



*Specified Professions  
Professional Liability Insurance  
Proposal Form*

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## *Important Notice*

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### **Claims-Made and Notified Insurance**

This policy is issued by American Home Assurance Company on a claims-made and notified basis. This means that the policy only covers Claims (as defined) first made against you during the Policy Period (as defined) and notified to the insurer in writing during the Policy Period. The policy does not provide cover for any Claims made against you during the Policy Period if at any time prior to the commencement of the Policy Period you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you give notice in writing to the insurer of facts that might give rise to a Claim against you as soon as is reasonably practicable after you become aware of those facts but during the Policy Period, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it is made after the Policy Period has expired.

This policy contains a "Prior Claims/Circumstances" Exclusion for loss in connection with any claim:

- (a) made prior to or pending at the inception of this policy; or
- (b) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim.

This policy does not provide cover for Claims arising from any Wrongful Acts which take place before the Retroactive Date

### **Your Duty of Disclosure**

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty 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, upon 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.

However, your duty of disclosure does not require you to disclose matters:

- (a) that diminish the risk to be undertaken by the insurer;
- (b) that are of common knowledge;
- (c) that your insurer knows, or in the ordinary course of its business, ought to know;
- (d) as to which compliance with your duty of disclosure is waived by the insurer.

Your duty of disclosure continues after the proposal form has been completed up until the Policy Period commences.

### **Consequences of 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.

### **Subrogation**

This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.

**Details of Proposer**

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- 1. a) Firm Name \_\_\_\_\_
- b) Trading Name \_\_\_\_\_
- c) ABN \_\_\_\_\_
- d) Contact Person \_\_\_\_\_
- e) Dun and Bradstreet Number \_\_\_\_\_
- f) If you intend to claim an Input Tax Credit for the premium paid for this policy, please specify the percentage of the premium you will be claiming: \_\_\_\_\_ %
- g) How long has the firm continually carried on business? \_\_\_\_\_

Policyholder's main office

Street Address \_\_\_\_\_

Suburb \_\_\_\_\_ State \_\_\_\_\_ Postcode \_\_\_\_\_

Telephone \_\_\_\_\_ Facsimile \_\_\_\_\_

Website \_\_\_\_\_ Email Address \_\_\_\_\_

- 2. a) During the past 3 years has the:
  - i) Name of the Firm changed?  Y  N
  - ii) Firm acquired, merged or taken over any other firm(s), or been acquired, merged or taken over by any other firm(s)?  Y  N
- b) Is any acquisition, tender offer or merger pending or under consideration by the Firm?  Y  N
- c) Is the Firm aware of any proposal relating to its acquisition by another company?  Y  N

*If "Yes" to any of the above, please provide full details (use a separate sheet of your letter headed paper if insufficient room below), including confirmation of the position relating to past liabilities assumed by either party/ firm(s).*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Please provide details of the current partners/principals/directors of the Firm:

Name of Partner/Principal/Director	Qualification(s)	Year Qualified	How many years as a Partner/Principal/Director	
			This Practice	Prev. Practice

*Use a separate sheet of your letter headed paper if insufficient room above.*

4. To what professional associations does the Firm belong? \_\_\_\_\_

5. Please provide details of current staff numbers:

- a) Partners/principals/directors \_\_\_\_\_
  - b) Other qualified/technical personnel \_\_\_\_\_
  - c) Administration & clerical personnel \_\_\_\_\_
- Total** \_\_\_\_\_

6. Is any Partner, Principal or Director of the Firm connected or associated (financially or otherwise) with any other practice or business?  Y  N

*If "Yes", please give details of the nature of the connection/association (use a separate sheet of your letter headed paper if insufficient room below).*

### ***Details of the Business***

7. Please provide the total amount of the Firm's gross income/fees for the following periods:

- a) Previous financial year \$ \_\_\_\_\_
- b) Current financial year \$ \_\_\_\_\_
- c) Coming financial year (estimate) \$ \_\_\_\_\_

8. a) Please describe (in detail) the business activities of the Firm including full details of the nature of advice given:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b) Please categorise the business activities outlined in answer to (a), and state the percentage of gross income/fees for each activity:

<i>Business Activities</i>	<i>% of Income/Fees</i>
	%
	%
	%
	%
	%
	%
<b>Total</b>	<b>100%</b>

*Use a separate sheet of your letter headed paper if insufficient room above*

American Home Assurance Company ABN 67 007 483 267 AFSL 230903, trading as AIG Australia.

9. Does any one contract or client represent more than 50% of the Firm's gross annual income/fees?  Y  N

*If "Yes", please give details of the name of the client and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).*

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10. Please provide a brief description of the Firm's five (5) largest clients or contracts during the last 3 years:

<i>Client name &amp; brief description of business activities</i>	<i>Income/fees</i>	<i>Contract Value</i>
a)	\$	\$
b)	\$	\$
c)	\$	\$
d)	\$	\$
e)	\$	\$

11. a) Are any of the Firm's business activities performed outside of Australia or provided to clients based outside of Australia?  Y  N

*If "Yes", please give details of the name of the client(s), the country they are located within and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).*

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- b) Does the Firm have any subsidiary or assets within the USA or Canada?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

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12. Is the Firm involved in a joint venture?  Y  N

*If "Yes", please give details including the nature of the joint venture, the business activities provided by the Firm and the name(s) of the joint venture partners (use a separate sheet of your letter headed paper if insufficient room below).*

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13. a) Does the Firm engage any consultants, agents or sub-contractors?  Y  N
- b) If "Yes" to the above, does the Firm enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which the Firm may have against such consultants, sub-contractors or agents?  Y  N
- c) If "Yes" to (a) does the Firm always insist and confirm that the consultants, sub-contractors or agents carry their own professional indemnity insurance?  Y  N

*If "No" to (c), please give details of the type of business activities provided by the consultants, agents or sub-contractors and what percentage of business is sub-contracted out to consultants, agents or sub-contractors (use a separate sheet of your letter headed paper if insufficient room below).*

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14. Are you a sole proprietor/practitioner?  Y  N
- If "Yes", what arrangements do you have to assist you during your temporary absence on business, leave, sickness, or unforeseen emergency?( use a separate sheet of your letter headed paper if insufficient room below).*
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15. Does the Firm issue any brochures (or other promotional material), code of ethics, annual report or the like?  Y  N
- If "Yes", please attach copies of each.*

16. Does the Firm always use a standard written contract with clients?  Y  N
- If "Yes", please attach a sample copy together with any disclaimers or warranties used. Go to Question 18.*

17. If "No" to the above question, does the Firm use external legal counsel to review non-standard contracts with clients?  Y  N
- If "No", please advise below in what circumstances are non-standard contracts used without external legal counsel review (use a separate sheet of your letter headed paper if insufficient room below).*
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18. Does the Firm operate any quality assurance systems or risk management programs?  Y  N
- If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*
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## Claims Information

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19. After enquiry of the Partners/Principals/Directors and employees, has there been or is there now pending a claim against the Firm, it's predecessors in business or it's current or former Partners/ Principals/Directors or employees for a Breach of Professional Duty?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

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20. After enquiry of the Partners/Principals/Directors and employees is the Firm aware of any circumstance or incident which may give rise to a claim against the Firm or it's Partners/Principals/Directors or employees?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

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21. After enquiry of the Partners/Principals/Directors and employees is the Firm aware of any prosecution or investigation (actual or pending) of the Firm or any Partner / Principal/Director or employees under any International, Commonwealth, State or Local statute, legislation, regulation or By Law?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

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22. After enquiry of the Partners/Principals/Directors and employees, has the Firm or any Partner/Principal/Director or employee ever been subject to any disciplinary action, been fined or penalised, or been the subject of an inquiry investigating or alleging professional misconduct?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

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**Details of Insurance**

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23. As at today's date does the Firm have Professional Indemnity Insurance currently in force that has been paid for?  Y  N

*If "Yes", please state*

- a) Insurer \_\_\_\_\_
- b) Indemnity Limit \_\_\_\_\_
- c) Expiry Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
- d) Retroactive Date \_\_\_\_\_

24. Has the Firm ever had any Insurer decline a proposal, imposed any special terms, cancelled or refused to renew a Professional Indemnity Insurance Policy?  Y  N

*If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).*

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

25. What limit(s) of liability does the Firm require quotations for?

- \$1 million                       \$2 million                       \$5 million
- \$10 million                       Other: \_\_\_\_\_

26. What self insured retention is the Firm prepared to carry?

- \$1,000                       \$2,000                       \$5,000
- \$10,000                       Other: \_\_\_\_\_

**Stamp Duty Split**

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27. For the purpose of calculating Stamp Duty please state the number of current staff (including directors/partners, full/part time and casual employees) located in each state. *(Note the total should equal the answer in Question 5):*

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

Total of all employees above: \_\_\_\_\_

## Declaration

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Please Note: Signing the Declaration does not bind the proposer or the Insurer to complete this insurance.

I declare that I have made all necessary inquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars given in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. I agree that should any of the information given by me alter between the date of this proposal and the inception date of the insurance to which this proposal relates, I will give immediate notice thereof to the insurer.

I acknowledge receipt of the **Important Notice** contained in this proposal and that I have read and understood the content of that Notice.

I confirm that I am authorised by the proposing Firm (and its partners/principals/directors if applicable) to complete this proposal form and to accept the quotation terms for this insurance on behalf of the Firm (and its partners/principals/directors if applicable).

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Date: \_\_\_\_\_