



P.I.DIRECT
INSURANCE BROKERS

Associations Liability Proposal Form

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NOTICE TO INSURED
(Pursuant to the provisions of the Insurance Contracts Act 1984)

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 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.

Claims Made Policy

This policy is 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 insurance. The Policy does not provide cover in relation to:

- events that occurred prior to the retroactive date, if any, specified in the Policy;
- claims notified or arising out of circumstances notified under any previous policy (whether made or issued by the Insurer or any other insurer);
- claims made against you prior to commencement of the period of insurance;
- claims arising out of claims and circumstances noted on the proposal form for the current period of insurance or on any previous proposal form;
- subject to what is said in the next paragraph, claims made after expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance.

However, where you give notice in writing to the Insurer 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 expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after expiry of the period of insurance.

Average Provision

The Insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer 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.

Surrender of Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all of any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after inception of the policy that you would not seek to recover any loss or damage from that person, you are not covered under the policy for any such loss or damage unless the agreement of the Insurer is obtained beforehand.

Important Information: Please complete all questions fully. If there is insufficient space provided to answer please provide details on your letterhead.

Section 1. Your Association

1.1 Please provide the full legal name of the Association or Organisation.

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1.2 Is the Association an incorporated Body? Yes No

If Yes, under what legislation is it incorporated?

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1.3 ABN: (if applicable)

1.4 Date established:

1.5 Your Contact details:

Address:

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Telephone Number: Fax

Mobile:

Email Address:

Web Site:

Address of any Branch or other offices:

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1.6 **Details of Board Members.**

| Name of Board Member | Qualification/s | Date Obtained |
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1.7 **Staff Numbers**

Board Members:

Paid Staff:

Volunteers:

Members:

Contractors:

Total Staff:

1.8 Please provide the number of employees in the following salary ranges:

\$0 - \$35,000

\$35,001 - \$50,000

\$50,001 - \$100,000

Above \$100,000

1.9 Has the name of the Association ever changed? Yes No

1.10 Have you ever amalgamated or merged with another association? Yes No

If the answer to Questions 1.9 or 1.10 is Yes, please provide details:

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1.11 Please specify the nature of the Association.

- Trade Association
- Charitable Organisation
- Professional Association
- Social Organisation
- Other (please specify)

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1.12 Please provide a precise description of your business activities:

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1.13 Does the Association:

- a) provide legal, financial, investment services? Yes No
- b) engage in any form of medical treatment or services? Yes No
- c) provide any web hosting or act as an ISP? Yes No
- d) provide web sites with chat lines or bulletin boards or discussion areas where information can be posted by the public at large? Yes No
- e) promote or provide any form of insurance to your members? Yes No
- f) engage in actual construction, fabrication, or erection? Yes No
- g) engage in real estate development? Yes No
- h) engage in sale or distribution of any product? Yes No
- i) engage in any research & development activities? Yes No

If the answer to any part of Question 1.13 is Yes, please provide details on a separate sheet.

1.14 Have there been any substantial changes in your business activities in the past 12 months?

Yes No

1.15 Do you anticipate any substantial changes in your business activities in the next 12 months?

Yes No

If you have answered Yes to Questions 1.14 or 1.15, please provide full details.

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Section 2. Your Financial Details

2.1 Please advise the total annual gross professional fees for:

Previous 12 Months:

Current 12 Months:

Estimate for Next 12 Months:

2.2 Are you stamp duty exempt? Yes No

If Yes, please provide a copy of your current Stamp Duty exemption form.

If No, please complete the following:

Stamp Duty Split:

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

| NSW | VIC | QLD | SA | NT | WA | ACT | TAS | O / S | Total |
|-----|-----|-----|----|----|----|-----|-----|-------|-------|
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Section 3. Risk Management Procedures

3.1 (a) Do you always obtain satisfactory references before hiring employees?
Yes No

(b) Do you require more than one member of staff to sign cheques or handle cash and transferable documents?
Yes No

(c) Is bank reconciliation conducted by someone not authorised to deposit into or withdraw from the bank accounts?
Yes No

If the answer to any of Question 3.1 is No, please provide further details in the space below:

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3.2 Does the Association have written policies in place for the following?

(a) Equal opportunity Yes No

(b) Anti-Sexual harassment Yes No

(c) Discrimination Yes No

(d) Procedures to be followed before termination of employment
Yes No

3.3 Do you employ the services of an independent accountant?

Yes No

If Yes, please provide the name of the firm.

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Section 4. Claims & Historical Information

4.1 Has any director of the Association been declared bankrupt?

Yes No

4.2 Has any director or executive officer of the Association been a director of an organisation placed into administration, receivership, liquidation or provisional liquidation?

Yes No

4.3 Have there been any terminations of employment during the past 5 years?

Yes No

If the answer to any question in this section is Yes, please provide full details on a separate sheet.

4.4 After enquiry, have any claims been made against the association or any of its present or former Directors, Office Bearers, Executive Staff, Sub Committee members or employees; or has any fact or circumstance been notified to the insurers that has the potential to give rise to such a claim?

Yes No

If Yes, please provide full details:

| Date Notified | Name of Claimant | Brief Description of matter | Quantum | Status |
|----------------------|-------------------------|------------------------------------|----------------|---------------|
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- 4.5 After enquiry, are any of the Directors, Office Bearers, Executive Staff, Sub Committee members or employees aware of any fact or circumstance which may give rise to a claim against the Association or any of its present or former Directors, Office Bearers, Executive Staff, Sub Committee members or employees which is not referred to in Question 4.4 above?

Yes No

If Yes, please provide full details:

| Date Notified | Name of Claimant | Brief Description of matter | Quantum | Status |
|----------------------|-------------------------|------------------------------------|----------------|---------------|
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Section 5. Your Insurance History

5.1 Is this a renewal of PI Direct? Yes No

If the answer is **NO** and you currently hold Professional Indemnity / Association Liability Insurance please complete the following:

Name of Insurer:

Expiry Date:/...../.....

Limit of Indemnity:

Premium: \$.....

5.2 Has the firm, any partner, principal or director ever been refused this type of insurance, had special terms imposed, had a policy cancelled or had an application for renewal declined?

Yes No

If Yes please provide details:

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Section 6. Your Cover Application

6.1 **Limit of Indemnity Options:**

\$1,000,000 \$2,000,000 \$3,000,000

\$4,000,000 \$5,000,000 Other.
(Please specify)

6.2 Preferred Deductible Options:

6.3 Do you require:

(a) A Reinstatement of Aggregate Limit of Indemnity Yes No

(b) Retroactive Cover Yes No

Section 7. Additional Requirements

Please provide the following documents as separate attachments.

1. Copy of your latest audited financial statements.

PRIVACY ACT CLAUSE

PI Direct Insurance Brokers Pty Ltd is committed to protecting the privacy of the personal information you provide us. PI Direct collects, uses and retains your personal information in accordance with the National Privacy Principles.

We need to collect the personal information on the applicable proposal form to consider your application for insurance and to determine the premium (if your application is accepted) when you are applying for, changing or renewing an insurance policy with us. This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application or a claim.

If you do not provide us with this information, or any additional information we request, we may not be able to process your application or offer you insurance cover or respond to any claim.

We may disclose the personal information we collect:

- To our relevant employees involved in delivering our services;
- If your insurance broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts;
- To the insurance companies with whom we transact business;
- To the Lloyd's Syndicates we represent (which are located in the United Kingdom) ;
- To insurance reference bureaux or credit reference bureaux;
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia).

Where we do disclose the information as above the recipient may hold the information in accordance with its own privacy statement / policies. Those may include, by way of example, disclosing the information to and storage of that information by its associated entities which may be located overseas. Full details can be found on the recipient's website. However, we can also provide a copy to you on request.

We may also be required to provide your personal information to others for purposes of public safety and law enforcement and if required by law or by a law enforcement body to do so.

You may request access to your personal information, and where necessary, correct any errors in this information (some restrictions and costs may apply).

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above.

This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

From time to time, we may use your personal information to send you details of new insurance products or other insurance related information that may be of interest to you. If you do not wish to receive such information, please contact our General Manager or Operations Manager on (07) 3387 2800.

If you would like to access a copy of your personal information or you wish to correct or update your personal information, please also contact us on (07) 3387 2800 or email pidirect@pidirect.com.au.

DECLARATION

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgement and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Proposer

Signed by / on behalf of all Partners / Directors / Principals

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Dated