



 **PRORISK**

**Sole Traders & Partnerships
Management Liability Insurance**

Proposal Form

IMPORTANT NOTICES

CLAIMS MADE POLICY

This Proposal is for a policy issued by ProRisk, which includes coverage on a claims made and notified basis. This means that the policy provides cover for claims first made against you during the insurance period. The policy does not provide cover for any claims made against you during the insurance period if at any time prior to the commencement of the insurance period you were aware of facts which might give rise to those claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where the insured gives notice in writing to the insurer during the insurance period of facts that might give rise to a claim against the insured, the insurer cannot refuse to pay a claim which arises out of those facts, by reason only that the claim is made after the insurance period has expired.

YOUR DUTY OF DISCLOSURE:

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that 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, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure 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 inception.

RETROACTIVE LIABILITY

The policy is limited by a retroactive date. The policy does not cover any liability arising from your conduct prior to the retroactive date.

ALTERATION TO RISK AND DEREGISTRATION

The policy requires you to notify the insurer within thirty days of any material change in the nature of your organisation, or any act of insolvency or bankruptcy. The policy requires you to give immediate notice of the cancellation, suspension, termination or imposition of conditions in respect of your statutory registration. Claims arising

following the cancellation, suspension or termination of your statutory registration are excluded from indemnity under the policy.

LIMITED LIABILITY

The policy provides that if a payment greater than the limit of indemnity is required to dispose of a claim, the insurer's liability for costs and expenses will be limited to the proportion that the limit of indemnity bears to the payment required to dispose of the claim.

POLICY CANCELLATION

In the event of policy cancellation by the insured, ProRisk's cancellation rates will apply.

WAIVER OF RIGHTS OF SUBROGATION

The policy provides that you must not, without our prior written consent, enter into any contract or agreement which excludes, limits or prejudices a right of recovery in respect of any claim covered under the policy. Further, you must not do anything or fail to do anything which excludes, limits or prejudices our rights of subrogation.

PRIVACY STATEMENT

ProRisk is bound by the obligations of the Privacy Act 1988 (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy. We may disclose your information to third parties (who may be located overseas), such as the insurer, lawyers, claims adjusters, and others appointed by ProRisk or by the insurer to assist us and them in providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

A copy of our Privacy Statement is available from our website www.prorisk.com.au. To request access to or update your personal information, contact the Privacy Officer at ProRisk by email: enquiries@prorisk.com.au or by mail at the address shown on this Proposal.

IMPORTANT NOTICE:

- Note that you must be structured as a sole trader or partnership to qualify for this insurance product.
- When answering these questions “Applicant” or “You” or “Your” refers to: The organisation, all related entities, directors, secretaries, officers, trustees, committee members, employees, or volunteers of the organisation.

Applicant's Details

1. Is the Applicant a:
- a) sole trader; or No Yes
- b) partnership? No Yes

2. Full name of the sole trader or partnership to be insured and any trading names or related entities:

3. ABN 3. Website address

4. Principal business address

State Postcode

5. Other business locations

6. Number of years in the business: years

7. Please indicate the number of premises occupied for the purposes of the business: premises

8. Staff numbers:

STAFF	NUMBERS
Directors, Partners or Proprietors	
Full time employees (excluding the above)	
Part time & casual employees	
Total	

9. Nature of operations:

10. a) Has the name of the Applicant's business ever changed? No Yes
- b) Has the Applicant ever carried on its business under a different name? No Yes
- c) Has any other business or practice amalgamated or merged with the Applicant's business? No Yes
- d) Has the Applicant ever purchased any other business or practice? No Yes

If Yes to any of 10 a), b), c) or d) please provide details in an attachment. Details provided

11. a) Has there been any substantial change to the Applicant's activities in the past twelve months?.. No Yes
- b) Do you anticipate any substantial change to the Applicant's activities during the next twelve (12) months? No Yes

If Yes to 11. a) or b), please provide details in an attachment. Details provided

12. Does the Applicant use one or more service companies to hold assets, or employ staff? If so, please advise the names and ABNs of the service companies?

COMPANY NAME	ABN

13. In the event that we need to make contact with you, please advise the best contact people in order of preference:

CONTACT PERSON	PHONE NUMBER
1	
2	

Insurance History

14. Is the Applicant currently insured? No Yes

If Yes, please provide details:

	EXPIRY DATE	INSURER	LIMIT	EXCESS
Professional Indemnity	<input type="text"/> / <input type="text"/> / <input type="text"/>		\$	\$
General Liability	<input type="text"/> / <input type="text"/> / <input type="text"/>		\$	\$
Management Liability	<input type="text"/> / <input type="text"/> / <input type="text"/>		\$	\$

Part 1 – Financial and Tax Information

15. Please provide details of the Applicant’s financials:

	LAST FINANCIAL YEAR	THIS FINANCIAL YEAR (EST)
Total Revenue	\$	\$
Total Assets	\$	\$
Total Liabilities	\$	\$
Net Profit (Loss)	\$	\$

16. Are there any facts or circumstances that might affect the ability of the Applicant to meet their debts as and when they fall due? No Yes
 If **Yes**, please provide details in an attachment. Details provided

17. If the Applicant performs work for clients outside of Australia, please advise where they are located:

	LOCATION		LOCATION
Client 1		Client 4	
Client 2		Client 5	
Client 3		Client 6	

If there are more clients outside of Australia that the Applicant performs work for, please provide details in an attachment.

18. For the last financial year, please provide a percentage breakdown of gross revenue by state:

VIC % NT % QLD % Overseas %
 SA % ACT % TAS % **Total** %
 NSW % WA %

Part 2 – Risk Management

19. During the next 12 months, is the Applicant implementing, or contemplating the implication of the outsourcing of any functions currently performed by employees? No Yes

20. Have any employees of the Applicant resigned or had their employment terminated or been made redundant within the last 24 months? No Yes

21. During the next 12 months, is the Applicant undergoing or planning on undergoing any employee redundancies, terminations, early retirements or restructures? No Yes

If Yes to any of 23, 24 and 25 above, please provide details below:

22. Does the Applicant outsource its bookkeeping or accounting function? No Yes
23. Does the Applicant use account keeping software? No Yes
 If **Yes** please advise the software used (eg; MYOB, Xero):
24. Does the Applicant have a Workplace or Occupational Health & Safety Manager, Department or Co-ordinator? No Yes
25. Does the Applicant have a current manual of Workplace Health and Safety and an Environmental Procedures? No Yes
26. Are these manuals distributed to all employees and is training provided? No Yes
27. Does the Applicant have workers engaged in any hazardous manual activities No Yes
 (including work in confined spaces, abrasive blasting, electrical work, diving and other high risk activities)?
28. Does the Applicant manufacture or use any toxic chemicals or hazardous substances? No Yes
29. Does the Applicant have any involvement in asbestos, fungus, mildew, mould, silica dust or pigeon droppings? No Yes
30. Do external auditors audit all operations at least annually? No Yes
31. Have all recommendations by external auditors regarding internal controls been complied with following the last audit? No Yes
32. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:
- a) signing cheques or authorising payments (including capital expenditure) above \$1,000? No Yes
 - b) issuing or amending funds transfer instructions? No Yes
 - c) opening or closing bank accounts? No Yes
 - d) payment of wages and superannuation? No Yes
 - e) entering into contracts with third parties? No Yes
33. Are all premises secured with locks and intruder alarms? No Yes
34. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or money handling functions, do you conduct a criminal history check? No Yes
35. Does the Applicant maintain an approved suppliers list? No Yes
36. Is the Applicant's computer system protected with a firewall and anti-virus software? No Yes
37. Does the Applicant back up data daily? No Yes
38. Does the Applicant have a Business Continuity Plan in place? No Yes

Part 3 – Claims Information

39. Has there been any claims against the Applicant, any of its principals, partners or proprietors, employees or agents in the last five years (whether insured or uninsured): No Yes
 If **Yes**, please provide claims details in an attachment. If **No**, go to question 41. Details provided
40. If **Yes to 39** please provide details in an attachment as to what action was taken to prevent a recurrence of the situation which gave rise to each claim detailed in question 39. Details provided
41. After making appropriate enquiries, are there any facts or circumstances which any insured, principal, employee or consultant are aware of that may give risk to a claim against any insured, including any predecessors in business? No Yes
 If **Yes**, please provide details in an attachment. Details provided
42. Has the Applicant ever had an insurer decline a proposal, impose special terms, decline to renew or cancel an insurance policy? No Yes
 If **Yes**, please provide details in an attachment. Details provided
43. After making enquiries, has the Applicant discovered any losses from employee dishonesty, burglary, robbery, disappearances, destruction or forgery or other criminal or dishonest act in the last five years? No Yes
 If **Yes**, please provide details in an attachment. Details provided
44. After making enquiry, has the Applicant been audited or been the subject of a Risk Review by the Australian Taxation Office, any State or Territory Revenue Office, or any other official body authorised to investigate the taxation paid or payable by the Applicant within the last five years? No Yes
 If **Yes**, please provide details in an attachment. Details provided
45. After enquiry, is the Applicant aware of any facts or circumstances, which might afford valid grounds for any future investigations, inquiries, regulatory proceedings, or other claims, which may be covered by us, under any coverage for which it has applied? No Yes
 If **Yes**, please provide details in an attachment. Details provided

Part 4 – Cover Required

46. Please advise limit required:
- | | | | |
|------------------------------------|--------------------------------------|--------------------------------------|----------------------------------|
| <input type="checkbox"/> \$100,000 | <input type="checkbox"/> \$750,000 | <input type="checkbox"/> \$1,500,000 | <input type="checkbox"/> Other - |
| <input type="checkbox"/> \$250,000 | <input type="checkbox"/> \$1,000,000 | <input type="checkbox"/> \$1,750,000 | Please specify: |
| <input type="checkbox"/> \$500,000 | <input type="checkbox"/> \$1,250,000 | <input type="checkbox"/> \$2,000,000 | \$ <input type="text"/> |
47. Please advise excess required:
- | | | |
|----------------------------------|-----------------------------------|--|
| <input type="checkbox"/> \$1,000 | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> \$25,000 |
| <input type="checkbox"/> \$2,000 | <input type="checkbox"/> \$15,000 | <input type="checkbox"/> Other - Please specify: \$ <input type="text"/> |
| <input type="checkbox"/> \$5,000 | <input type="checkbox"/> \$20,000 | |

Note: Selecting a higher excess will reduce the price of your insurance.

Part 5 – Declaration

After making appropriate enquiries, I declare that:

- I am authorised on behalf of the Applicant to complete this Proposal.
- I have read and understood the Important Notices accompanying this Proposal.
- Where I have provided information about another individual, I declare that the individual has been made aware of that fact and of the ProRisk Privacy Statement.
- I authorise ProRisk to collect or disclose any personal information relating to this insurance to or from other insurers or insurance or credit reference services.
- I confirm that the statements and information in this Proposal are true and complete.
- I understand that, until a contract of insurance is entered into, I am under a continuing obligation to immediately inform ProRisk of any change to the information contained in this Proposal.
- I acknowledge that, if a contract of insurance is entered into, this Proposal and any accompanying documents will form the basis of the contract.

Name:

Position:

Signature:

Date:

 / /