



# Professional Indemnity Insurance PROPERTY VALUERS



PI Specialists since 1992

## 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.


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

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


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 PRACTISING AS PARTNER/PRINCIPAL/DIRECTOR	
				THIS PRACTICE	PREVIOUS PRACTICE

6. Average age of professional qualified staff (excluding Principals listed above) who undertake valuations.

____ yrs
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7. Please supply total numbers of:

- (i) Partners/Principals/Directors
- (ii) Professional qualified staff
- (iii) Other technical staff
- (iv) Trainee staff
- (v) Junior Valuers   
(Less than 5 years experience)

- (vi) Non-technical administrative staff
- (vii) Clerical staff - typists, receptionists etc
- (viii) Subcontractors/consultants (refer Q16)
- (ix) Other staff (please specify)

**Total all Partners/Principals/Directors and Staff:**

**FOR SOLE PROPRIETORS ONLY - QUESTIONS 8 & 9**

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


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


**B. Practice Risk Profile**

- 10. (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.*


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


12. (a) Please list the professional bodies or associations to which the Applicant belongs.


- (b) Have disciplinary procedures ever been conducted in respect of your professional activities, any Principal, employee, consultant or subcontractor. Yes  No

*If yes, please provide details.*


13. (a) Please indicate the percentage of total income that is derived from valuation activities:  %

(b) Please detail the approximate percentage of your total **valuation** work in the following areas:

Solicitor mortgage/private lending fund	*	%	CBD office property	%
Residential mortgages with major banks/building societies		%	Industrial/commercial property	%
Residential mortgages with other lending and/or developers	*	%	Rural property	%
'Specialised' valuations (eg. licensed premises, nursing homes, retirement villages, service stations, prestige residential, marinas, casinos and development properties)		%	Plant & machinery	%
Valuations to be used in prospectuses for investors		%	Rental reviews	%
Valuations for assets used in tax minimisation schemes		%	Gov't valuations & consultancy	%
Restricted access and/or kerb side valuations		%	Land tax & stamp duty valuations	%
Other: _____				%
			TOTAL	100%

(c) Please indicate the percentage of total income that is derived from non-valuation activities:  %

(d) Please outline all non-valuation activities:


(e) Are valuations only undertaken by professionally qualified and/or licensed valuers? *If no, please provide details.* Yes  No


\* (f) For solicitor mortgage/private lending funds nominated above, please provide the following details:

NAME OF FUND/LENDER	TYPE OF PROPERTY	MAX LOAN/VALUATION RATIO	IS THE FUND GOVERNED BY THE MANAGED INVESTMENT ACT?	IS/HAS THE FUND BEEN UNDER REVIEW BY ASIC?	ARE THERE ANY PENDING COMPLAINTS OR CLAIMS FROM INVESTORS IN THE FUND?	HOW LONG HAVE YOU WORKED FOR THE FUND?

(g) For residential mortgages other than major banks/building societies, please provide the following details:

NAME OF LENDER	MAX LOAN/ VALUATION RATIO	ARE YOUR FEES PAID BY THE LENDER	NO OF YEARS YOU HAVE PERFORMED WORK FOR THE LENDER	DOES THE LENDER HAVE FORMAL INTERNAL LENDING GUIDELINES?

(h) Are there any lenders/ mortgage providers not included in (f) & (g) above for whom you have provided valuations in the last 3 years? Yes  No

*If yes, please provide details.*

NAME OF FUND/LENDER	DATE OF LAST VALUATION	MAX LOAN/ VALUATION RATIO

14. Please provide brief description, location, valuation amount and fees for the five (5) largest contracts undertaken over the past five (5) years.

BRIEF DESCRIPTION	LOCATION	VALUATION AMOUNT (\$)	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? Yes  No

*If Yes, please supply details.*


18. Do you perform work outside of Australia or work for clients located overseas? Yes  No

*If Yes, please supply details.*


### C. Risk Management Practices

19. (a) Are all your valuations carried out in accordance with the API Professional Practice Manual, standards and guidelines? Yes  No

(b) Do all short form residential valuations always include the API Memorandum? Yes  No

(c) Are verbal reports always confirmed in writing? Yes  No

(d) Do all valuations embody the precise instructions and purpose for the report? Yes  No

(e) Does your practice utilise a formalised and uniform quality assurance/best practice approach to all valuation work, including the recording of field notes, construction and order of files and information? Yes  No

(f) Are all valuations referred to another qualified practitioner for verification before submission to the client? Yes  No

*If No, please detail your procedures and practice to mitigate the ruling of an alleged negligent valuation:*


(g) Are draft valuations ever provided to lenders in advance of the formal report?

*If Yes, why?*


20. Do you provide all clients with written standard terms of appointment prior to completing work on their behalf?

If Yes, which of the following limiting conditions are included in your standard terms:

- (a) Valuations solely for the purpose of the client and not for any other third party without written authority.
- (b) Valuations prepared in accordance with API Professional Practice Manual, standards and guidelines.
- (c) Report will be based on information at date of valuation, and will not reflect future values.
- (d) Valuation will not comment nor take into account any structural or contamination issues.
- (e) Other, specify below:


(f) Other, specify below:


21. Tick the following information/ disclaiming/limiting conditions included in all valuations:  
(\* only relevant to valuations for lending)

- (a) Valuations solely for the purpose of the client and not for any other third party without written authority.
- (b) Valuations prepared in accordance with API Professional Practice Manual, standards and guidelines.
- (c) Basis of valuations is the International Standards Committee definition of Market Value.
- (d) Both verifiable and non verifiable assumptions are detailed in all valuations.
- (e) Valuation is for 1st mortgage purposes, and cannot be used for raising 2nd mortgages or any refinancing proposal on new lender.
- (f) Valuations reflect the price which might reasonably be expected for a sale specifically at the date of valuation, with no warranty as to the maintenance of the value into the future.
- (g) Valuation makes no comment, nor takes into account any structural or contamination issues.
- (h) Assumes that the Lender relying on the valuation for financing purposes has complied with their own internal lending guidelines, and has considered all other prudent aspects of credit risk for any potential borrower, including their ability to repay the loan, and are providing financing with a conservative loan to valuation ratio.
- (i) Other, specify below:


22. Are all disclaimers / qualifications tailored to reflect the precise nature of each specific job, and included at the appropriate place in the valuation report rather than as a appendix at the back of the report? Yes  No

*If No, detail your procedures to ensure that specific disclaimers are brought to the attention of the client, and that there is no error or ambiguity in the disclaimers included in your reports.*


23. What is your approach to the valuation of properties in the 'two tier market', and/or those which include builders improvements, rental guarantees or other investment inducements?


**D. Financial Details**

24. (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 _____
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\$A _____
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(ii) last financial year

\$A _____
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\$A _____
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(iii) previous financial year

\$A _____
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\$A _____
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(c) Please provide the amount of the largest annual fee for any one client.

\$A _____
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\$A _____
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25. 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
%	%	%	%	%	%	%	%	%

26. What is the lowest fee charged by you for residential short form valuations excluding kerbside valuations?

\$A _____
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27. Do you conduct more than four (4) valuations in any one day?

Yes

No

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*If Yes, please advise average number of valuations per day.*

**E. Claims Details**

28. 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, Directors or employees, 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

29. Are any of the Partners, Principals, Directors or employees 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 Directors or employees which matter is not referred to in Question 28 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

**F. Details of Insurance Cover**

30. (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: \$

(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.*


31. 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:



## G. Business References

32. (a) Please list three (3) Directors of other Property Valuers that we can phone for a business reference.

Director Property Valuer 1

Director's Name:

Company Name:

Telephone:

Director Property Valuer 2

Director's Name:

Company Name:

Telephone:

Director Property Valuer 3

Director's Name:

Company Name:

Telephone:

32. (b) Please list three (3) Credit Managers of major Banks or Building Societies that we can phone for a business reference.

Credit Manager Financial Institution 1

Credit Manager's Name:

Institutions Name:

Telephone:

Credit Manager Financial Institution 2

Credit Manager's Name:

Institutions Name:

Telephone:

Credit Manager Financial Institution 3

Credit Manager's Name:

Institutions Name:

Telephone:

I understand that in providing the names above I give Indemnity & General Insurance Brokers Pty Ltd permission to contact the above mentioned Directors and Credit Managers for the purposes of obtaining a professional/business reference.

## 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: \_\_\_\_/\_\_\_\_/\_\_\_\_