



Australian Bookkeepers Network

# PROFESSIONAL INDEMNITY PROPOSAL FORM



**RESOURCE**  
Underwriting Pacific Pty Ltd

In accordance with the provisions of the Insurance Contracts Act 1984 insurers are required to advise you of your responsibilities in relation to the disclosure of relevant information.

## 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, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms. You have the same duty to disclose those matters to the insurer before you renew, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- That diminishes the risk to be undertaken by the insurer;
- That is common knowledge;
- That your insurer knows or, in the ordinary course of their 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 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 its beginning.

PLEASE TAKE NOTICE OF THE FOLLOWING STATEMENTS PURSUANT TO PROVISIONS OF THE INSURANCE CONTRACTS ACT 1984.

### 1. CLAIMS MADE

This is a claims made insurance contract, i.e. it only covers claims made against you and notified to insurers during the period of insurance. The Insurance Contracts Act 1984 provides that if you give us a notice in writing of facts that might give rise to a claim against you, as soon as reasonably practicable after you become aware of those facts, **but before the contract expires**, we are not relieved of liability under the contract in respect of a claim arising from those facts, by reason only that the claim was made against you after the contract expires.

### 2. RETROACTIVE LIABILITY

The contract does not provide cover in relation to events that occur before the commencement of the contract unless retroactive liability cover is requested in this proposal form AND THE CONTRACT IS EXTENDED accordingly.

### 3. AVERAGE PROVISION

One of the insuring provisions of the Professional Indemnity Contract of Insurance provides that where the amount required to dispose of a claim exceeds the limit of the sum insured in the contract 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 contract limit bears to the total amount required to dispose of the claim.

### 4. LIABILITY ASSUMED UNDER AGREEMENT

Cover provided by this form of liability insurance does not cover liability which you have agreed to accept unless you would have been so liable in the absence of such agreement.

### 5. UTMOST GOOD FAITH

The insurance contract is based on the utmost good faith requiring the insurer(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.

*Resource Underwriting Pacific Pty Ltd is conscious of its obligations under the privacy legislation and regulations relating to the way we can collect, use, keep secure and disclose personal information. We have developed a privacy policy which explains what sort of personal information we hold about you and what we do with that information.*

*Resource Underwriting Pacific Pty Ltd is also conscious of its obligations under the **General Insurance Code of Practice (the Code)** and is committed to complying with the Code's service standards in our dealings with you including the management of any complaint or dispute which might arise.*

*Please contact your Insurance Broker to obtain a copy of **Resource Underwriting Pacific Pty Ltd's** privacy policy or for further information about the Code. A copy of our privacy policy or further information about the Code may also be obtained from our offices in Melbourne or Sydney or from our website at [www.ruppl.com.au](http://www.ruppl.com.au).*

This proposal form must be completed by clearly printing in ink by a Partner, Principal or Director of the Firm or Company. All Questions must be answered to enable a quotation to be given. The completion and signature of this proposal does not bind the proposers or insurers to complete a contract of insurance.

If there is insufficient space to answer questions, please continue on your headed notepaper and attach it to this form.

Please provide a brochure, if possible and any standard contract terms, conditions, agreements or letters of appointment which you have with your clients.

1. (a) Name of Firm, Company or Sole Practitioner. (It is essential that you specify the names of all Entities, including Service Companies, that you wish to be included under this insurance cover):  
 \_\_\_\_\_  
 \_\_\_\_\_
- (b) Date the Firm/Company/Practice was established: .....
- (c) Address(es) of the Firm, Company(ies) (specifying which Partner, Principal or Director is responsible at each location):  
 \_\_\_\_\_  
 \_\_\_\_\_
- Telephone #: \_\_\_\_\_ Mobile #: \_\_\_\_\_ Fax #: \_\_\_\_\_
- (d) website: \_\_\_\_\_ e-mail address: \_\_\_\_\_
- (e) Names of any previous Entities requiring cover, and relationship to current Entity(ies), and the dates on which they ceased business:  
 \_\_\_\_\_  
 \_\_\_\_\_

2. (a) Particulars of all Principals:

Name of Principal	Age	Qualifications	Years practising as Principal/Partner/Director		Disciplines Undertaken
			Current Business Practice	Previous Business Practice(s)	

If less than 5 years experience in this occupation, give details of previous occupations:

\_\_\_\_\_

- (b) Please list those past Partners, Directors or Principals of the Firm or Company for whom cover is required and the date that they left the business:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

3. Please give total numbers of Principals, Partners, Directors and Staff:

- (a) Partners/Principals/Directors .....
- (b) Managers .....
- (c) Typists, Administrative Staff .....
- (d) Qualified Staff .....
- Total \_\_\_\_\_

4. Please give a clear description of your activities in full.

- (a) Services provided for a fee or attracting a professional fee component: \_\_\_\_\_  
 \_\_\_\_\_
- (b) Any other activities \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

5. Division of Work.

Please categorise the activities described above (Q4) and indicate the percentage of work this represents to your total operation:

Nature of Work	Percentage
<b>Total</b>	<b>100%</b>

6. Please state the gross income received for each of the last two financial years in (i) and (ii) and an estimate for the next financial year in (iii):

Year	AUS\$	Overseas \$
(i)		
(ii)		
(iii)		

7. Please provide the approximate percentage of your activities (based on fee income) applicable to each State, Territory and Overseas.

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S
%	%	%	%	%	%	%	%	%

8. (a) Please list the three largest contracts in the last three years of the Firm, Company or Sole Practitioner:

Type of Service and Country	Fee	Contract/Project Value	Commenced	Finished
(i)				
(ii)				
(iii)				

(b) What is the largest annual income earned from a single client in the last 12 months? .....  
 Name of Client .....

9. Does the Firm, Company or Sole Practitioner perform work outside Australia, or work for clients who are outside Australia?  
 ..... Yes  No

**If Yes, please give details (i.e. work performed, countries involved and fee income of each)**

.....  
 .....

10. Please give the percentage of your activities (based on fee income) applicable to Australia and Overseas:  
 Australia ..... % Overseas ..... %

11. Are you a financial member of the Australian Bookkeepers Network? ..... Yes  No

**If Yes, please advise membership number:** .....

12. (a) Has your name ever been changed? ..... Yes  No

(b) Has any other Practice or Business amalgamated or merged with you? ..... Yes  No

(c) Have you purchased any other Practice or Business? ..... Yes  No

**If Yes in any case, please give details by way of an attachment.**

13. Do you envisage any substantial changes in your activities or are there any major new operations contemplated during the next 12 months?  
 ..... Yes  No

**If Yes, please give details by way of an attachment.**

14. Are you or any Partner/Director/Principal connected or associated (financially or otherwise) with any other Practice or Business?  
 ..... Yes  No

**If Yes, please give details by way of an attachment.**

15. Contractors/Sub-contractors

(a) Is any portion of your work sublet to others? ..... Yes  No

**If yes, please give details of the nature of work performed by each contractor/sub-contractor.**

.....  
 .....

(b) Do you require contractors/sub-contractors as a condition of their appointment to maintain adequate insurance to indemnify you with respect to liabilities caused by their negligence? ..... Yes  No

(c) Please state the Gross Professional Fees paid to consultants, contractors, sub-contractors and agents during the past 12 months.  
 ..... \$ .....

16. Does any contract or client represent more than 25% of your annual work? ..... Yes  No

**If Yes, please give details by way of attachment if necessary.**

.....  
 .....

17. (a) Are written disclaimers included with advice being given? ..... Yes  No

**If Yes, please provide example by way of an attachment.**

(b) Do you give oral reports? ..... Yes  No

**If Yes, how do you record your spoken words?**

.....  
 .....

18. Has any insurer ever:

(a) declined to offer Insurance of any type for this Firm, Company or Sole Practitioner or for any Partner, Director or Principal?  
 ..... Yes  No

(b) imposed any special terms on this Firm, Company or Sole Practitioner or any Partner, Director or Principal? ..... Yes  No

(c) cancelled or voided any Insurance held by this Firm, Company or Sole Practitioner or any Partner, Director or Principal? ..... Yes  No

19. Have you or any Partner/Principal/Director/staff member ever been subject to disciplinary proceedings for professional misconduct? ..... Yes  No

If Yes, please give details by way of attachment if necessary.

\_\_\_\_\_

\_\_\_\_\_

20. (a) During the past ten years has any claim been made, or has liability for an error or breach of duty been alleged against the Firm, Company or Sole Practitioner or any of their predecessors in business or any prior Entity or any of their present or former Partners, Directors, Principals, Consultants, or Employees; or have any circumstances been notified to insurers which may result in a claim? ..... Yes  No

If Yes, please provide the following details in respect of each matter.

**Professional Indemnity**

Year of Notification	Name of Insurer (if any)	Name of Claimant	Nature of Problem	Amount Paid or Estimated Potential Liability	Is Matter Finalised or Outstanding?

**\*Public & Products Liability** \*(complete only if Optional Extension – Public and Products Liability Required)

Year of Notification	Name of Insurer (if any)	Name of Claimant	Nature of Problem	Amount Paid or Estimated Potential Liability	Is Matter Finalised or Outstanding?

(b) Are any of the Partners, Directors, Principals or Employees AFTER FULL INQUIRY, aware of any circumstances which may give rise to a claim against the Firm, Company or Sole Practitioner, its predecessors in business or any past or present Partner, Director, Principal, Consultant, or Employee? ..... Yes  No

If Yes, please give full details by way of attachment if necessary.

\_\_\_\_\_

\_\_\_\_\_

21. (a) Is the Firm/Company/Sole Practitioner currently insured against Professional Negligence? ..... Yes  No   
 (b) If the answer to (a) is No has the Firm/Company/Sole Practitioner ever been insured? ..... Yes  No   
 (c) If the answer to (a) or (b) is Yes please supply the following data:

Amount of Cover.....\$ \_\_\_\_\_ Amount of Excess..... \$ \_\_\_\_\_  
 Last Annual Premium.....\$ \_\_\_\_\_ When lapsed or expiry date..... \_\_\_\_\_  
 Name of Insurer and Broker \_\_\_\_\_

22. (a) What amount of indemnity is required for Professional Indemnity? \$1,000,000  \$2,000,000  Other  \_\_\_\_\_  
 (b) What excess are you prepared to carry in respect of each and every claim? (i) \_\_\_\_\_ (ii) \_\_\_\_\_

23. **Optional Extensions:**  
 Public & Products Liability (occurrence based) Yes  No  \$5,000,000  \$10,000,000  \$20,000,000

24. The answers you have provided to the above questions will usually provide sufficient information for a proper consideration of the proposal. However, if there are any matters which are material to the risk to which this Proposal relates, you should disclose such matters to us in the space below, or on a separate sheet if necessary.

\_\_\_\_\_

\_\_\_\_\_

**DECLARATION**  
 I/WE declare that we have read the important notices contained in this form and I/WE understand those notices. I/WE declare that the statements and particulars in this proposal are true and that I/WE have not misrepresented or suppressed any material facts. I/WE undertake to inform insurers of any material alteration to these facts whether occurring before or after completion of the Contract of Insurance.

I/WE hereby acknowledge that the insurance cover will be provided in whole or in part by overseas insurers.

SIGNED: \_\_\_\_\_  
 (By a Principal on Behalf of the Company and all other Principals)

DATED: \_\_\_\_\_  
 (Signing of this Proposal Form does not bind the Company or Underwriters to complete the insurance)



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**Professional Indemnity – Directors & Officers – Legal Expenses – Other Services**