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Professional Indemnity Insurance Proposal Form – Accountant/Bookkeepers/Tax Agents

IMPORTANT NOTICES

Commercial & General Insurance Brokers (Aust) Pty Ltd (CGIB) is a licensed General Insurance Broker Your application will be forwarded to our Insurer panel requesting them to provide a quote. We will confirm the outcome to you on receipt of their quotations. You may be requested to provide further information. Please feel free to contact us if you would like further details.

COMPLETING THIS FORM

1. Answer all questions. Blanks &/or dashers, or answers 'known to underwriters or brokers' or 'N/A' are not acceptable & will delay consideration of this proposal form;
2. If there is insufficient room to complete a question, please attach a signed & dated addendum;
3. Any documents attached to the proposal form are part of the proposal;
4. Where appropriate, please tick the "Yes" or no box that best indicates your reply.

STATUTORY NOTICES

In this form You, Your, or Yours refers to question one (1) and We, Us or Our refers to the insurer who accepts this form.

DEFINITIONS

Insurers: Any insurer from our panel of insurers.

Insurance Provider: The Insurer from our panel of Insurers whose offer for Insurance has been accepted by the applicant.

RETROACTIVE LIABILITY

The retroactive date is the date after which any errors or omissions of the Insured are covered. Any errors or omissions made before the retroactive date are excluded by the policy. The retroactive date may be the time that the Insured first purchased a Professional Indemnity or Directors' & Officers' Liability policy. It is important to make sure that the retroactive date is correct. Remember, that the actual event that causes a claim to be made under the policy may have occurred in a prior period of insurance, but is only covered if it is notified to the Insurers in the period of insurance when the Insured first becomes aware of the claim or circumstances. The act, error or omission must arise from work done after the retroactive date shown in the schedule of the policy for the insurance to respond.

OTHER PRODUCTS & SERVICES

Please visit us at www.cgib.com.au for further information.

PRIVACY STATEMENT

We and our Insurer panel will only collect personal information from you or about you which is relevant to processing and assessing your application and use it in a way you would reasonably expect. Without this personal information we may not be able to process your application. Please see our privacy policy at: <http://www.cgib.com.au/privacy>.

Important Information Required – Please Attach

Copy of CV for all directors and personal providing advice

☐

Copy of your services &/or products information brochure

☐

Copy of your service contract (if applicable)

☐

Recommendations *(Please select the products that you would like further information)*

Public & Products Liability Insurance

☐

Management Liability Insurance

☐

Notice to the Proposed Insured

*This notice must be read before you complete the proposal form.
(Pursuant to the provisions of the Insurance Contracts Act 1984)*

1. DISCLOSURE OF RELEVANT FACTS

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 which 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, 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 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.

Comment

The requirement of full and frank disclosure is of the utmost importance with this type of insurance. This is particularly the case in respect of anything which may be relevant to the risk for which you seek cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk.

2. CLAIMS MADE POLICY

This declaration is for a "claims made and notified" policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover.

This policy does not provide cover in relation to:

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of cover;
- facts or circumstances of which you first became aware prior to the period of cover, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy;
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

Where you give notice in writing to the insurer of any 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 expiry of the period of cover, you may have rights under Section 40(3) of the Insurance Contracts Act 1984 to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of cover. Any such rights arise under the legislation only. The terms of the policy and the effect of the policy is that you are not covered for claims made against you after the expiry of the period of cover.

3. AVERAGE PROVISION

The policy may provide that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of a claim, the insurer's liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim.

You should familiarise yourself with our standard form of policy for this type of cover before submitting this declaration.

IMPORTANT: Please answer ALL questions fully. If there is insufficient space please provide details on your letterhead.
Where provided, tick (✓) appropriate box to indicate answer. The Applicant will be referred to in this Proposal as "You" or "Your".

A. Details of Applicant

1. Full name of all entities to be insured. (It is essential that you specify the names of all entities including service, administrative or nominee companies and subsidiaries that you wish to be covered by this policy).

2. Address of head office or principal office.

3. Address(es) of branch offices or other locations.

4. Date on which the Practice was established.

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5. Please supply the following details.

Names of all Partners/Principals/Directors	Age	Qualifications	Date Qualified	Period Practicing as Partner/Principal/Director	
				This Practice	Previous Practices
			/ /		
			/ /		
			/ /		
			/ /		
			/ /		
			/ /		

6. Please supply total numbers of:

(i) Partners/Principals/Directors	<input type="text"/>	(v) Non-technical administrative staff	<input type="text"/>
(ii) Professional staff who hold I.C.A.A., A.S.C.P.A. or N.I.A. qualifications	<input type="text"/>	(vi) Clerical staff - typists, receptionists etc	<input type="text"/>
(iii) Other technical staff	<input type="text"/>	(vii) Other staff (please specify)	<input type="text"/>
(iv) Trainee staff	<input type="text"/>	Total all Partners/Principals/Directors and staff	<input type="text"/>

For Sole Proprietors Only – Questions 7 & 8

7. State the experience of your assistants and their length of service.

8. What arrangements do you have to assist you during your temporary absence on business, leave or sickness, or unforeseen emergency?

B. Details of Practice

9. (a) Has the name of the Practice 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 you have answered Yes to either (a), (b) or (c), please supply details.

10. Is any Partner, Principal or Director connected or associated (financially or otherwise) with any other practice or business?

Yes ☐ No ☐

If Yes, please supply details.

11. Please list the professional bodies or associations to which the Applicant belongs.

12 (a) Split of Activities by client type

Please detail the approximate percentage of your fee income for the past 12 months derived from the following fields of work.

Before completing this table, please read the following notes:

- The information requested in column 1 is mandatory.
- In addition to completing column 1, you must either complete column 2, 3, & 4 or column 5
- If your firm does not keep sufficient records to enable you to complete columns 2, 3 and 4 you do not have to complete these columns. If your records do enable you, however, it is strongly recommended that these columns be completed. If you choose not to complete columns 2, 3, & 4, column 5 must be completed as an alternative.

	Mandatory Column	Option 1 (recommended option) (Please use balance of fees from mandatory column 1)			Option 2 (Please use balance of fees from mandatory column 1)	
Fees earned from:	1. Listed Public Companies & Financial Institutions	2. Clients with fees under \$10,000	3. Clients with fees between \$10K - \$50K	4. Clients with fees over \$50,000	5. If fee split not available for 2, 3 & 4	Total
(i) Auditing	%	%	%	%	%	%
(ii) Accounts preparation or bookkeeping		%	%	%	%	%
(iii) Receiverships, liquidations or bankruptcies	%	%	%	%	%	%
(iv) Investment advice or investment management		%	%	%	%	%
(v) Superannuation fund management/trusteeship		%	%	%	%	%
(vi) Taxation		%	%	%	%	%
(vii) Insurance agency		%	%	%	%	%
(viii) Company directorships/secretarial positions		%	%	%	%	%
(ix) Others (please specify)		%	%	%	%	%
TOTAL (using Option 1)	1+	2+	3+	4=		100%
TOTAL (using Option 2)	1+				5=	100%

(b) Liquidation Activities

Please list the 5 largest Liquidation projects you are currently undertaking or have completed in the last 5 years.

Company	Role of the Applicant (e.g. Receiver/Manager/Administrator/Liquidator)	Compulsory Liquidation Instituted by the Court		Creditors Voluntary Liquidation		Liquidation Finalised	
		Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(c) Audit Activities

Please list the 5 largest Audit projects you are currently undertaking or have completed in last 5 years.

Client	Type of Entity audited (company limited by guarantee, public listed company, trust, etc.)	Fee generated or charged from audit	Date of finalisation or expected finalisation of audit	Do you remain the auditor for this Client?	
				Yes <input type="checkbox"/>	No <input type="checkbox"/>
				Yes <input type="checkbox"/>	No <input type="checkbox"/>
				Yes <input type="checkbox"/>	No <input type="checkbox"/>
				Yes <input type="checkbox"/>	No <input type="checkbox"/>

If you have completed an audit for a public company or financial institution over the last 3 years or are currently undertaking an audit for a public company or financial institution, please provide a schedule of such clients.

13. Are you either an:

(a) Australian Financial Services Licence Holder?

Yes ☐

No ☐

Licence Number

(b) Authorised Representative for an Australian Financial Services Licensee?

Yes ☐

No ☐

Licence Number

If you are seeking cover as an authorised representative of an Australian Financial Services Licence Holder, we will require completion of the attached Australian Financial Services Declaration (Accountants).

14. Please supply brief description, client, type and fees for the five (5) largest contracts undertaken over the past five (5) years.

Brief Description	Client	Type (Audit, Taxation etc)	Fees \$

15. Does any contract or client represent more than 50% of your annual work or fees?

Yes ☐

No ☐

If Yes, please supply details.

16. Do you engage consultants, sub-contractors or agents?

Yes ☐

No ☐

If Yes:

(a) do you insist they carry their own Professional Indemnity Insurance?

Yes ☐

No ☐

(b) do you enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which you may have against such consultants, sub-contractors or agents?

Yes ☐

No ☐

17. 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 supply details.

18. Are verbal reports always confirmed in writing?

Yes ☐

No ☐

If No, how do you substantiate such verbal reports?

19. Do you perform work outside of Australia, or work for clients located overseas?

Yes ☐ No ☐

If Yes, please supply details.

C. Financial Details

20. (a) Please advise the date of your financial year end

	/		/	
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(b) Please provide the amount of gross income/fees for the following:

Australia

Overseas

(i) current financial year (estimate)

\$A

\$A

(ii) last financial year

\$A

\$A

(iii) previous financial year

\$A

\$A

(c) Please provide the amount of the largest annual fee for any one client:

\$A

\$A

21. 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
%	%	%	%	%	%	%	%	%

D. Claims Details

22. Has any Partner, Principal, Director or staff member ever been subject to disciplinary proceedings for professional misconduct?

Yes ☐ No ☐

If Yes, please supply details.

23. Have any claims for negligence or breach of professional duty been made in the last ten (10) years against the Practice or any of their predecessors in business or any prior practice of any of their present or former Partners, Principals or Directors, or have circumstances been notified to insurers that might give rise to a claim?

Yes ☐ No ☐

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

Date Matter Notified	Name of Insurer (if any)	Name of Claimant or Potential Claimant	Brief Description of Matter	Amount Paid or Estimate of Potential Liability	Is Matter Finalised or Outstanding?

24. Are any of the Partners, Principals or Directors, AFTER ENQUIRY, aware of any claim or circumstance that might give rise to a claim against the Practice or any prior practice of any of their present or former Partners, Principals or Directors which matter is not referred to in Question 26 above?

Yes ☐ No ☐

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

Name of Claimant or Potential Claimant	Brief Description of Matter	Estimate of Potential Liability

E. Details of Insurance Cover

25. (a) Does the Practice presently carry or has the Practice ever carried, Professional Indemnity Insurance?

Yes ☐ No ☐

If Yes, please supply details:

Insurer:

Expiry Date:

 / /

Limit of Indemnity:

 \$

Premium:

 \$

(b) Has the Practice or any Partner, Principal or Director ever been refused this type of insurance, or had similar insurance cancelled, or had an application of renewal declined, or had special terms imposed?

Yes ☐ No ☐

If Yes, please supply details.

F. Application for Cover

26. (a) Limit of Indemnity required

 \$

(b) Deductible/Excess requested (Each and Every Claim)

 \$

(c) Optional Extensions:

• Aggregate Limit of Indemnity (Reinstatement)

Yes ☐ No ☐

• Fidelity

Yes ☐ No ☐

• Previous Business

Yes ☐ No ☐

27. Fidelity Cover

To be completed where the Applicant is applying for the Fidelity Extension.

Yes ☐ No ☐

(a) Does the practice presently carry any Fidelity Guarantee Insurance?

If Yes, please give details:

Insurer:

Expiry Date:

 / /

Limit of Indemnity:

 \$

Deductible/Excess:

 \$

F. Application for Cover (continued)

(b) Has the Practice sustained any loss through the fraud or dishonesty of any employee?

Yes ☐ No ☐

If Yes, please supply details and state precautions taken to prevent a recurrence.

(c) Is any member of the Practice's staff allowed to handle cash or transferable documents or sign cheques on his/her signature alone?

Yes ☐ No ☐

(d) How often and by whom are the entries in the cash book checked with the vouchers and reconciled with the book statements and returned cheques?

(e) Does the Practice always require and obtain satisfactory references when engaging employees?

Yes ☐ No ☐

28. Previous Business Cover

To be completed only where the Applicant is applying for the Previous Business Extension

Name of principal, partner, or director seeking Previous Business cover	Name(s) of previous business(es)	Estimate Gross Income for previous business(es) for 2 financial/calendar year ends immediately prior to principal, partner, or director leaving	To the best of your knowledge, does the previous business(es) carry their own current professional indemnity policy?	Please provide details of the types of professional services offered by the previous business(es)

It is important that the claims and circumstances question within this Proposal Form fully reflect the claims and circumstances history of any prior practice or previous business.

G. Declaration

I the undersigned, after enquiry declare as follows:

- (1) I am authorised by each of the other Applicants to make this Proposal.
- (2) I have read and understood the Notice to the Proposed Insured on the front of this Proposal.
- (3) I have read this Proposal and the accompanying documents and acknowledge the contents of same to be true and complete.
- (4) I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this Proposal or in the accompanying documents.

Although the signing of this Proposal does not bind the Applicants to effect insurance, the Applicants acknowledge that the particulars and statements contained in this Proposal and in the accompanying documents shall be the basis of the contract should a Policy be issued; and further, the Applicants acknowledge that the Proposal and the accompanying documents will be incorporated in the Policy.

Name of Practice/Business:

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Signed: Partner, Principal or Director:

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Date:

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Australian Financial Services Declaration (Accountants)

(To be completed where the Applicant is applying for cover as an authorised representative of an Australian Financial Services Licensee)

1. List all corporate & individual authorised representatives applying for cover.

Name of authorised representative	Is such representative a corporate or individual authorised representative	Please identify the responsible Australian Financial Services Licensee(s)	Australian Financial Services Licence Number(s)	Name of any Professional Association which the authorised representative belongs to

2. (a) Please advise the date of your financial year end

/ /

(b) Please provide the amount of gross income/fees earned as an authorised representative for the following:

	Australia	Overseas
(i) current financial year (estimate)	\$A	\$A
(ii) last financial year	\$A	\$A

3. Have you ever been ban from acting as a director of a body corporate, been suspended or banned from providing advice or dealing in financial services products, or been subject to disciplinary proceedings for professional misconduct?
If "Yes", please provide full details on an attachment.

Yes ☐ No ☐

4. Please provide an approximate breakdown of your gross income/fees earned as an authorised representative for the last financial year.

Activities	% of Gross Income/Fees	Please indicate whether you have ever dealt in these products/services
Aggressive tax planning and/or mass marketed "tax minimisation" schemes		Yes <input type="checkbox"/> No <input type="checkbox"/>
Dealing in listed Securities		Yes <input type="checkbox"/> No <input type="checkbox"/>
Dealing in unlisted Securities		Yes <input type="checkbox"/> No <input type="checkbox"/>
Dealing in foreign Securities		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in Australian Unit Trust		Yes <input type="checkbox"/> No <input type="checkbox"/>
(i) Cash Management Trusts		Yes <input type="checkbox"/> No <input type="checkbox"/>
(ii) Equity Trusts		Yes <input type="checkbox"/> No <input type="checkbox"/>
(iii) Property Trusts - listed or unlisted		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in Foreign Unit Trusts. If yes, where		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in Government Bonds		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in Insurance Bonds		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investments in other bonds		Yes <input type="checkbox"/> No <input type="checkbox"/>
Dealing in Commodities (Futures or Physicals)		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in "Tangibles", (eg coins, fine art, gems etc)		Yes <input type="checkbox"/> No <input type="checkbox"/>
Investment in fund management		Yes <input type="checkbox"/> No <input type="checkbox"/>
Corporate finance		Yes <input type="checkbox"/> No <input type="checkbox"/>
Life insurance broking		Yes <input type="checkbox"/> No <input type="checkbox"/>

Question 4 continued

Activities	% of Gross Income/Fees	Please Indicate whether you have ever dealt in these products/services
General insurance broking		Yes <input type="checkbox"/> No <input type="checkbox"/>
Life insurance agent		Yes <input type="checkbox"/> No <input type="checkbox"/>
General insurance agent		Yes <input type="checkbox"/> No <input type="checkbox"/>
Finance broking - residential		Yes <input type="checkbox"/> No <input type="checkbox"/>
Finance broking - commercial		Yes <input type="checkbox"/> No <input type="checkbox"/>
Mortgage broking		Yes <input type="checkbox"/> No <input type="checkbox"/>
Mortgage origination		Yes <input type="checkbox"/> No <input type="checkbox"/>
Solicitor mortgage funds		Yes <input type="checkbox"/> No <input type="checkbox"/>
Margin lending or gearing		Yes <input type="checkbox"/> No <input type="checkbox"/>

5. Do you hold an authority to invest clients funds on a discretionary basis?
If "Yes" please provide full details including a copy of the contract used and the percentage of income derived from such activities.

Yes ☐ No ☐

6. Please confirm all the authorised representatives noted in question 1 above are up to date in respect any training and compliance programs or courses provided by their Australian Financial Services Licensee.

Yes ☐ No ☐

If No, please provide further details.

7. Has any authorised representative noted in question 1 above reported any compliance breaches to their Australian Financial Services Licensee?

Yes ☐ No ☐

If yes, please provide details.

8. When was the last time each authorised representative noted in question 1, was audited by their Australian Financial Services Licensee(s)?

Declaration

I, the undersigned, after enquiry declare as follows:

- (1) The above Declaration forms part of the Proposal.
- (2) I have read and understood the Notice to the Proposed Insured on the front of this Proposal.
- (3) I am authorised by each of the Applicants to make this Declaration.
- (4) I have read this Declaration and the accompanying documents and acknowledge the contents of same to be true and complete.
- (5) I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this Declaration or in the accompanying documents.

Name of Practice/Business:

Signed: Partner, Principal or Director:

Date: