

# Care Providers

## Directors and Officers Liability Addendum



### IMPORTANT NOTICES

Please read these notices before completing the Addendum.

#### Your Duty of Disclosure

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms.

You have this duty until we agree to insure you.

You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell us anything that:

- reduces the risk we insure you for; or
- is common knowledge; or
- we know or should know as an insurer; or
- we waive your duty to tell us about.

#### If you do not tell us something

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both.

If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

#### Claims Made Policy

The Policy is issued on a claims made and notified basis. This means that the Policy only covers the Insured for claims first made against the Insured during the Period of Insurance and notified to us during the Period of Insurance.

Section 40(3) of the Insurance Contracts Act 1984 may provide additional rights at law. That section provides that where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but during the period of insurance, the insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of insurance.

#### Retroactive Date

The Policy does not provide cover in relation to the provision of the Professional Services or the conduct of the Professional Business prior to the Retroactive Date.

#### Privacy

Pen Underwriting handles your personal information with care and in accordance with the Privacy Act 1988 and the Australian Privacy Principles. We collect personal information about you to provide you with insurance and insurance related services. We may disclose your personal information to third parties for the purposes described in our Privacy Policy, including related entities, insurers, reinsurers, agents and service providers, some of whom may be located in the United States of America, United Kingdom and India. By asking us to provide you with insurance and insurance related services, you consent to the collection, use and disclosure (including overseas disclosure) of your personal information for the purposes described in our Privacy Policy. Where you provide personal information about others, you represent to us that you have made them aware of that disclosure and of our Privacy Policy and that you have obtained their consent. If you do not consent to provide us with the personal information that we request, or withdraw your consent to the use and disclosure of your personal information at any stage, we may not be able to offer you the products or provide the services that you seek. For information about how to access and or correct the personal information we hold about you or if you have any concerns or complaints, ask us for a copy of our Privacy Policy or visit [www.penunderwriting.com.au](http://www.penunderwriting.com.au).

#### Complaints Handling

If you are dissatisfied with a decision Pen Underwriting makes, our service, the service of others we appoint to discuss insurance matters with you, or a claim settlement, we have an internal dispute resolution process to assist you. For further information, ask for a copy of our Complaints and Disputes Resolution Policy or visit [www.penunderwriting.com.au](http://www.penunderwriting.com.au).

#### Further Information

Your insurance broker has arranged this insurance on your behalf. If you have any questions or need further information concerning your insurance, you should contact your insurance broker to assist you with your enquiry. You should direct all of your correspondence to us through your insurance broker as they are your agent for this insurance

Pen Underwriting Pty Ltd ABN 89 113 929 516 AFSL 290518  
[www.penunderwriting.com.au](http://www.penunderwriting.com.au)

Sydney

Level 19, 347 Kent Street, Sydney NSW 2000

02 9323 5000

Brisbane

Level 9, 60 Edward Street, Brisbane QLD 4000

07 3056 1400

Melbourne

Level 3, 333 Collins Street, Melbourne VIC 3000

03 9810 0600

# Care Providers Directors and Officers Liability Addendum

## IMPORTANT NOTICE

- Your Duty of disclosure for this amendment to your insurance Policy is the same as that of the original application to which this additional coverage is requested.
- Please answer all questions in full. Where appropriate, tick the 'Yes' or 'No' box that best indicates your reply.
- If there is insufficient space provided, please provide further information on your letterhead.
- All attached documents form part of this Addendum.
- This Addendum will be reviewed in conjunction with and forms part of your most recent fully complete Proposal.

### 1. THE INSURED

Please provide details of the proposed Named Insured to be covered by this Policy Section:

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### 2. THE PERIOD OF INSURANCE

The Policy Period will be the date of inception to the current expiry date of the current Aged Care Providers Combined Liability Policy.

Does the Insured presently carry, Directors and Officers Liability Insurance? Yes  No

If 'yes', please provide the following details:

Insurer: \_\_\_\_\_

Expiry Date: \_\_\_\_\_

For how many years has the Insured continuously held Director and Officer Liability Insurance? \_\_\_\_\_  
Years

Are your financial accounts audited?  
Yes  No

If 'yes', has the auditor placed a qualification to the accounts when signing off on the latest financials Yes  No   
If 'yes', please attach the qualification to this application.

### 3.

- (a) Is the Business (as proposed) solvent and can it meet its debts as and when they fall due? Yes  No
- (b) Are any Directors aware of any facts or circumstances that might affect the ability of the Company or any of its subsidiaries to meet all debts as and when they fall due? Yes  No

If 'yes', please provide details:

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(c) Has there been any change, adverse or otherwise, in the financial position of the business, or any event which has occurred which is not detailed in the **annual report submitted with this application for insurance** or information of a material nature which could affect the financial position, capital structure or operation of the Business? Yes  No   
If 'yes', please attach additional information on your letterhead with this application.

(d) Has the Corporation:

(i) Publicly announced that it is considering acquisitions, tender offers or mergers? Yes  No

(ii) Made any acquisition, disposal, merger or takeover bids in the last 3 years? Yes  No   
If 'yes', to above, did the purchase include assumption of liabilities? Yes  No

(iii) Been the subject of any attempted takeover bid/offer in the last 3 years or is aware of any current proposals relating a takeover? Yes  No

(iv) Have you sold any companies in the last five years? Yes  No   
If 'yes', to any of the above please provide details:

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4. Has the Business issued any prospectus in the last 3 years or publicly disclosed its intention to make a public offering of securities within the next year? Next year? Yes  No

5. Has any director or executive officer of the proposed Insured ever been declared bankrupt or been a director or executive of an organization placed in receivership, liquidation or provisional liquidation? Yes  No   
If 'yes', please provide details:

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6. Has there been or is there now pending any prosecution of the proposed Insured including subsidiaries under the Corporations Act, Trade Practices (Fair Trading) Act, or any other statute? Yes  No   
If 'yes', please provide details:

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### Optional Extensions for Directors and Officer Liability

7. Please indicate whether any of the following additional covers are required, an additional premium may be charged.

a) **Public Relations Expense** Yes  No

b) **Internet Liability**

*If insurance for Internet Liability is required please answer the following questions:*

Do you have a privacy policy posted on all internet sites? Yes  No

Do you make available medical / health information pertaining to identifiable residents or clients? Yes  No

c) **Statutory Penalties**

*If insurance is required please answer the following questions:*

Do you comply with all statutory requirements relating to your Business? Yes  No

In the past five years has the Company or a director or officer of the Company ever received a fine or penalty or infringement notice (other than for traffic offences) imposed by a Federal, State, Territory or Local Government or other regulatory authority? Yes  No

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In the past five years have there been any incident or circumstances which could give rise to a fine or penalty (other than for traffic offences) being imposed on the Company or a director or officer of the Company by a Federal, State, Territory or Local Government or other regulatory authority? Yes  No

### d) Tax Audit

**If insurance is required please answer the following questions:**

- Does an independent external accountant prepare the company's financial statements? Yes  No
- Does the Insured perform regular procedural reviews or internal audits? Yes  No
- Has an Audit by a commissioner of Taxation been conducted? Yes  No
- Has the corporation been fined or penalized in the last five years? Yes  No
- Has the Company been notified of a pending or likely Tax Audit? Yes  No
- Do you believe or have any reason to suspect you will be the subject of a Tax Audit? Yes  No

### e) Crime

**Only complete this section if you require crime insurance:**

Is the handling of cheques or cash limited to principals and accounts staff? Yes  No

If 'yes', how many principals and staff are authorised to handle cheques or cash? \_\_\_\_\_

What is the maximum amount of cash on the premises at any one time:

\$ \_\_\_\_\_

Are the books audited by an independent registered company auditor? Yes  No

(a) If 'yes', how often: \_\_\_\_\_

(b) Please provide name of Audit firm \_\_\_\_\_

Are there at least two people required to authorise or counter sign a cheque? Yes  No

Are there at least two people required to authorise an Electronic Transfer of Funds? Yes  No

Is the handling of cheques or cash limited to principals and accounts staff? Yes  No

If 'yes', how many principals and staff are authorised to handle cheques or cash? \_\_\_\_\_

Are there separation of duties between persons handling money which terms includes EFT? Yes  No

Is there a delegation of authority regarding the limit an employee can authorise payments? Yes  No

How often and by whom are the entries in the cashbook checked with vouchers and reconciled with the bank statements and returned cheques?

By Whom \_\_\_\_\_ How often: \_\_\_\_\_

Please tick the appropriate box.

(a) Are all new employees required to present references on applying to work? Yes  No

(b) Are Background police checks undertaken for all new employees, contractors or volunteers? Yes  No

(c) Does the Insured prohibit individuals who have had prior convictions relating to theft, fraud or dishonesty or related offences from working for or doing volunteer work for the Business? Yes  No

If 'no' to any of the above please provide details:

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### EMPLOYMENT PRACTICES LIABILITY

#### ONLY COMPLETE THIS SECTION IF YOU REQUIRE EMPLOYMENT PRACTICES LIABILITY INSURANCE

8. Does the Insured presently carry, Employment Practices Liability Insurance? Yes  No

If 'yes', please provide the following details:

Insurer: \_\_\_\_\_ Expiry Date \_\_\_\_\_

For how many years have you continuously held Employment Practices Liability Insurance? \_\_\_\_\_ Years

9. Outline the number of employees and workers in the Insured's Business for the past 3 years.

	Current Year	Last Year	Previous Year to Last Year
Full-Time Employees			
Part-Time Employees			
Temporary Workers / Contract Workers			

How many officers and other employees have resigned, been terminated (with or without cause) or have retired within the last 12 months: Officers: \_\_\_\_\_ Employees: \_\_\_\_\_

10. Do you have a written human resources manual or equivalent written management guideline? Yes  No

If 'no', who is responsible for determining human resource procedures?

Name: \_\_\_\_\_ Position: \_\_\_\_\_

11. Have there been any facilities closures, consolidations or retrenchments within the past 24 months or do you anticipate any facilities closing, consolidating or retrenchments within the next 12 months? Yes  No

If 'yes', please provide details including how many employees will be affected:

\_\_\_\_\_

\_\_\_\_\_

12. Has there been or is there now pending any prosecution or legal action against the corporation and/or any Director or Officer under the Trade Practices Act; Unfair Dismissal or Anti-Discrimination Legislation; Work Choices Legislation, Harassment or any other statute or any action relating to a breach of contract? Yes  No

If 'yes', please provide details:

\_\_\_\_\_

\_\_\_\_\_

13. Has the Insured / Proposed Insured ever had an Insurer:

- (a) Decline a proposal; Yes  No
  - (b) Impose special terms/exclusions; Yes  No
  - (c) Decline to renew their Insurance; Yes  No
  - (d) Cancel their Insurance, or Yes  No
  - (e) Have any of the directors of the proposed Insured been convicted of a criminal offence? Yes  No
- (Other than a motor vehicle offence)



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### CLAIMS HISTORY

14. Are any of the Principals, Partners or Directors aware (after enquiry of all staff, managers and contractors) of any facts, incidents, accidents or circumstances that may give rise to a claim of the type to be Insured under the proposed Crime or Fidelity Guarantee Policy Yes  No

If 'Yes', please provide details:

Name of Claimant	Particulars	Date of Claim	Estimated Quantum
			\$
			\$
			\$
			\$
			\$

15. Have any claims been made by the proposed Insured under a Fidelity Guarantee and/or Crime Policy during the past 5 years? Yes  No

If 'Yes', please provide details:

Name of Claimant	Particulars	Date of claim	Insurer	\$ Value of claim
				\$
				\$
				\$
				\$
				\$

### LIMITS OF INDEMNITY

PLEASE INDICATE THE LIMITS OF LIABILITY REQUIRED BY TICKING THE APPROPRIATE BOX:

**Section 3 - Directors & Officers Liability:**  \$2 million  \$5 million  \$10 million  Other, Specify \$ \_\_\_\_\_

*If Option taken: Public Relations Expense*  \$50,000  \$100,000

**Statutory Penalties**  \$1 million  \$2 million  \$5 million

**Tax Audit**  \$20,000  \$50,000  \$100,000

**Internet Liability**  \$1 million

**Crime:**  \$50,000  \$100,000  \$250,000  Other, Specify \$ \_\_\_\_\_

**Section 3 -Employment Practices Liability**  \$1,000,000  \$2 million  \$5 million

## Care Providers Directors and Officers Liability Addendum

### DECLARATION

I/We declare that:

- I/We am authorised by each of the Applicant(s) to sign this Addendum
- The statements in this Addendum are true and complete and no material information has been withheld
- I/We have read and understood the Important Notices accompanying this Addendum
- I/We have diligently made all necessary enquiries in order to comply with the duty of disclosure
- I/We have read the Pen Underwriting Privacy Statement on this Addendum and consent to the use, disclosure and obtaining of personal information about the insured for the purposes shown in the Privacy Statement
- Where I/We have provided information about another individual, that individual has been made aware of that fact and of the Pen Underwriting Privacy Statement
- I/We acknowledge that Pen Underwriting relies on the information and representations in this Addendum together with the information provided in the previously submitted proposal(s) and otherwise made by me or on my behalf to Pen Underwriting in relation to this insurance
- Except where indicated to the contrary, I/We understand that any statement made in this Addendum will be treated as a statement made by all persons to be insured
- I/We undertake to notify Pen Underwriting of any material alteration to the information contained in this Addendum prior to inception of the proposed insurance
- I/We understand that no insurance is in place until such time as Pen Underwriting has confirmed acceptance of the proposed insurance

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title** \_\_\_\_\_

**Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_