



**Professional Risks
Accountants
Proposal Form**
v0318

IMPORTANT NOTICES

Please read these Important Notices before completing this 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.

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

Complaints Handling

Any enquiry or complaint relating to this insurance should be referred to Pen Underwriting in the first instance. 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. If Pen Underwriting are unable to resolve the matter or you are not satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Australia Limited
Level 9, 1 O'Connell St
Sydney NSW 2000
Telephone: (02) 8298 0783
Facsimile: (02) 8298 0788
Email: ldraustralia@lloyds.com

If your dispute remains unresolved you may be referred to the Financial Ombudsman Service Limited under the terms of the General Insurance Code of Practice. For other disputes you will be referred to other proceedings for resolution. Details are available from Lloyd's Underwriters' General Representative in Australia at the address above. For further information, ask for a copy of our Complaints and Disputes Resolution Policy or visit www.penunderwriting.com.au

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.

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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 complete the additional information section.
- All attached documents form part of this Proposal.

Applicant Details

- Name of all entities or person(s) to be insured:
- Telephone Number: Facsimile Number:
- Email Address:
Website Address:
- Address of Principal Office:
.....
.....
Address(es) of Other Offices:
.....
.....
- Date Business Established:
- Please describe the precise nature of the Applicant's professional business practice:.....
.....
.....
- Has the nature of the business changed in the last 6 years? Yes No
If **Yes**, please provide details (including any activities previously undertaken but which are no longer performed):.....
.....
.....
- Have any amalgamations or acquisitions taken place during the last 6 years? Yes No
If **Yes**, please provide details:.....
.....
- Please advise the total number of partners or directors and staff:

	Full Time	Part time
Partners / Directors		
Qualified Employees (Accountants/Consultants)		
All Other Staff		
TOTAL		

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10. Please provide details of ALL Principals.

Name:			
Age:			
Qualifications:			
Years Practicing as Principal:	This Practice:		Previous Practice:
	Period of Previous Practice:		
Name of Previous Business Practice:			
Name:			
Age:			
Qualifications:			
Years Practicing as Principal:	This Practice:		Previous Practice:
	Period of Previous Practice:		
Name of Previous Business Practice:			
Name:			
Age:			
Qualifications:			
Years Practicing as Principal:	This Practice:		Previous Practice:
	Period of Previous Practice:		
Name of Previous Business Practice:			

11. Is the Applicant or any partner or director of the Applicant connected or associated (financially or otherwise) with any other business practice including any national and international affiliations? Yes No

If **Yes**, please provide details:.....

Insurance Details

12. Is the Applicant currently insured for Professional Indemnity risks? Yes No

If **Yes**, please provide details:

Insurer	Indemnity Limit	Premium	Period

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13. Cover Required:

Amount of Indemnity Required:	\$
Excess Required:	\$
Fidelity Extension:	\$

14. Has the professional indemnity insurance or any other similar form of insurance for the Applicant or any of the principals or partnerships or firm or company of which any of the principals is/was a partner or director been:

- (a) Declined? Yes No
- (b) Cancelled or not renewed by the Insurer? Yes No
- (c) Had special terms or restrictions imposed? Yes No

If **Yes**, please provide details:.....

Fees and Activities

15. Income:

- (a) Actual Gross fees for the past 12 months: \$.....
- (b) Estimated Gross fees for the next 12 months: \$.....
- (c) In relation to (a) above, please indicate as a percentage the approximate total fees derived from the following activities:

Accounts – Bookkeeping	___%	Management Consultancy	___%
Audit (Complete question 16)	___%	Corporate Advisory	___%
Receivership / Liquidation / Insolvency	___%	Business Valuations	___%
Financial Planning / Investment Advice	___%	Executorships	___%
General Insurance Distributor	___%	Forensic Accounting	___%
Taxation	___%	Mortgage / Finance Broking	___%
Superannuation Fund Management	___%	Other (provide details below)	___%
Mergers and Acquisitions	___%		

- (d) Does the Applicant or any of its principals or staff hold an AFSL: Yes No

If **Yes**, please state the activities carried out under the AFSL:

- (e) For the purpose of calculating state duty payable on premium, please provide a geographic breakdown of income:

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

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16. Please provide a percentage breakdown of the Applicant's client base between the following categories:

Individuals and Small Business (up to 20 employees)	____%
Medium Sized Business (21-200 employees)	____%
Large Corporate (over 200 employees)	____%
ASX Listed Companies	____%
High Net Worth Individuals (over \$1 million in liquid financial assets)	____%
Total	____%

17. Largest Audit Clients

(a) Please list the Applicant's six largest audit clients, their type of business and their annual fee:

Name	Business	Annual Fee
		\$
		\$
		\$
		\$
		\$
		\$

(b) Please provide details of the percentage of the Applicant's audit work falling into the following categories:

Non-Profit and Private Companies:	____%
Unlisted Public Companies:	____%
Listed Public Companies:	____%
Self-Managed Superannuation Funds:	____%
Other Superannuation Funds:	____%
Financial Institutions (provide details below):	____%

18. Administration of Client Money

Does the Applicant administer client monies or investments (whether or not received or held) Yes No
 If **Yes**,

- (a) Please provide details including annual value of monies and/or investments administered:.....

- (b) Please state the controls that are in place for the administration of monies and/or investments:.....

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19. Investment Advice / Financial Planning

(a) Please elaborate on the nature of activities and advice given to clients:

.....
.....

(b) Is the Applicant or any of its principals or employees a member of the Financial Planners Association? Yes No

(c) Does the Applicant or any of its principals or employees hold separate insurance cover for investment advice or financial planning? Yes No

If **Yes**, please provide details:

(d) If the Applicant or any principal or employee is an Authorised Representative, please identify the licensee(s) though which proper authority is held:

Authorised Representative Number:

Authorised Representative Number:

Authorised Representative Number:

Authorised Representative Number:

Authorised Representative Number:

Claims Experience

20. Has the Applicant, or any of its principals been disqualified or suspended or subject to any disciplinary proceedings in any jurisdiction? Yes No

If **Yes**, please provide details:

.....

21. Has any applicant, including any of its principals been:

(a) investigated by any regulatory authority or commission in any jurisdiction in respect of the sale, supply or distribution of any financial products? Yes No

(b) disqualified from acting as a director or officer of any entity? Yes No

(c) declared bankrupt? Yes No

If **Yes** to any of the above, please provide full details:

.....

.....

22. Has any claim for negligence or breach of professional duty ever been made against the Applicant or its' predecessors in business, or against any of the present or former principals, or against any partnership or firm or company of which any of the principals is or was a partner or director? Yes No

If Yes, Please complete the Claims Addendum.

23. After inquiry, is the Applicant or any of the principals aware of any circumstances which may result in a claim being made against the Applicant, or against any of the principals, or against any partnership or firm or company of which any of the principals is or was a partner or director? Yes No

If Yes, Please complete the Claims Addendum.

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Risk Management

24. Risk management:

- (a) Is any person allowed to sign cheques or fund transfer instructions on their signature alone? Yes No
 If **Yes**,
 - (i) Maximum Amount: \$
 - (ii) In what capacity is/are the person(s) engaged?
- (b) Are bank accounts independently reconciled by persons not authorised to deposit or withdraw funds from the account at least monthly? Yes No
- (c) Are duties segregated so no one individual can open a new bank account without referral? Yes No
- (d) Do employees receiving cash and cheques in the course of their duties remit or bank all monies received on the date of receipt or the next banking day? Yes No
- (e) Is any employee allowed to process any refund or accept any return of goods in excess of \$1,000 without authorisation by a supervisor or manager? Yes No
- (f) Before hiring, are written or verbal references obtained directly from former employers? Yes No
- (g) Are all employees who are responsible for money, goods, accounts, financial operations or computer programming operations required to take two weeks uninterrupted leave each year? Yes No
- (h) Has the Applicant sustained any loss through fraud or dishonesty of any principal or employee? Yes No

If **Yes**, Please provide details:

Date of Loss	Description	Amount	Open/Finalised
		\$	
		\$	
		\$	

Please state what steps have been taken to prevent a recurrence:

.....

.....

- 25. Describe the risk management and quality assurance process used by the Applicant to assist in prevention of potential breaches of professional duty and control of actual breaches of professional duty:**
-
-
-
-

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26. Is cover required for an independent accountant to whom work is sub-contracted? Yes No
 If **Yes**, please provide the following details:

Name	Qualifications	Fees Paid (annually)	Does accountant have own cover?	If Yes, what is the limit?
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	

27. Does the Applicant maintain a register to ensure that taxation deadlines are not missed? Yes No

28. Work Procedures:

(a) Does the Applicant have written work procedures or checklists for services provided? Yes No

(b) How often does the Applicant review working procedures to ensure they are current and in line with the latest best practice and what form does that review take:

.....

29. Letter of Engagement

(a) Is a letter of engagement, in line with the terms or recommendations provided by the Applicant's professional association, sent to every client? Yes No

(b) Please describe the Applicant's procedure prior to the letter of engagement being sent to ensure that the client's requirements are clearly identified and can be met:

.....

30. What records are kept of telephone conversations and attendance at meetings:

.....

31. What steps does the Applicant take to review work undertaken by staff:

.....

If you have a brochure or promotional material about the Applicant's operations, please include it with this Proposal.

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Claims Addendum – This section must be completed if you answered YES to Question 22 and or 23

Claim No. 1

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, please advise the total of all costs	\$

Claim No. 2

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, please advise the total of all costs	\$

Claim No. 3

Date Notified to Insurers / Insurance Brokers	
Name of Claimant or Potential Claimant	
Brief Description of the matter	
Estimated Loss or potential Loss	
Is the matter finalised or outstanding	<input type="checkbox"/> Finalised <input type="checkbox"/> Outstanding
If Finalised, please advise the total of all costs	\$

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DECLARATION

I/We declare that:

- I/We am authorised by each of the Applicant(s) to sign this Proposal Form.
- 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 relied 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 contain 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/s:

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Additional Information

If there is inadequate space to answer our Questions, please use this Additional Information section. Please also attach any brochures, promotional pamphlets or other publications relevant to this application for insurance. **This information forms part of the application and is subject to the above declaration.**

QUESTION	ANSWER

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.