete this Proposal.
- I have read and understood the Important Notices accompanying this Proposal.
- Where I have provided information about another individual, I declare that the individual has been made aware of that fact and of the ProRisk Privacy Statement.
- I authorise ProRisk to collect or disclose any personal information relating to this insurance to or from other insurers or insurance or credit reference services.
- I confirm that the statements and information in this Proposal are true and complete.
- I understand that, until a contract of insurance is entered into, I am under a continuing obligation to immediately inform ProRisk of any change to the information contained in this Proposal.
- I acknowledge that, if a contract of insurance is entered into, this Proposal and any accompanying documents will form the basis of the contract.

Name:

Position:

Signature: Date: