

Professional Indemnity Proposal Form



Important Information

Answering the Questions

You must answer ALL questions in this proposal form. Failure to answer all questions in this proposal form could delay consideration of this application for insurance. You must ensure you provide complete and correct answer to all questions in this proposal form. If you are unsure whether any information is material to the Insurer's consideration of this application, this information should be disclosed.

Supplementary Information

If there is insufficient space in this proposal form for you to provide a complete answer to a question you may also submit additional information in spreadsheet or report format.

Supporting Documentation

All Applicants are required to submit the following documentation with this proposal form:

1. the CV's of all directors, principals and partners of the Applicant; and
2. any pamphlets, flyers or similar documentation the Applicant provides to the public.

Meaning of Terms

"Applicant" means:

- > any entity for which cover under the policy is required including any service, administrative or nominee companies and subsidiaries that you wish to be covered by this policy;
- > any individual for which cover under the policy is required including any director, principal, partner or employee of any entity to be insured by the policy; and
- > any former director, principal, partner or employee of any entity to be insured by the policy.

"Proposal Form" means this document and any supporting documentation submitted with this proposal form.

Contact Stockinsure

Stock & Stations Agents Co-Operative Limited t/as Stockinsure
ABN 41 591 406 189

admin@stockinsure.com.au
coverforce.com.au/stockinsure

Level 26, Tower One
International Towers Sydney
Barangaroo NSW 2000

Level 13, 234 George Street,
Sydney NSW 2001

P 02 9998 8266
F 02 9998 8267

Duty Of Disclosure

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 know, or could reasonably be expected to know, relevant to the Insurer's decision whether to accept the risk of insurance and, if so, on what terms.

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

Your duty however does not require disclosure of a matter:

- > that diminishes the risk to be undertaken by the Insurer;
- > that is of common knowledge;
- > that your Insurer knows or, in the ordinary course of its business, ought to know;
- > as to which compliance with your 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 its 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 its beginning.

Claims Made Policy

This declaration is for a 'claims made and notified' policy of insurance. This means that the insuring clause responds to:

- > claims first made against you during the policy period and notified to the Insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- > written notification of facts pursuant to Section 40(3) of the *Insurance Contracts Act 1984*. The facts that you may decide to notify are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the policy's period of cover has expired. If you give written notification of such facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, Section 40(3) of the *Insurance Contracts Act 1984* is set out in the following: "S40(3) Where the Insured gave notice in writing to the Insurer 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 the claim when made by reason only that it was made after the expiration of the period of insurance cover provided by the contract."

When the policy period expires, no new notification of facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the policy period.

You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed by you prior to the retroactive date, where one is specified in the policy terms offered to you.

Subrogation

The policy contains a provision that has the effect of excluding or limiting the Insurer's liability in respect of a claim where the Insured had foregone, excluded or limited a right of recovery or contribution.

Non-Renewable Policy

For the purposes of Section 58 of the *Insurance Contracts Act 1984*, if a policy is issued, this policy is non-renewable and will expire at the conclusion of the policy period. Should the Insured require coverage beyond the expiry of the policy period, the Insured must complete a new proposal form and the Insurer may provide a new contract, the terms and conditions of which will be negotiated at the time.

Professional Indemnity Proposal Form *Cont.*

1. Entities to be Insured

Entity: ABN: Date business established:

2. Contact Details

Name: Phone: Mobile: Fax:
Email: Website:
Postal address: Suburb: State: Postcode:

3. Gross Income/Fees (Australian Dollars)

Previous financial year end: Estimated current financial year end: Projected next financial year end:

4. Staff

Please indicate the number of employees, sub-contractors and consultants employed/engaged by the Applicant for each category.

Principals, directors & partners: Professionally qualified: Other employees: Sub-contractors/consultants: **Total number of staff:**

Are any of the directors/partners/principals currently licensed real estate agents (or where applicable licensed business agents or licensed stock & station agents)? Yes No

If Yes, please provide their name(s):

5. Required Cover

Please select the limit you require:

\$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000 Other (please specify):

6. Stamp Duty

For the purpose of calculating the stamp duty to be paid for the policy, please provide the approximate percentage of your activities (based on gross income/fees in the previous financial year) applicable to each state and/or territory (TOTAL must equal 100%).

NSW: VIC: WA: TAS: QLD: SA: ACT: NT: Overseas: **Total:**

Professional Indemnity Proposal Form *Cont.*

7. Latest Professional Indemnity Policy

Broker: _____ Insurer: _____ Indemnity limit: _____ Excess: _____ Expiry date: _____ Base premium: _____

8.1 Activities Undertaken

Complete the table by indicating the percentage of gross income/fees (for the previous financial year) the Applicant would receive for each category listed below.

Real estate agent activities:

- Livestock sales
- Rural property sales
- Residential sales (not including "off the plan" sales)
- Residential sales ("off the plan" sales only)
- Commercial sales (not including "off the plan" sales)
- Commercial sales ("off the plan" sales only)
- Auctioneering (property)
- Auctioneering (livestock)
- Auctioneering (clearing sales)
- Merchandising

Valuation activities:

- Rural property management
- Residential property & strata management
- Commercial property & strata management (excluding retail shopping centres)
- Commercial property & strata management (retail shopping centres with 10 shops or less)
- Commercial property & strata management (retail shopping centres with more than 10 shops)
- Owners corporation management (VIC only) - for other states/territories, refer to strata (above)
- Business broking (note an additional addendum will be required)
- Project management (please complete 8.2)
- Valuations (note an additional addendum will be required)
- Other (please complete 8.2)
- Total (%)**
(combined value of BOTH columns must equal 100%)

8.2 Detailed Description of Activities

If the Applicant undertakes "project management" or "other" activities (as referred to in table above), please provide a FULL description of these activities:

9. Risk Management - Property Management

Does the Applicant use the standard Property Management and/or Strata Title Management agreements as recommended by the REI based in their state or territory? Yes No

Does the Applicant maintain a Complaints/Repairs Register to record all reports received about problems with properties managed? Yes No

Does the Applicant recommend PropertySafe Inspections to all their landlords and process all their maintenance work through PropertySafe Maintenance Manager? Yes No

If Yes, please provide the Applicant's 5 digit PropertySafe Agency ID:

10. Risk Management - Fidelity

Other than directors, does the Applicant authorise other employees to:

- | | | |
|---|-----|----|
| a. issue a cheque or any other bank instruments as a sole signatory? | Yes | No |
| b. authorise any payment in excess of \$5,000 without authorisation by a supervisor or manager? | Yes | No |
| c. process a refund to customers in excess of \$5,000 without authorisation by a supervisor or manager? | Yes | No |
| d. reconcile any bank account through which that employee is authorised to deposit funds into or withdraw from? | Yes | No |

If you have answered Yes to any of the above, please answer the following questions.

- i. What is the position of the employee(s) who have authority?

- ii. How often does the Director(s) review the trust account?

11. Training and Education

Do the directors, partners and qualified employees of the Applicant regularly attend continuing education programmes conducted by a franchise operator, the Real Estate Institute, an industry body or similar organisation? Yes No

12. Prior Claims or Circumstances

In the last 5 years has any Insured or sub-contractor or consultant of the Insured become aware of any (1) claims or (2) circumstances which might give rise to a claim, or (3) disciplinary proceedings for professional misconduct, against any such Insured or sub-contractor or consultant of the Insured? Yes No
 Include all professional indemnity, employment practices liability, statutory liability and cyber liability matters.

If Yes, please provide details below.

Date notified to insurer:	Name of claimant or potential claimant:	Amount paid to date:	Estimated outstanding reserve:
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Please provide details of the matter:

Date notified to insurer:	Name of claimant or potential claimant:	Amount paid to date:	Estimated outstanding reserve:
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Please provide details of the matter:

Please attach additional sheets if necessary.

13. Previous Insurance Applications

- | | | |
|---|-----|----|
| Has any Insurer ever declined a proposal, refused renewal or terminated the Applicant's professional indemnity insurance cover? | Yes | No |
| Has any Insurer ever imposed special terms or conditions on the Applicant's professional indemnity insurance policies? | Yes | No |
| Has any Insurer denied liability for a claim made or notified against the Applicant's previous professional indemnity insurance policies? | Yes | No |

If Yes, please provide details:

Declaration

This Part of the Professional Indemnity Proposal Form requires the Applicant to declare that the Proposal Form has been completed by answering all of the required questions in full and in accordance with the Applicants Duty of Disclosure. The Applicant must ensure that they have read and understood the Duty of Disclosure and if necessary revise the answers in the Proposal Form; then read, sign and date the declaration below.

I/We hereby declare that:

- > I/We are authorised by each of the Applicants to complete and sign this Proposal Form.
- > I/We have read and understood the Important Information set out on page 1 of this Proposal Form including the Duty of Disclosure.
- > I/We have made detailed enquiries in order to comply with the Duty of Disclosure and the statements and information contained in the Proposal Form are true, correct and complete.
- > No material information or facts have been withheld or misstated in the Proposal Form.
- > I/We understand that the duty to disclose continues after I/We have completed this Proposal Form and signed this declaration until I/We have received written acceptance of the risk from the Insurer. This includes the duty to disclose any alterations to the information and statements provided in the Proposal Form prior to the inception date of the policy.
- > I/We understand that until the Insurer confirms acceptance of the risk, no insurance is in force.
- > I/We have read the privacy statement and I/We agree that information about this insurance may be collected, used and disclosed as described in that statement. Where I/We have provided information about an individual such as an employee on this proposal form, I/ We have advised the individual of the fact and provided a copy of the privacy statement to the individual.

Signature:

Name:

Position held:

Date:

Signature:

Name:

Position held:

Date:

Privacy Statement

We are committed to protecting your privacy. We use the information you provide to advise about and assist with your insurance needs. We provide your information to insurance companies and agents that provide insurance quotes and offer insurance terms to you or the companies that deal with your insurance claim (such as loss assessors and claims administrators). Your information may be given to an overseas insurer (like Lloyd's of London) if we are seeking insurance terms from an overseas insurer, or to reinsurers who are located overseas. We will try to tell you where those companies are located at the time of advising you. We do not trade, rent or sell your information.

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.

For more information about how to access the personal information we hold about you and how to have the information corrected and how to complain if you think we have breached the privacy laws, you can access a copy of our Privacy Policy on our website stockinsure.com.au or alternatively contact our Privacy Officer on **02 9998 8266**.

Returning Your Form

- | | |
|---|-----|
| 1. Have you signed the Privacy Statement & Declaration? | Yes |
| 2. Has each question in this Form been answered? | Yes |
| 3. Have you given complete, true and accurate answers to all relevant questions in this Form? | Yes |
| 4. Have you attached all necessary supporting documentation with this Form? | Yes |

Please check you have correctly filled out all sections and saved the document before submitting the form.

If you wish to return your form to Stockinsure via post, email or fax, please use the details provided below.

Contact Stockinsure

Stock & Station Agents Co-Operative Limited t/as Stockinsure
ABN 41 591 406 189

admin@stockinsure.com.au
stockinsure.com.au

Level 13, 234 George Street,
Sydney NSW 2001

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F 02 9998 8267
