

PROPOSAL FORM

Accountants Professional Indemnity Insurance



Proposal Form

1. All questions must be answered giving full and complete answers.
2. Please ensure that this Proposal Form is Signed and Dated.
3. All fee or turnover declarations to be in Australian Dollars.

LAUW

LONDON AUSTRALIA UNDERWRITING



IMPORTANT NOTICES

"Proposer" means the practice, partnership, company (or principal if a sole practitioner) including all partners proposing for this insurance, and any subsidiaries and previous firms (and partners) requiring coverage.

Pursuant to the provisions of the *Insurance Contracts Act 1984*, Underwriters are required to notify you of the following relevant information.

Your Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell **Underwriters** anything that you know, or could reasonably be expected to know, may affect **Underwriters** decision to insure you and on what terms.

You have this duty until **Underwriters** 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 **Underwriters** anything that:

- Reduces the risk **Underwriters** insure you for; or
- Is common knowledge; or
- **Underwriters** know or should know as an insurer; or
- **Underwriters** waive your duty to tell **Underwriters** about.

If You Do Not Tell Underwriters Something

If you do not tell **Underwriters** anything you are required to, **Underwriters** may cancel your contract or reduce the amount **Underwriters** will pay you if you make a claim, or both.

If your failure to tell **Underwriters** is fraudulent, **Underwriters** may refuse to pay a claim and treat the contract as if it never existed.

Claims Made

This is a "claims made" policy of insurance, which means that it only covers claims made against an insured and notified to Underwriters during the period of insurance. By operation of Section 40 (3) of the *Insurance Contracts Act 1984*, where the insured gives notice in writing to the Underwriters 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 before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of any claim arising from those facts, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the contract.

Retroactive Liability

The policy may be limited by a retroactive date stated in the schedule. The policy does not provide cover in relation to any claim arising from any actual or alleged act, error, omission or conduct that occurs before the commencement of the policy, unless retroactive liability cover is extended by Underwriters.

Average Provision

One of the insuring provisions of the proposed policy provides that where the amount required to dispose of a claim exceeds the limit of indemnity, the insurer shall be liable only for a part of the total costs and expenses which shall be the same proportion of the total expenses as the limit of indemnity bears to the total amount required to dispose of the claim.

Liability Assumed Under Agreement

Cover provided by this form of liability insurance does not cover additional liability which you have agreed to accept unless you would have been so liable in the absence of such agreement.

Utmost Good Faith

In accordance with Section 13 of the *Insurance Contracts Act 1984*, the policy of insurance is based on utmost good faith requiring Underwriter(s) and the proposer/insured(s) to act towards each other with the utmost good faith in respect of any matter relating to the insurance contract.

The above notes are not exhaustive and in no way should be read in isolation of the full policy terms, conditions, limitations and exclusions.

PRIVACY NOTICE

LAUW and **Underwriters** are committed to compliance with the provisions of the Australian Privacy Principles and the *Privacy Act 1988* (Commonwealth). In order for **Underwriters** to assess the risk of and provide you with insurance products and assess and manage any claims under those products, it is necessary to obtain personal information from you. If you do not provide us with this information, this may prevent **Underwriters** from providing you with the products or services sought.

If you provide us with information about someone else, you must obtain their consent to do so. LAUW and

Underwriters may disclose your information to other insurers, their reinsurers, and insurance reference service or other advisers used by **Underwriters** or LAUW on behalf of **Underwriters** such as loss adjusters, lawyers or others who may be engaged to assist in claims handling, underwriting or for the purpose of fulfilling compliance and/or regulatory requirements. These third parties will all be contractually required to adhere to **Underwriters'** privacy obligations.

Our privacy policy contains information about how you can access the information we hold about you, ask us to correct and how you may make a privacy related complaint. You can obtain a copy of our privacy policy [here](#).

Should you require access to your personal information, **Underwriters** may be contacted on (02) 8912 6400.

SECTION 1: YOUR DETAILS

(a) Name of the **Proposer** (including any subsidiaries and previous firms requiring coverage): *Please provide ABN for each company*

(b) Date Established:

(c) Main Operating Address:

(d) Other Operating Addresses where income generated is greater than 20% of the **Proposer's** overall income in the last full financial year:

(e) Website Address: *(It is understood and agreed that material in the **Proposer's** website is not deemed to form part of this proposal form apart from any information attached in hard copy form to the proposal form)*

(f) During the last ten years, has the **Proposer** changed its name, been part of an amalgamation or merger, de-merger or in any way had any material change to its activities?

☐ **Yes** ☐ **No** *If Yes, please provide full details:*

SECTION 2: STAFF DETAILS

(a) Total number of current:

(i) Principals, Partners & Directors

(ii) All relevantly qualified staff (not already accounted for in 3(a)(i) above):

(iii) Total Staff:

(b) Is the Proposer a current member of any professional Association or Institute?

☐ **Yes** ☐ **No** *If Yes, please answer (i) below.*

(i) Name of Association or Institute:

SECTION 3: DETAILS OF PRINCIPALS, PARTNERS AND DIRECTORS

(a) Please provide details of all current Principals, Partners and Directors of the **Proposer**:

Name	Age	Quals	Date Qualified	Date Joined

(b) Is the **Proposer** or any Principal, Partner or Director of the **Proposer's** business connected or associated (financially or otherwise) with any other Organisation?

☐ **Yes** ☐ **No** *If Yes, please answer (i)-(iv) below.*

(i) Name of Organisation(s):

(ii) Nature of association or relationship:

(iii) **Proposer's** income earned in the last three financial years derived from such Organisation(s):

(iv) Details of work undertaken for such Organisation(s) in any of the last six years:

(c) Has any Principal, Partner or Director of the **Proposer's** business been made personally bankrupt, or been personally associated with any business which has been placed into receivership, liquidation, or been wound up at the behest of its creditors?

☐ **Yes** ☐ **No** *If Yes, please provide full details:*

SECTION 4: SPLIT OF SERVICES

(a) Percentage of gross income split by Professional Services as follows:

Professional Service Provided:	Last 12 months (%)	Next 12 months (%) Estimated
Audit		
(i) Public Listed Companies		
(ii) Public Non-Listed Companies		
(iii) Non Profit / Charities		
(iv) Private Companies		
(v) Sole Traders		
(vi) Trust Funds / Self Managed Super Funds		
(vii) Financial Institutions		
Corporate Tax		
(viii) Public Listed Companies		
(ix) Public Non-Listed Companies		
(x) Private / GST / Other		
Other Disciplines		
(xi) Personal Taxation		
(xii) Management Consultancy		
(xiii) I.T. Consultancy / Sales (accounting software)		
(xiv) I.T. Consultancy / Sales (other)		
(xv) Company Directorships/Secretarial		
(xvi) Superannuation Fund Mgt / Trusteeship		
(xvii) Accounts Preparation / Bookkeeping		
(xviii) Insolvency, Liquidations, Receivership		
(xix) Corporate Finance / Investment Advice / M&A		
(xx) Financial Planning		
(xxi) Chief Financial Officer (CFO) activities and/or Virtual CFO activities		
(xxii) Other		
Total Percentage	100%	100%

(b) If any fees are declared under 4(a)(xxii) "Other Work" please provide details of each service as follows:

Professional Service Provided (Types of Contracts):	Last 12 Months (%)	Next 12 Months (%) Estimated

(c) If any fees are declared under 4(a)(i) "Public Listed Companies" and 4(a)(vii) "Financial Institutions" please provide further information below.

SECTION 5: AUDIT WORK

In respect of audit work undertaken, please answer the following:

(a) Please provide details of the **Proposer's** three largest audit appointments, based on fee income, during the last three years:

Client Name	Client Status, (e.g. Plc)	Date of Last Audit	How Long was Appointment	Income Earned Last Audit

(b) Has the **Proposer** in the last six years ever been dismissed or invited to resign from any audit appointment?

☐ Yes ☐ No If Yes, please provide details:

SECTION 6: LIMITED FINANCIAL SERVICES LICENSE

(a) Do you currently hold a Limited Financial Services Licence?

☐ Yes ☐ No

SECTION 7: REVENUE DETAILS

(a) Please state the **Proposer's** Annual Gross Income for clients domiciled in each region below:

	Last 12 Months	Next 12 Months Estimated
(i) Australia	\$	\$
(ii) USA / Canada	\$	\$
(iii) Elsewhere (list below)	\$	\$
Location:	\$	\$
Location:	\$	\$
Location:	\$	\$
Total Fees Earned	\$	\$

(b) Please provide a percentage breakdown of the fee income disclosed in 7(a) by State or Territory:

NSW	%	VIC	%	QLD	%	SA	%	NT	%
WA	%	ACT	%	TAS	%	O'SEAS	%	TOTAL	%

SECTION 8: PRACTICE PROFILE AND RISK MANAGEMENT

(a) Does the **Proposer** enter into (or has entered into in any of the last 6 years) Joint Venture partnerships, or does it intend to do so within the next twelve months?

☐ **Yes** ☐ **No** *If Yes, please provide full details:*

(b) Has any client represented more than 25% of the **Proposer's** fees in any of their last three financial years or the current financial year?

☐ **Yes** ☐ **No** *If Yes, please provide details below:*

Client Name	Territory	Date	Details of Work Undertaken	Income Earned

(c) Does the **Proposer** have and maintain an adequate and efficient diary procedure?

☐ **Yes** ☐ **No**

(d) Has the **Proposer** a clearly defined client vetting procedure in place to ensure that all new Clients are financially stable, with a satisfactory credit rating, and that no conflict of interest exist?

☐ **Yes** ☐ **No** *If No, please advise what steps the **Proposer** takes to vet potential new clients:*

(e) Are all cheques and money transfers paid by the **Proposer** in excess of \$10,000 subject to at least two authorised signatures?

☐ **Yes** ☐ **No** *If No, please provide reasons why not including details of sole signature limit and authorised sole signatories:*

(f) Is there a clearly defined control mechanism in place to ensure that all monies paid to the **Proposer** are recorded, banked and reconciled independently within at most seven days of receipt?

☐ **Yes** ☐ **No** *If No, please provide reasons why not:*

(g) Are satisfactory written references always obtained when engaging employees?

☐ **Yes** ☐ **No** *If No, please advise why not:*

SECTION 9: SUB-CONSULTANTS

(a) Does the **Proposer** (or has it in any of the last six years or plan to in the next twelve months) engage sub-consultants, or undertake any contracts where they become contractually responsible for the services of any sub-consultant?

☐ Yes ☐ No *If Yes, please answer (b) below.*

(b) What is the minimum Professional Indemnity Insurance limit that the **Proposer** accepts for its sub-consultants?

SECTION 10: INSURANCE

(a) Please provide details of the **Proposer's** current Professional Indemnity Insurance policy:

Insurer	Expiry Date	Limit (\$)	Excess (\$)	Premium (excluding GST/Stamp Duty)

(b) Has the **Proposer** ever been refused similar insurance, or had any policy cancelled or voided at any time?

☐ Yes ☐ No *If Yes, please provide full details:*

(c) Please advise the limit and excess required:

Limits Required	Desired Excess
1.	1.
2.	2.

SECTION 11: CLAIMS

Professional Indemnity Insurance is underwritten on a 'claims made' basis and the Underwriters will exclude any claim and/or circumstance which may give rise to a claim, which is known by the Proposer(s) prior to the inception date of the policy. Please provide answers to the following questions after making full enquiry of all principals, partners, directors and employees.

(a) Have any civil liability claims ever been made against the **Proposer** or against any Director, Partner or employee of the **Proposer**, whether successful or otherwise?

☐ Yes ☐ No

(b) Have any claims for dishonesty ever been made against the **Proposer** or against any Director, Partner or employee of the **Proposer** whether successful or otherwise?

☐ Yes ☐ No

(c) Have any complaints or investigations ever been made or undertaken against the **Proposer** or against any Director, Partner or employee of the **Proposer**?

☐ Yes ☐ No

(d) Has the **Proposer** ever suffered any losses due to dishonesty of any Director, Partner or employee, or any other person or organisation?

☐ Yes ☐ No

(e) After full enquiry is the **Proposer** or any Director, Partner or employee of the **Proposer** aware of any circumstances relating to the questions 11(a) to 11(d) above which may give rise to a potential claim or request for indemnity under the professional indemnity policy?

☐ Yes ☐ No

If YES to any of the above, please provide full details in the table below:

Detail Of Claim / Circumstance	Incident Date	Amount Claimed \$	Insurer Reserve /Paid** \$	Excess \$	Closed (Y/N)*
					<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

*Please advise whether the Underwriters closed their file in each case.

** - includes damages (or amount paid in settlement of a claim for damages), claimant's costs, costs paid to any other party, and defence/investigation costs.

SECTION 12: DECLARATION

I/We declare that the above answers, statements, particulars and additional information are true to the very best of the knowledge and belief of the **Proposer**. After full enquiry, I/We also confirm that I/We have disclosed all information and material facts that may alter the Underwriters' view of the risk, or affect their assessment of the exposures they are covering under the policy. I/We understand that all answers, statements, particulars and additional information supplied with this proposal form will become part of and form the basis of the policy.

I/We acknowledge that we have read and understood the content of the **Important Notices** contained in this proposal.

Signed:

For and/on behalf of the Proposer:

Date:

Name in capital letters (printed):

Position:

Continuation