



Professional Indemnity Proposal Form

ACCOUNTANTS

PI DIRECT
INSURANCE BROKERS

The **Financial Lines** Specialists

Important Information for the Applicant

Please read the following information before completing this Proposal

Your Duty of Disclosure

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you may be aware of, or could reasonably be expected to be aware of, that is relevant to the insurers decision about insuring you and if so, on what terms.

You have the same duty to disclose these matters to us before you renew, extend, vary or reinstate a contract of insurance.

Your duty however does not require disclosure of a matter: -

- that diminishes the risk to be undertaken by the insurer;
 - that is common knowledge
 - that the insurer knows, or in the ordinary course of business as an insurer, ought to know;
 - as to which the duty is waived by the insurer.
-

Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their 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 the beginning.

It is therefore vital that you enquire of all entities comprising the insured, including senior staff, before completing the proposal form and before you sign any declaration confirming no change in the information disclosed.

Claims Made Policy

This proposal form is for Professional Indemnity Insurance which is a "Claims Made" policy. This means the policy covers you for claims made against you and notified to the insurer during the period of insurance.

It does not provide cover in relation to:

- events which occurred prior to the policy's retroactive date, if any, specified in the schedule;
- claims made, threatened or intimated before the period of insurance commenced;
- claims arising from factors or circumstances of which you first became aware before the commencement of the policy and which you knew or ought to have known, had the potential to give rise to a claim under the policy or any previous policy;
- claims arising from circumstances noted on the proposal form or any previous proposal form.
- Subject to what is said in the next paragraph, claims made after the period of insurance expires even where the event giving rise to the claim occurred during the period of insurance.

However, where you give notice, pursuant to Section 40 (3) of the Insurance Contracts Act, to the Insurer of facts that might give rise to a claim against you prior to the expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of insurance.

Average Provision

The insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under the policy bears to the amount paid to dispose of the claim.

Surrender of Waiver of any Right of Contribution or Indemnity.

Where another person or company would be liable to compensate you for any loss or damage otherwise covered by this policy, but you have agreed with that person or company either before or after the loss or damage occurred that you would not seek to recover any loss or damage from that person or company, the Insurer will not cover you under the policy or such loss or damage unless agreement of the Insurer was obtained beforehand.

PRIVACY ACT CLAUSE

PI Direct Insurance Brokers Pty Ltd is committed to protecting the privacy of the personal information you provide us. PI Direct collects uses and retains your personal information in accordance with the Privacy act 1998 (Cth) and the Australian Privacy Principles.

We need to collect the personal information on the applicable proposal form to consider your application for insurance and to determine the premium (if your application is accepted) when you are applying for, changing or renewing an insurance policy with us. This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application or a claim.

If you don't provide us with full information, we can't properly advise you, seek insurance terms for you, or assist with claims and you could breach your duty of disclosure.

We may disclose the personal information we collect:

- To our relevant employees involved in delivering our services;
- If your insurance broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts;
- To the insurance companies with whom we transact business;
- To the Lloyd's Syndicates we represent (which are located in the United Kingdom) ;
- To insurance reference bureau or credit reference bureau;
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia).

In those instances where your information is provided to an overseas insurer, we will try to tell you where those companies are located at the time of advising you.

Where we do disclose the information as above the recipient may hold the information in accordance with its own privacy statement / policies. Those may include, by way of example, disclosing the information to and storage of that information by its associated entities which may be located overseas. Full details can be found on the recipient's website. However, we can also provide a copy to you on request.

We may also be required to provide your personal information to others for purposes of public safety and law enforcement and if required by law or by a law enforcement body to do so.

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

For more information about how to access the personal information we hold about you, how to have the information corrected and how to complain if you think we have breached the privacy laws, ask us for a copy of our Privacy Policy, visit our website www.pidirect.com.au or contact our Managing Director on 07 3387 2816.

Code of Practice

As a member of NIBA, P.I. Direct complies with the Insurance Brokers Code of practice. As a result, our clients can expect that we commit ourselves to high standards of customer service including a free and transparent complaints and compliance review process.

For more information regarding the Code and its requirements please contact PI Direct or visit www.niba.com.au/codeofpractice/index.cfm

Completion of Proposal Form

Please complete all questions fully. If there is insufficient space provided to answer any question, please provide details on your letterhead.

Section 1: Your Details

1.1 Please provide the full legal name of each natural person, incorporated body and subsidiary to be insured including any unincorporated body or trading name:

Name: _____

Date Established: _____ Country of Registration: _____

ABN: _____

1.2 Are you registered for GST purposes? Yes No

1.3 Principal Address of the proposer.

Other Addresses:

1.4 Contact Details:

Telephone No: _____ Mobile: _____

Email Address: _____ Website: _____

1.5 Particulars of Principals / Partners / Directors

Name	Qualification	Date Obtained	Years as a Principal	
			This Practice	Previous Practice

1.6 Staff Numbers

Principals / Partners / Directors: _____ Professionally Qualified Staff: _____

Other Technical Staff: _____ Administration Staff: _____

Other Staff: _____ **Total:** _____

Section 2: **Your Business**

- | | | | |
|-----|--|-----|----|
| 2.1 | Are you Australian domiciled or Australian based? | Yes | No |
| 2.2 | Has the name of your business ever changed? | Yes | No |
| 2.3 | Have you ever amalgamated or merged with another business? | Yes | No |
| 2.4 | Have you purchased another business or practice? | Yes | No |

If you have answered "**Yes**" to any of questions 2.2; 2.3 or 2.4 please provide details below:

- 2.5 Does any partner, principal or director of the insured detailed in answer to question 1 of this proposal have any connection or association (financially or otherwise) with any other business practice:

Yes No

If "**Yes**", please provide full details:

- 2.6 Please provide a precise description of your business activities:

2.7 Please state the percentage of your total income derived from:

Activity	Percentage of Total Activities
Accounts preparation	
Audit – private companies	
Audit – not-for-profit organisations	
Audit – publicly listed companies	
Audit – self-managed superfunds	
Audit – unlisted public companies	
Audit – financial institutions	
Bookkeeping	
Business broking	
Business valuations	
Company directorships / secretarial positions	
Executorships and trusteeships	
Forensic accounting	
Insolvency / receiverships / liquidations	
Insurance agency	
Investment advice / investment management / financial planning	
IT consultancy – accounting software only	
Management accounting	
Management consultancy	
Mergers & acquisitions	
Superannuation fund managers	
Taxation – GST / BAS	
Taxation - for individuals	
Taxation – for companies with revenue below \$2 Million	
Taxation - for companies with revenue above \$2 Million	
Other – please provide full details	
	100%

2.8 Do you, or have you in the past, provided professional services in respect to establishing, running or terminating tax minimisation schemes? Yes No

2.9 Do you hold or do you intend to apply for in the next 12 months, an AFS Licence? Yes No

If you have answered “Yes” to questions 2.8 or 2.9 please provide full details.

2.10 Please provide details of your 5 largest contracts:

Brief Description of Contract	Income (\$Aus)

2.11 Has there been any substantial changes to your business in the past 12 months? Yes No

2.12 Do you anticipate any substantial changes in your business activities in the next 12 months? Yes No

If you have answered "Yes" to any of questions 2.11 or 2.12 please provide details below:

2.13 What percentage of your professional services is provided by sub-contractors? _____ %

If the response to the above question is greater than zero:

i) Do you insist they carry their own Professional Indemnity Insurance? Yes No

ii) Do you impose a minimum level of cover? Yes No

If "Yes", what is the minimum limit: \$ _____

2.14 Do you perform work outside Australia? Yes No

If "Yes", please provide a list of the countries involved.

Section 3: Your Business Practices

- 3.1 Do you always enter into a written contract with your client? Yes No
- 3.2 Do you always use a standard contract or terms of engagement? Yes No
- 3.3 Are the scope of professional services to be performed always clearly set out in the contract or terms of engagement with your client? Yes No

Section 4: Your Financial Details

- 4.1 Please provide the total annual gross professional fee income for:

	Previous 12 Months	Current 12 Months	Estimate Next 12 Months
12 Month Period Ending	DD/MM/YY:	DD/MM/YY:	DD/MM/YY:
	\$:	\$:	\$:

- 4.2 Please provide the approximate percentage of your activities (based on fee income) applicable to each State or Territory.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	O/s	Total
%	%	%	%	%	%	%	%	%	%

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

- 4.3 Are you a Capital Gains Tax small business entity (within the meaning of section 152-10(1AA) of the Income Tax Assessment Act 1997 (Cth); and a small business individual/partnership/ company and /or trust, which is carrying on business, and the business has an **aggregate turnover of less than \$2 Million**.

(For further information visit www.revenue.nsw.gov/taxes/insurance/exemptions). Yes No

Section 5: Your Claims History

5.1 After full enquiry, has any professional liability claim been made against the entity or individual to be insured by this insurance, (or previous company name used by you), or any past or present partner, director or employee of the entity?

Yes No

5.2 After full enquiry, are you aware of any facts or circumstances which could give rise to a professional liability claim against the entity or individual to be insured under this insurance (or previous company name used by you), or any past or present partner, director or employee of the entity?

Yes No

5.3 After full enquiry, are you aware of any fraud, dishonesty, bankruptcy or administration order applicable to any past or present principal, partner, director or employee?

Yes No

5.4 After full enquiry, has any partner, principal, director or employee ever been subject to disciplinary proceedings for professional misconduct?

Yes No

5.5 After full enquiry, are you aware of any enquiry, professional disciplinary proceedings or similar process connected to your business which they, or any member may be required to attend?

Yes No

**IF THE ANSWER TO ANY OF THE QUESTIONS IN SECTION 5 IS "YES"
PLEASE COMPLETE A PI DIRECT CLAIMS ADDENDUM FOR EACH MATTER.**

(These are available from www.pidirect.com.au or by calling PID on **07 3387 2800**).

Section 6: Your Risk Management Practices

6.1 Do you have a documented risk management system in place to explicitly identify and evaluate the risks of the business and have measures in place to manage or mitigate those risks to an acceptable minimum?

Yes No

6.2 Is this system regularly reviewed and updated?

Yes No

6.3 Is this system accredited to any third party quality system such as ISO9000?

Yes No

If "Yes", please provide details

6.4 Are you a financial member of any Association?

Yes No

If "Yes", please provide details.

6.5 Do you subscribe to any form of Continuous Professional Development?

Yes No

6.6 Do you have a formal evaluation and approval process to engage new clients or accept new projects?

Yes No

6.7 Do you always obtain satisfactory references when engaging new employees?

Yes No

Section 7: **Your Insurance History**

7.1 Do you hold a current Professional Indemnity Insurance Policy? Yes No

If the answer is **"Yes"** please advise:

Name of Insurer: _____

Expiry Date: _____ Limit of Indemnity: _____ Premium: _____

7.2 After full enquiry, has the proposer or any principal or director of the proposer, ever been refused this type of insurance, had special terms imposed, had a policy cancelled or had an application for renewal declined? (In the case of a renewal declinature this does not include a change in the underwriter's guidelines)

Yes No

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

Section 8: Your Cover Application

8.1 Limit of Indemnity:

- A. \$1,000,000
- B. \$2,000,000
- C. \$5,000,000
- D. Other (Please Specify): _____

8.2 Excess: _____

8.3 Optional Extensions: (if Available)

- | | | |
|-------------|-----|----|
| A. Fidelity | Yes | No |
|-------------|-----|----|

If you have selected "Yes" for (a) Fidelity cover please advise:

- | | | |
|---|-----|----|
| 1. Do you always obtain satisfactory references before hiring employees? | Yes | No |
| 2. Do you require more than one member of staff to sign cheques, handle cash or transferable documents? | Yes | No |

- | | | |
|-----------------------------------|-----|----|
| B. Extended Contractual Liability | Yes | No |
|-----------------------------------|-----|----|

- | | | |
|-----------------------|-----|----|
| C. Mitigation of Loss | Yes | No |
|-----------------------|-----|----|

- | | | |
|---------------------|-----|----|
| D. Public Liability | Yes | No |
|---------------------|-----|----|

If you have selected "Yes" for (d) Public Liability cover, please confirm:

- | | | |
|---|--------------|--------------|
| 1. The P.L. Limit you require: | | |
| \$5,000,000 | \$10,000,000 | \$20,000,000 |
| 2. More than 85% of your total activities are office / classroom based. | Yes | No |

Section 9: Your Declaration

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgement and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Proposer: _____

Signed by / on behalf of all Partners / Directors / Principals

Name: _____ Signature: _____

Name: _____ Signature: _____

Dated: _____

P.I. Direct Insurance Brokers Pty Ltd. (AFS Licence No. 229462)

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