

Important Notices

Please read these notices before completing the Proposal Form.

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 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.

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.

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 he is your agent for this insurance.

IMPORTANT NOTICE

- 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 Proposal Form.

1. Proposer(s)

Please provide the full name of all persons and/or entities to be insured (it is essential to specify the names of all entities including service, administration or nominee companies and subsidiaries that are to be covered by the policy):

.....

2. Address of main office

Address..... Postcode:.....
 Phone: Fax:.....
 Website:.....

3. Address of branch offices or other locations:

i.
 ii.
 iii.
 iv.

4. Date on which the Firm was established: Day:..... Month:..... Year:.....

5. Please describe the precise nature of your Professional Business practice:

.....

Please attach copies of any brochures or documentation which may assist us to understand your business.

6. Has the name of the person, firm or incorporated body been changed, or has any other business been purchased or has any merger or consolidation of your business taken place? Yes or No

If Yes, please provide details in chronological order:

.....

7. Principal's Previous Business

i. Have any of the Principals conducted a previous business? Yes or No

If Yes, please advise the trading name of all prior professional business practices:

.....

ii. Date name changed or practice ceased:.....

8. Please advise the total number of partners / staff:

| | Full Time | Part Time |
|--|-----------|-----------|
| i. Principals | | |
| ii. Qualified Employees (Accountants / Consultants): | | |
| iii. All other staff: | | |
| TOTAL: | | |

9. Please supply the following details for all Principals:

| Name of Principal | Age | Qualifications and Date Qualified (accounting and other qualifications) | Professional Associations belonged to | How long practising as Partner / Director | |
|-------------------|-----|---|---------------------------------------|---|---------------|
| | | | | This Firm | Previous Firm |
| | | | | | |
| | | | | | |
| | | | | | |

10. Are written disclaimers included with advice being given? Yes or No

If Yes, please provide an example:

.....

11. Are verbal reports or advice always confirmed in writing? Yes or No

If No,

i. What is the approximate percentage of reports that have been given in the last 12 months as verbal reports:

ii. Please provide clear details of the nature and type of advice given:

.....

12. Please categorise the activities undertaken and indicate the percentage of your total income that each activity represents:

| Activity | Percentage |
|----------|------------|
| |% |
| |% |
| |% |
| |% |
| |% |
| |% |

13. Joint Ventures

Have you or any Principal been (or are they) a member of any Joint Venture? Yes or No

If Yes, please provide description and nature of the Joint Venture project:

.....

Additional information may be requested depending on the nature, size and type of Joint Venture.

14. Overseas Work

Have you every undertaken, or are you likely to undertake, work outside of Australia or New Zealand? Yes or No

If Yes, please complete the following table:

| Country of Work | Branch / Representation | Dates of Commencement and Closure | Annual Income | Type of Work |
|-----------------|-------------------------|-----------------------------------|---------------|--------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

15. For Sole Traders Only

What arrangements do you have to cover the practice during your temporary absence whilst away on business or leave:

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16. Does any one client (or group of companies) account for more than 20% of your income? Yes or No

If Yes, please advise, in respect of each client, the approximate percentage of your income involved and explain your relationship with the client and the nature of the work involved.

.....

17. Please provide a brief description and fees for the five largest contracts undertaken over the past five years.

| <i>Brief Description of Contract</i> | <i>Fees</i> |
|--------------------------------------|-------------|
| 1..... | \$ |
| 2..... | \$ |
| 3..... | \$ |
| 4..... | \$ |
| 5..... | \$ |

18. Fee Income

i. Please advise your Gross Professional Fees for the last 12 months (include fees paid to sub-consultants appointed by you, but exclude fees for disbursement to consultants appointed by your client together with travelling, accommodation or similar expenses reimbursed by your client)

Australia: \$ Overseas: \$

ii. Please provide a percentage breakdown of the fee income shown above by State or Territory:

| NSW | VIC | QLD | SA | WA | TAS | NT | ACT | O/S |
|-----|-----|-----|----|----|-----|----|-----|-----|
| % | % | % | % | % | % | % | % | % |

iii. Please advise your Estimated Gross Professional Fees for the next 12 months (include fees paid to sub-consultants appointed by you, but exclude fees for disbursement to consultants appointed by your client together with travelling, accommodation or similar expenses reimbursed by your client)

Australia: \$ Overseas: \$

19. Please indicate the extensions required:

- | | |
|---|--|
| <input type="checkbox"/> Loss of Documents (Property Damage) | <input type="checkbox"/> Outgoing Principals |
| <input type="checkbox"/> Libel and Slander | <input type="checkbox"/> Previous Business |
| <input type="checkbox"/> Trade Practices Act / Fair Trading Act | <input type="checkbox"/> Dishonesty of Employees |
| <input type="checkbox"/> One Automatic Reinstatement | <input type="checkbox"/> Retroactive Liability |
| <input type="checkbox"/> Fidelity | |

20. Risk Management

- i. Do you have and follow documented risk management and quality control procedures? Yes or No
- ii. Are these risk management procedures regularly reviewed and updated to the appropriate standards applying to your industry? Yes or No
- iii. Are all appropriate staff members familiar with these procedures and/or standards? Yes or No
- iv. Do you and your staff attend regular continuing education programs that are provided by your Professional Association or industry bodies or groups? Yes or No

If you have answered No to any of the above, please provide full details:.....

.....

21. Claims and Circumstances

- i. Has any Claim been made, or has negligence been alleged, against you or any of the present or former Principals, or have any circumstances which may give rise to a Claim been notified to insurers? Yes or No

If Yes, please provide details:

| Year Notified | Insured With | Claimant | Nature of Claim | Amount Paid and/or Outstanding |
|----------------------|---------------------|-----------------|------------------------|---------------------------------------|
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |
| | | | | \$ |

- ii. Are there any circumstances not already notified to insurers which may give rise to a Claim against you or any prior corporate practice or any of the present or former Principals? Yes or No

If Yes, please provide details:

| Name of Practice and Principal | Claimant | Nature of Claim | Estimate |
|---------------------------------------|-----------------|------------------------|-----------------|
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

- iii. Are there any Claims against previous practices that have been identified in this Proposal, which may give rise to a Claim against either a Principal or you? Yes or No

If Yes, please provide details:

| Name of Practice and Principal | Claimant | Nature of Claim | Amount Paid and/or Outstanding |
|---------------------------------------|-----------------|------------------------|---------------------------------------|
| | | | \$ |
| | | | \$ |
| | | | \$ |
| | | | \$ |

- 22.** Has any Principal and/or staff member ever been subject to disciplinary proceedings for Professional misconduct? Yes or No

If Yes, please provide full details:

.....

.....

23. Cover Required

- i. Amount of indemnity required: \$.....
- ii. Excess requested: \$.....

24. Retroactive Cover

Retroactive cover extends the policy liability arising from work carried out prior to the inception of the policy to which this Proposal relates. There will be no cover for claims arising from a Known Circumstance at or prior to policy inception.

Do you require retroactive cover (which may be subject to an additional premium)? Yes or No

If Yes, please state the date from which retroactive cover is required:

.....

25. Insurance History

- Are you currently insured for Professional Indemnity? Yes or No
- i. If No, have you ever been insured for Professional Indemnity? Yes or No
- ii. If Yes, please complete the table below for the last 3 years you were insured:

| <i>Name of Insurer</i> | <i>Period Insured</i> | <i>Sum Insured</i> | <i>Excess</i> |
|------------------------|-----------------------|--------------------|---------------|
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |

26. Have you ever had a liability or professional indemnity insurer:

- i. decline a proposal? Yes or No
- ii. impose special terms on your insurance? Yes or No
- iii. decline to renew your insurance? Yes or No
- iv. cancel your insurance? Yes or No

If you have answered Yes to any of the above, please provide full details:

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Declaration:

I/We declare that:

- I/We am authorised by each of the Applicant(s) to sign this Proposal
- The statements in this Proposal are true and complete and no material information has been withheld
- I/We have read and understood the Important Notices accompanying this Proposal
- 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 Proposal 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 Proposal and otherwise made by me or on my behalf in relation to this insurance
- Except where indicated to the contrary, I/We understand that any statement made in this Proposal 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 Proposal 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/s: **Date:**.....

Name/s: **Title:**.....

GUIDELINES TO SIGNING THE NSW STAMP DUTY EXEMPTION - SMALL BUSINESS DECLARATION

What is the NSW small business exemption?

From 1 January 2018, NSW small businesses will be exempt from paying stamp duty on certain types of insurance.

What is a small business?

Revenue NSW has stated that: "You are a small business if you are **an individual, partnership, company or trust** that is carrying on a business, and the business has an **aggregated turnover of less than \$2 million**. Aggregated turnover is your annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you."

Which insurance types will the exemption apply to?

This exemption can be applied for NSW small businesses with one the following insurance types:

- Commercial vehicle insurance
- Commercial aviation insurance
- Occupational indemnity insurance
- Product and public liability insurance

Instructions for applying for an exemption

To receive the exemption, please complete this declaration declaring that you / your client are a small business. Email the completed declaration to your insurance broker.

Please note:

[a] The declaration covers all policies issued to you during the financial year in which the cover is effected or renewed, a new declaration is required on an annual basis.

[b] If you are uncertain whether you classify as a small business, please speak to your financial adviser.

[c] Pen Underwriting and the Insurer will place reliance on your declaration in charging the applicable insurance duty.

[d] False declarations may result in penalties up to of \$11,000 by Revenue NSW plus the insurance duty not paid and penal interest on that balance.

[e] Revenue NSW may also be able to clarify your queries relating to the law and your obligations.

[f] If you are a not for profit organisation already entitled to a NSW Stamp Duty Exemption, your premium is already exempt and the NSW Stamp Duty Exemption for Small Business is not relevant.

NSW STAMP DUTY EXEMPTION – SMALL BUSINESS DECLARATION

This declaration only covers policies for the financial year in which the cover is effected or renewed.

I hereby declare that I am a Capital Gains Tax small business entity (within the meaning of section 152-10 (1AA) of the *Income Tax Assessment Act 1997* of the Commonwealth).

I am a small business individual / partnership/ company and/ or trust, which is carrying on a business, and the business has an aggregated turnover of less than \$2 million*.

Signature:

Name:

Date Signed:

Name of Insured:

ABN of Insured:

Contact Details

Mobile:

Contact Details

Email:

* Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you.

* A fraudulent declaration may invalidate your insurance contract.