



Associations Liability Proposal Form

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.
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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.

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 Please advise the total number of:

Full time equivalent staff: _____

Volunteers: _____

Members: _____

1.7 Please specify the nature of the Association or Organisation?

Community

Environmental

Disability

Sporting

Trade

Welfare

Professional

Other (please advise)

Section 2: **Your Company History**

- | | | | |
|-----|--|-----|----|
| 2.1 | Is the Association involved in any business activities or does it hold any assets in the USA &/or Canada? | Yes | No |
| 2.2 | Has the Association 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 Association changed external auditors and or legal advisers? | Yes | No |
| 2.4 | Does the Association act as a manger of any fund or property for or on behalf of any third party? | Yes | No |

If you have answered “**Yes**” to any of the questions in Section 2 please provide full details:

Section 3: Your Financial Details

3.1 Please provide the Associations annual revenue (including Government grants) for:

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

3.2 Please advise, based on the Associations most recent financial statements:

	Most Recent Statements
12 Month Period Ending	DD/MM/YY:
Net Profit (or Loss)	\$:
Total Assets	\$:
Total Liabilities	\$:
Net Assets	\$:

3.3 Do you have your accounts audited every year? Yes No

3.4 After enquiry, are there any facts or circumstances which may affect the ability of the Association to meet its debts as and when they fall due? Yes No

3.5 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
%	%	%	%	%	%	%	%	%	%

3.6 Are you Stamp Duty Exempt? Yes No

If **"Yes"** please provide written evidence of the exemption.

3.7 If you are not Stamp Duty exempt and income is generated in NSW, please answer the following additional questions:

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 4: Your Business Activities

4.1 Please provide full details of the activities of the Association or Organisation:

4.2 Does the Association:

i. Provide any advice for a fee?	Yes	No
ii. Have a gaming license?	Yes	No
iii. Provide legal, investment or environmental advice?	Yes	No
iv. Engage in any form of medical treatment, medical advice or scientific or medical research?	Yes	No
v. Provide any web hosting or act as an internet service provider?	Yes	No
vi. Provide websites with chat lines or bulletin boards or discussion areas where input can be posted by the public at large?	Yes	No
vii. Promote any form of insurance to your members or act as an insurance agent?	Yes	No
viii. Engage in actual construction, fabrication, erection or any form of contracting?	Yes	No
ix. Endorse any products?	Yes	No
x. Engage in real estate development?	Yes	No
xi. Engage in the manufacture, sale or distribution of any product or process?	Yes	No

4.3 Does the Association produce any newsletters, journals or other publications? Yes No

If "Yes" please provide examples.

Section 5: Your Fraud Controls

5.1	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
5.2	Is dual authorisation required on all payments (including but not limited to cheques, EFT, refunds)?	Yes	No
5.3	Does the Association 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

Section 6: Risk Management

6.1	Does the Association:		
i.	Use employment application forms during the hiring process?	Yes	No
ii.	Complete reference checks of incoming employees & contractors?	Yes	No
iii.	Have an employment handbook to distribute to all employees?	Yes	No
iv.	Have written policies in place for Equal Opportunity?	Yes	No
v.	Have written policies in place regarding Anti-Sexual Harassment?	Yes	No
vi.	Have written policies in place regarding Discrimination?	Yes	No
vii.	Have written policies in place regarding legal procedures to be followed before termination of employment?	Yes	No

Section 7: **Your Claims History**

- 7.1 After full enquiry has any claim been made against the Association or any Office Bearers, Executive Staff , Sub Committee members, employees of the Association?
Yes No
- 7.2 After full enquiry, is the Association or any person proposed for cover aware of any facts, circumstances, acts or omissions which may give rise to any future claim(s) against the Association or any Office Bearers, Executive Staff , Sub Committee members, employees of the Association?
Yes No
- 7.3 After full enquiry, has the Association 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
- 7.4 After full enquiry, has there been, or is there now pending, any prosecution of the Association or any person proposed for cover under this insurance under Corporations Law, Competition and Consumer Act, or any other statute?
Yes No

If the answer to any of the questions in Section 7 is **“Yes”**, please provide full details.

Section 8: Your Insurance History

8.1 Do you hold a current Associations Liability Insurance Policy? Yes No

If the answer is "Yes", please advise:

Name of Insurer: _____

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

8.2 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 9: Your Cover Application

9.1 Please indicate the limit of indemnity for which you would like a quotation.

A. \$1,000,000

B. \$2,000,000

C. \$5,000,000

D. Other (Please Specify): \$ _____

9.2 Preferred deductible? \$ _____

Section 10: 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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