



 **PRORISK**

Miscellaneous Professional Indemnity

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
 State Postcode

5. Other business locations

6. Date of commencement of business

7. 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.

8. 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 | |

9. Is the Applicant connected or associated (financially or otherwise) with any other entity or business? No Yes
10. a) Has the name of your business ever changed? No Yes
- b) Have you ever carried on your business under a different corporate entity? No Yes
- c) Has any other business or practice amalgamated or merged with your business? No Yes
- d) Have you purchased any other business or practice? No Yes

If Yes to any of 10 a), b), c) or d) please provide details in an attachment.

Your Business

11. Please provide a detailed description of your business in the space below.

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

12. Is the Applicant required to be licensed or accredited in order to carry out the business? No Yes
13. Please provide a breakdown of your activities and percentage of income this relates to.

| BUSINESS ACTIVITIES | % GROSS FEE INCOME |
|---------------------|--------------------|
| | |
| | |
| | |
| | |
| | |

14. Does the client sell or supply any goods or products? No Yes

If Yes, please provide details.

15. Please provide the Applicant's total fee income for each financial year from client's based in:

| | LAST FINANCIAL YEAR | CURRENT FINANCIAL YEAR (PLAN) | NEXT FINANCIAL YEAR (PROJECTION) |
|-------------------------|---|---|---|
| Financial year ended | <input type="text"/> /20 <input type="text"/> | <input type="text"/> /20 <input type="text"/> | <input type="text"/> /20 <input type="text"/> |
| Australia | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| USA / Canada | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| Elsewhere | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| Total fee income | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |

16. If fee income declared from "elsewhere" please provide a list of the Countries / locations.

17. For the last financial year, please provide a percentage breakdown of gross revenue by state.

| | | | | | | | |
|-----|------------------------|-----|------------------------|-----|------------------------|--------------|------------------------|
| VIC | <input type="text"/> % | NT | <input type="text"/> % | QLD | <input type="text"/> % | Overseas | <input type="text"/> % |
| SA | <input type="text"/> % | ACT | <input type="text"/> % | TAS | <input type="text"/> % | Total | <input type="text"/> % |
| NSW | <input type="text"/> % | WA | <input type="text"/> % | | | | |

18. What is the Applicant's largest fee earned from one client, and the average fee per client for the last year?

Largest fee \$ Average fee \$

19. Please list the Applicant's five largest contract assignments undertaken in the last five years.

| | TYPE OF SERVICE | CONTRACT VALUE | YOUR FEES | DATE COMMENCED | DATE COMPLETED |
|---|-----------------|----------------|-----------|----------------|----------------|
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |

20. 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 turnovers of any business entities that are your affiliates or are connected with you).

Claim History

- 21. After making appropriate enquiries, are there any facts or circumstances of which you, or any other principal, employee or consultant are aware that may give risk to a claim against you, or any of you, including your predecessors in business? No Yes
- 22. After making appropriate enquiries, has any principal, employee or consultant ever been subject to external disciplinary proceedings, including your predecessors in business? No Yes
- 23. After making appropriate enquiries, are there any claims of which you, or any other principal, employee or consultant are aware that may give risk to a claim against you, or any of you, including your predecessors in business? No Yes

If **Yes to 23**, 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.

- 24. Please state what steps or actions have been taken to prevent a recurrence of the situation which gave rise to each claim listed in 23.

Risk Management

- 25. Is the Applicant a member, in good standing, with any relevant industry body? No Yes

If **Yes**, please give details.

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

- 27. Please advise what form of diary or record keeping system the Applicant uses.

- 28. 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?

29. Does the Applicant have written procedures and checklists in place for services performed?..... No Yes
30. Does the Applicant engage in any form of Continued Professional Development?..... No Yes
31. Does the Applicant engage outside consultants / sub-contractors? No Yes
- If **Yes**, does the Applicant ensure they hold their own Professional Indemnity policy?..... No Yes

Insurance History

32. Are you 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 | | | | | |

33. For what period have you been continuously insured in respect to Professional Indemnity?..... Years
34. 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 34, a), b) or c)**, please provide details.

Prior Business

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

If **Yes**, please state the full name and ABN of the entity

Entity full name Entity ABN

If not seeking prior business cover, please skip to 'Coverage Required' on page 6.

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

If **Yes**:

- a) Please state the name of the principal seeking cover
- b) Please state the Full Name and ABN of the principal's prior business:
- Principal's prior business full name
- Principal's prior business ABN

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

d) Please state the activities of the Principal's prior business.

e) 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 |
|------|------------------|
| | \$ |
| | \$ |

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

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

If Yes to 36 g), please provide details.

Coverage Required

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

If **Yes**, please complete the following Questions. If **No**, please skip to Question 38.

a) Has your business ever sustained loss through fraud or dishonesty of any employee? No Yes
If **Yes**, please provide details.

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

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

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

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

If No to any of 37 b) to e), please provide details.

f) What limit of fidelity cover are you applying for?

38. Are you applying for cover for your liability in a joint venture? No Yes
If **Yes**, please provide details (a separate attachment can be included if you run out of space).

39. 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 | |

40. Please advise excess(es) required.

| | | |
|----------------------------------|-----------------------------------|--|
| <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"/> |

Note: Selecting a higher excess will reduce the price of your insurance.

Declaration

After making appropriate enquiries, I declare that:

- I am authorised on behalf of the Applicant 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: