



# Management Liability Proposal Form

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## Important Information for the Applicant

Please read the following information before completing this Proposal

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### 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.
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### 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.

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### 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.

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## 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.

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## 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.

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## 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](http://www.pidirect.com.au) or contact our Managing Director on 07 3387 2816.

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## 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](http://www.niba.com.au/codeofpractice/index.cfm)

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## 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.

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## Section 1: Your Details

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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 Please select the Company structure to be insured under this Policy

Private Company

Public Unlisted

Association / Non Profit

Partnership

Other (please advise)

\_\_\_\_\_

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## Section 2: **Your Company History**

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- |     |   |     |    |
|-----|---|-----|----|
| 2.1 | Does the Company have any securities listed on any stock exchange such as the ASX?  | Yes | No |
| 2.2 | Has the Company made or are there any pending acquisitions, mergers, divestments, material capital raisings in either the past or the following 12 months?                                  | Yes | No |
| 2.3 | During the last three (3) years has the Company changed external auditors and or legal advisers?  | Yes | No |
| 2.4 | Is the Company involved in any business activities or does it hold any assets in the USA &/or Canada?   | Yes | No |
| 2.5 | Does any shareholder own more than 50% of the Company's Ordinary Share Capital?   | Yes | No |
| 2.6 | Within the past five (5) years has the Company or its Directors or officers disclosed confidential information to any third party including but not limited to potential business partners? | Yes | No |
| 2.7 | Has any employee that has had access to the Company's confidential information left your employment within the past three (3) years?  | Yes | No |

If you have answered "**Yes**" to any of the questions in Section 2 please provide full details.



3.3 Does the Company have an Australian Financial Services Licence?: Yes No

If "Yes", please provide the AFSL Number: \_\_\_\_\_

3.4 Does the Company use, intend to use or supply Labour Hire? Yes No

If "Yes", do you ensure that the correct licenses are held under labour Hire Legislation? Yes No

3.5 Does the Company have any overseas operations? Yes No

If "Yes", please provide full details of all countries, activities performed and income derived.



## Section 4: Your Financial Details

4.1 Please provide the Company's annual turnover / revenue for:

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

4.2 Please provide the Company's Gross Consolidated Total Assets for the last financial year?

\$ (AUD)

4.3 Please provide the Company's Gross Consolidated Net Assets for the last financial year?

\$ (AUD)

4.4 After enquiry, are there any facts or circumstances which may affect the ability of the Company to meet its debts as and when they fall due?

Yes No

4.5 Have there been (in the last 24 months) or are there proposed, any changes to the capital structure of the Company?

Yes No

If you have answered "Yes" to any of the questions please provide full details

**A standard Management Liability Policy contains and Insolvency Exclusion. It is possible to have this removed on receipt and review of a copy of the latest annual financial statements.**

4.6 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
%	%	%	%	%	%	%	%	%	%

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## Section 5: Employment Practices

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5.1 Please provide the total number of current employees:

Type of Employee	Number
Directors, Partners & Officers	
Full Time Employees (excluding the above)	
Part time employees	
Casual employees	
Independent Contractors	
Voluntary Workers	
<b>Total</b>	

Annual Salary Bracket	No. of Employees (including Directors)
\$0 - \$50,000	
\$50,001 - \$100,000	
\$100,001 - \$250,000	
> \$250,000	

- 5.2 Do you always use a standard contract of engagement? Yes No
- 5.3 Are all employees engaged on a written contract? Yes No
- 5.4 Has the Company had any retrenchments in the last 12 months? Yes No
- 5.5 Do you anticipate any retrenchments in the next 12 months? Yes No
- 5.6 Do you have written employment procedures (eg: Employee Handbook) that is given to each employee? Yes No
- 5.7 Do you only use labour hire companies which are appropriately licensed under applicable Labour Yes No

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## Section 6: Your Fraud Controls

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6.1	Is there an annual audit of the Company's accounts?	Yes	No
6.2	Is there an independent annual count of physical stock against inventory records (where the count is performed by a person who is not the same performing the inventory check)?	Yes	No
6.3	Is dual authorisation required on all payments (including but not limited to cheques, EFT, refunds)?	Yes	No
6.4	Does the Company segregate duties so that the same person cannot control any of the following activities from commencement to completion without referral to others (ie. Financial Controller, Director)		
	i. Signing cheques, preparing cheque requisitions or reconciling bank statements.	Yes	No
	ii. Issuing funds transfer instructions above \$5,000	Yes	No
	iii. Refund of monies or return of goods above \$5,000	Yes	No
6.5	Is there controlled access to all locations / computer terminals?	Yes	No
6.6	Does the Company maintain a master list of all authorised suppliers?	Yes	No
6.7	Does the Company verify new customer or supplier bank account information (including name, address & bank account number) prior to initiating any financial transaction with such supplier or customer?	Yes	No
6.8	Does the Company have call back procedures with customers or suppliers to authenticate any fund transfer instructions greater than \$5,000 prior to the transfer?	Yes	No
6.9	Upon receipt of any email requests to change supplier or customer bank account details (including account number, email address, contact information, bank routing number), do you:		
	i. Have direct call back procedures in place (other than responding by email) to the contact phone number in place prior to receipt of the change request?.	Yes	No
	ii. Require internal dual sign off from a supervisor or authorised person prior to initiating the change request.	Yes	No

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## Section 7: **Your Workplace Health & Safety Procedures**

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|-----|--|-----|----|
| 7.1 | Does the Company have a safety management system in place?   | Yes | No |
| 7.2 | Has the Company's safety management system been reviewed by an independent third party and received AS/NZ 4801 certification?  | Yes | No |
| 7.3 | Does the Company have documented hazard and incident reporting procedures?   | Yes | No |
| 7.4 | Does the Company have procedures in place to identify and notify officers on duty under WH&S laws?   | Yes | No |
| 7.5 | Does the Company have a system that recognises contractors, volunteers, work experience and labour hire employees as workers?  | Yes | No |
| 7.6 | Does the Company have an audit programme of its safety management system to ensure it remains effective and up to date in managing health & safety risks in the workplace? | Yes | No |
| 7.7 | Please provide further details of any information that is relevant to your WH&S obligations.   |     |    |

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## Section 8: **Internet Liability** (if available)

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|-----|--|-------|----|
| 8.1 | Does the Company have a website?   | Yes   | No |
|     | If "Yes", please provide the website address(es):  |       |    |
|     | www.   | <hr/> |    |
|     | www.   | <hr/> |    |
|     | www.   | <hr/> |    |
| 8.2 | Does the Company have a privacy policy posted on all its websites?                         | Yes   | No |
| 8.3 | Does the Company review and approve all content prior to it being uploaded to the website? | Yes   | No |
| 8.4 | Does the Company website contain a blog or chatroom?                                       | Yes   | No |

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## Section 9: **Your Claims History**

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|-----|---|-----|----|
| 9.1 | Has the Company or any person proposed for cover suffered any loss which could have been covered under the proposed policy?   | Yes | No |
| 9.2 | Is the Company or any person proposed for cover aware of any facts, circumstances, acts or omissions which may give rise to any future claims under the proposed policy?  | Yes | No |
| 9.3 | During the last three years, has the Company or any person proposed for cover been the subject of any complaint, suit, inquiry or notice of a hearing from any State, Territory or federal regulatory body, or any other party? | Yes | No |
| 9.4 | Has the Company or any person proposed for cover ever been refused, had cancelled or non-renewed any similar insurance cover?   | Yes | No |

If the answer to any of the questions in Section 9 is **"Yes"**, please provide full details.

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## Section 10: Your Cover Application

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### 10.1 Limit of Indemnity:

#### Professional Indemnity

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

10.2 Some insurers can offer separate limits for each section. If you would like us to provide an option for this please advise the limits required below.

Section	Limit (\$)
Management Liability	\$
Employment Practices Liability	\$
Crime Protection	\$
Superannuation Trustees Liability	\$
Statutory Liability	\$

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## Section 11: Your Declaration

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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: \_\_\_\_\_

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

Level 2 3350 Pacific Highway Springwood Qld 4127 - Postal Address: Po Box 976 Springwood Qld 4127  
Phone: (07) 3387 2800 Email: [pidirect@pidirect.com.au](mailto:pidirect@pidirect.com.au) Website: [www.pidirect.com.au](http://www.pidirect.com.au)