



Professional Indemnity Insurance ACCOUNTANTS PROPOSAL FORM



PI Specialists since 1992

Important

- Please read the important NOTICE TO THE PROPOSED INSURED (Pursuant to the provisions of the Insurance Contracts Act 1984) on page 6 of this Proposal Form.
- 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".

Overview 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.

Telephone:		Email:	
Facsimile:		Website:	http://
Contact Person:		Job/Position:	

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

4. Date on which the Practice was established

____ / ____ / ____

5. Please state gross income/turnover during the past two years and provide a forecast for next year.

	GROSS INCOME AUSTRALIA	GROSS INCOME OVERSEAS
ACTUALS LAST FINANCIAL YEAR \$		
ACTUALS THIS FINANCIAL YEAR \$		
FORECAST NEXT FINANCIAL YEAR \$		

6. Are you currently insured? *(If Yes, please advise the following.)* Yes No

Renewal Date:	Sum Insured:
Insurer:	Excess:
Broker:	Premium:

7. To assist us in providing the most competitive quotation please answer the following questions regarding the coverage you require.

Limit of Indemnity required \$ _____ Deductible/Excess requested \$ _____
(Each and Every Claim)

Have you received your renewal terms? *(If Yes, please advise the following.)* Yes No

Insurer: _____

8. Have there been any claims? *(See question 30 for more details.)* Yes No

9. Please supply the following details.

NAMES OF ALL PARTNERS/PRINCIPALS/DIRECTORS	AGE	QUALIFICATIONS	DATE QUALIFIED	PERIOD PRACTICING AS PARTNER/PRINCIPAL/DIRECTOR	
				THIS PRACTICE	PREVIOUS PRACTICE

10. Please supply total numbers of:

- | | | | |
|--|----------------------|--|----------------------|
| (i) Partners/Principals/Directors | <input type="text"/> | (v) Non-technical administrative staff | <input type="text"/> |
| (ii) Professional qualified staff who hold ICAA, ASCPA or NIA 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/staff | <input type="text"/> |

For Sole Proprietors Only - Questions 11 and 12

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

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

Details of Practice

13. (a) Has the name of the Practice ever been changed? Yes No
- (b) Has any other practice or business amalgamated 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.

14. 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.

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

16. Please detail the approximate percentage of your fee income derived from the following fields of work.

Type of Work	%	Type of Work	%
(i) Auditing	%	(vi) Taxation	%
(ii) Accounts preparation or bookkeeping	%	(vii) Insurance Agency (COMPLETE QUESTION 20)	%
(iii) Receivership, liquidations, or bankruptcies	%	(viii) Company directorships/ secretarial positions	%
(iv) Investment advice or investment management (COMPLETE QUESTIONS 18 & 19)	%	(iv) Others (please specify)	%
(v) Superannuation fund management / trusteeship (COMPLETE QUESTIONS 18 & 19)	%	Total	100%

17. Please provide the following details in respect of AUDITING work.

(a) Do you or have you in the past performed auditing work for any public company or financial institution? Yes No

(b) Do you still intend in the future to perform this work? Yes No

If Yes, please provide the following details:

(i) Gross fees from auditing during the last 12 months \$A _____ \$A _____

(ii) Estimated gross fees from auditing for the next 12 months. \$A _____ \$A _____

18. Complete if applicable (refer Question 16 above).

(a) Are investments or funds invested or managed for the benefit of:
 (i) the Practice/Partners/Principals/Directors? Yes No
 (ii) employees? Yes No
 (iii) clients? Yes No

(b) What approximate amount was invested or managed by the Practice in the last 12 months for:

(i) the Practice/Partners/Principals/Directors? \$A _____

(ii) employees? \$A _____ (iii) clients? \$A _____

(c) (i) Do you undertake an investment risk profile analysis for each client prior to investing or managing funds on their behalf? Yes No

(ii) Do you always require written instructions, or retain a written record of instructions for all transactions relating to the investment or management of funds? Yes No

19. Complete if applicable (refer Question 16 above).

(a) Are you licensed under the Corporations Law to carry on the business of:
 (i) Securities dealer? Yes No
 (ii) investment advisor? Yes No

(b) Have you ever had a licence referred to in Question 16(a) above refused, revoked or varied. *If Yes, please supply details.*

(c) Have you ever been subject to any disciplinary action by the Australian Securities Commission or any of its predecessors or have you ever been the subject of an investigation or inspection by any such organisation? *If Yes, please supply details.* Yes No

(d) Does the Practice prepare independent experts' reports in relation to securities transactions? *If Yes, please supply details.* Yes No

20. Complete if applicable (refer Question 16 above).

(a) State the number of agencies with binding authorities

(b) State the number of agencies without binding authorities

(c) State the percentage of total premium written for the following classes of insurance:

(i) Life/Superannuation	<input type="text"/> %	(ii) Liability	<input type="text"/> %	(iii) Property	<input type="text"/> %
(iv) Motor	<input type="text"/> %	(v) Marine	<input type="text"/> %	(iv) Other (please specify)	<input type="text"/> %

21. Please provide 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)	FEE (\$)

22. Does any contract or client represent more than 50% of your annual work or fees? Yes No
If Yes, please supply details.

23. (a) Do you engage consultants, sub-contractors or agents? Yes No
 (b) If YES, (i) Do you insist they carry their own Professional Indemnity Insurance? Yes No
 (ii) 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

24. Do you envisage any substantial changes in your activities or are there any major new operations contemplated during the next 12 months? *If Yes, please supply details.* Yes No

25. Are verbal reports always confirmed in writing? Yes No
If No, how do you substantiate such verbal reports?

26. Do you perform work outside of Australia, or work for clients located overseas? Yes No
If Yes, please supply details.

27. (a) Please advise the date of your financial year end:
 (b) Please provide the amount of the largest annual fee for any one client. Aus \$A OS \$A

28. 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
%	%	%	%	%	%	%	%	%

Claims Details

29. Has any Partner, Director or staff member ever been subject to disciplinary proceedings for professional misconduct? *If Yes, please supply details.* Yes No

30. 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? *If Yes, please provide the following details in respect to each matter.* Yes No

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

31. 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 or any of their present or former Partners, Principals or Directors which matter is not referred to in Question 30? *If Yes, please provide the following details in respect to each matter.* Yes No

NAME OF CLAIMANT OR POTENTIAL CLAIMANT	BRIEF DESCRIPTION OF MATTER	ESTIMATE OF POTENTIAL LIABILITY

32. 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? *If Yes, please supply details.* Yes No

33. Fidelity Cover *(To be completed only where the applicant is applying for the Fidelity Extension.)*

Does the practice presently carry any Fidelity Guarantee Insurance? *If Yes, give details:* Yes No

Insurer: <input style="width: 90%;" type="text"/>	Limit of Indemnity: \$ <input style="width: 90%;" type="text"/>
Expiry Date: <input style="width: 80%;" type="text"/>	Deductible/Excess: \$ <input style="width: 90%;" type="text"/>

34. Has the Practice sustained any loss through the fraud or dishonesty of any employee? *If Yes, please supply details and state precautions taken to prevent recurrence.* Yes No

35. (a) 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

(b) 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?

36. Does the Practice always require and obtain satisfactory references when engaging employees? Yes No

Notice to the Proposed Insured (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 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 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 of anything which may be material to the risk for which you seek cover (eg. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.

2. Claims Made Policy

This proposal is for a "Claims Made" 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:

- events that occurred 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.

However, 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, the policy will, subject to terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover. You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

3. Average Provision

The policy provides 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. proposal

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 printed above.
- (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 the insurers 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: _____

Signed: Partner, Principal or Director: _____ Date: ____/____/____

