

PROPOSAL FORM

Insurance Brokers and Underwriting Agencies 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 2(a)(i) above):

(iii) Total Staff:

SECTION 3: LICENCING

(a) **Proposer's** AFS Licence No:

(b) Does the **Proposer** have any Authorised Representatives using the AFS Licence No as shown in (a) above?

Yes **No** *If Yes, please provide answer (i) to (iv):*

(i) How many Authorised Representatives works for the **Proposer**?

(ii) What is the Gross Annual Commission received by the **Proposer** from Authorised Representatives?

(iii) Are the Authorised Representatives required to carry their own Professional Indemnity Insurance?

Yes **No**

(iv) Does the **Proposer** audit all Authorised Representatives annually?

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

SECTION 4: 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 5: ACTIVITIES

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

Professional Service Provided:	Last 12 months (%)	Next 12 months (%) Estimated
i. Aviation (excluding commercial aircrafts)		
ii. Aviation (including commercial aircrafts)		
iii. Benefits Consultancy		
iv. Bloodstock / Livestock		
v. Compulsory Third Party		
vi. Credit Insurance		
vii. Construction Insurance		
viii. Energy		
ix. Financial advice including life & pension (excluding investment advice)		
x. Full discretion binding authority/claims agreement (Binding Authority Addendum to be completed)		
xi. Limited binding authority (Binding Authority Addendum to be completed)		
xii. Motor Insurance (Commercial)		
xiii. Marine (small private vessels)		
xiv. Marine (large private vessels)		

Professional Service Provided:	Last 12 months (%)	Next 12 months (%) Estimated
xv. Marine (commercial vessels)		
xvi. Personal Accident – Sports and group travel		
xvii. Personal Accident – All other		
xviii. Personal Lines – Household, motor, pet, etc		
xix. Property/Commercial (including business packages)		
xx. Professional lines (including D&O and Financial Institutions)		
xxi. Risk Management Consultancy		
xxii. Specie/fine art		
xxiii. Superannuation		
xxiv. Workers Comp		
xxv. Other Work		
Total Fees Earned		

(b) If any fees are declared under 5(a)(xxv) "Other Work" please provide details of each service as follows:

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

SECTION 6: 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 6(a) by State or Territory:

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

SECTION 7: 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) In respect of quotations and renewal terms does the **Proposer** always confirm in writing to the client:

(i) The name of the recommended Insurer

Yes **No**

(ii) The security of the Insurer

Yes **No**

(iii) The details of cover including limit and endorsements

Yes **No**

(iv) The period of insurance, including the date from which cover incept

Yes **No**

(v) The premium and applicable taxes

Yes **No**

(vi) The period for which the quotation is open for

Yes **No**

(vii) Confirmation of binding cover

Yes **No**

(viii) The length of any extension to the period of insurance and any special terms imposed by such an extension

Yes **No**

(c) Does the **Proposer** operate any Quality Assurance Systems?

Yes **No** *If Yes, please specify:*

(d) Does the **Proposer** offer and promote continuing training?

Yes **No** *If Yes, please describe the continuing training provided:*

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

Yes **No**

(f) 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:*

(g) 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:*

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

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

General Questions

(i) Have you, and do you retain, an outline from your customers on the scope of cover they require?

(j) Do you make your recommendations for coverage to your clients in writing? If so, do you retain a copy of such recommendations on file?

(k) Do you require your clients to confirm in writing that they have accepted your recommended coverages? If so, do you maintain this confirmation on file?

(l) Where you have received a rejection from your client of your recommended coverages, do you obtain that from them in writing? Do you maintain this rejection on file?

(m) Where Customers specify specific coverage requirements, how do you overcome instances where such coverage is not found to be commonly available or at a premium value that is acceptable to your customer?

(n) Do you have a document/email retention policy in force that enables you to review request for information in the event of an issue emerging with your customers on the scope of cover selected?

Pandemic/Epidemic Questions

(o) Do you consider whether Epidemic / Pandemic risk is part of your clients' exposures? What is the criterion you use to determine this?

(p) Whether or not you were successful in finding markets, can you confirm that you have researched and made enquiries of at least 3 insurers/MGA's for available insurance products to address Epidemic/Pandemic coverage needs? Do you keep a record of these efforts? Do you review the market periodically to see if new products become available?

(q) If you have a market, or you learn of one becoming available, do you offer the option of obtaining Epidemic/Pandemic quotes for your clients?

(r) If you cannot obtain Epidemic/Pandemic coverage, do you advise your clients? Is this done in writing and do you maintain same on your file?

SECTION 8: 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 9: 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 10: 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 10(a) to 10(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 11: 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

BINDING AUTHORITY ADDENDUM

To be completed if the **Proposer** have full discretion binding authority/claims agreements or limited binding authority in place.

(1) Does the **Proposer** operate any Binding Authority arrangement whereby an Insurer or Underwriter has granted the Proposer authority to either quote terms, set rates or handle claims without referral?

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

Nature of Binding Authority	Class of Business	Insurer & Reference	Maximum Limits/ Sums Insured	Total Commission Income
i. Non-discretionary with no deviation from the Binding Authority in respect to the type of risk, rates, period of insurance or policy wording as specified in the Binding Authority				
ii. Non-discretion with no deviation from the Binding Authority in respect of the type of risk, period of insurance or policy wording, but with a limited amount of deviation to the extent of specified discounts or loadings				
iii. Non-discretionary with no deviation from the Binding Authority in respect of the type of risk and wording applicable but with deviation permissible in respect of the period of insurance or non-specified discounts or loadings				
iv. Discretionary Binding Authority with no limits in respect of the type of risk, rating, wording or period of insurance				
v. Claims Handling Authority				

(2) Are Audits conducted by the Insurer or Underwriter?

Yes **No** *If Yes, please answer the below*

Frequency of Audits	Date of last Audit	Any Remedial Action Required
		<input type="checkbox"/> Yes <input type="checkbox"/> No <i>If Yes, please provide detail.</i>

(3) With respect to the Authorities as mentioned in Question 1, are there set guidelines in place for their operations?

Yes **No** *If No, please provide detail.*

(4) Please provide the incurred loss ratio for the last three years.

Current year:	Last year:	Previous year
%	%	%

(5) Does the **Proposer** delegate its authority under this binder to any third party?

Yes **No** *If Yes, please provide detail.*

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:

Name in capital letters (printed):

Date:

Position:

Continuation