

# Professional Liability

## Association Liability Insurance Proposal

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## Notice to the Proposed Insured

(Pursuant to the provisions of the Insurance Contracts Act 1984)

### 1. Disclosure of Relevant Facts

#### 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.

#### Comment

*The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (eg. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.*

### 2. Claims Made Policy

This proposal is for 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 cover. This policy does not provide cover in relation to:

- events that occurred prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover;

- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of cover;
- facts or circumstances of which you first became aware prior to the period of cover, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy;
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

However, where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover.

You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

### 3. The Applicants for Insurance

In this proposal the Applicants for insurance are:

- The Association (that being the company or organisation named in this proposal);
- The Insured Person(s) as defined in the policy wording; and
- Any Outside Entity or Outside Directorship for which cover is sought.

Before completing this proposal, enquiries should be made with each proposed Insured in relation to the questions and declarations to be completed on their behalf.

All terms highlighted in **bold type** are defined in QBE's standard policy wording.

### 4. Privacy Statement

QBE includes information about how we manage your personal information in our formal quotation terms, when issued. You can obtain a copy of the **QBE Privacy Policy Statement** from our website [www.qbe.com](http://www.qbe.com) or contact the Compliance Manager on 02 9375 4656 or email [compliance.manager@qbe.com](mailto:compliance.manager@qbe.com) for further information.



### 3. Financial Position of the Association

- (a) Has there been any change in the financial position of the **Association** or is there any trend or event not reflected in the Annual Report and financial statements attached to this Proposal, that might materially affect the financial position shown in those statements? Yes  No
- (b) Is any proposed **Insured Person** aware of facts or circumstances that might affect the ability of the **Association** to meet all its debts as and when they fall due? Yes  No

If you have answered Yes to either part (a) or part (b) above, please supply details.

### 4. Activities of the Association

- (a) Does the **Association** provide legal aid services, financial services, computer or information services or other advisory services? Yes  No
- (b) Is the **Association** engaged in any form of research, development, experimentation or testing? Yes  No
- (c) Does the **Association** conduct any activity which evaluates or sets standards for the qualification and performance of others or the quality of products manufactured or sold? Yes  No

If you have answered Yes to either part (a), (b) or (c) above, please supply details.

- (d) Does the **Association** issue any brochures or other promotional material describing its activities or services? If Yes, please supply copies. Yes  No

- (e) (i) Does the **Association** promote, sponsor or provide any form of insurance to its members? Yes  No
- (ii) If Yes, does the **Association** act as an insurance agent? Yes  No

If Yes, please supply details of such agencies including names of insurers and products offered.

### 5. Claims History of Directors, Officers and Board or Committee Members

- (a) Has there been, or is there now pending, any **Claim** against any proposed **Insured Person**, in their capacity as a director, officer, secretary, board or committee member or employee of either the **Association** or any other company, organisation, association or trust? Yes  No
- (b) Do any circumstances exist that might give rise to a **Claim** against any proposed **Insured Person**? Yes  No

If you have answered Yes to either part (a) or part (b) above, please supply details.

### 6. Claims History of Association

- (a) Has there been, or is there now pending, any action, litigation or other proceeding against the **Association**, including any action, litigation or other proceeding brought under or pursuant to any Commonwealth, State, or Territory legislation? Yes  No
- (b) Has there been or is there now pending any investigation, examination, inquiry or other proceedings in relation to the affairs of the **Association**? Yes  No
- (c) Do any circumstances exist that might give rise to any event described under (a) or (b) above? Yes  No

If you have answered Yes to either part (a), (b), or (c) above, please supply details.

## 7. Insurance Cover

(a) Does the **Association** presently carry, or has the **Association** ever carried, Association Liability or Directors and Officers Liability Insurance?

Yes  No

If Yes, please supply details:

Insurer:

Expiry Date:

 / 

Limit of Indemnity:

Premium:

(b) Has the **Association** or any proposed **Insured Person** ever been refused this type of insurance, or had similar insurance cancelled, or had an application of renewal declined, or had special terms imposed?

Yes  No

If Yes, please supply details.

## 8. Application for Cover

(a) Limit of Indemnity required

(b) Deductible/Excess requested (Each and Every Claim)

(c) Extensions:

(i) Automatic Extensions

- |   |                        |
|---|------------------------|
| • Advance Payment of Defence Costs        | Automatically included |
| • Trade Practices and Related Legislation | Automatically included |
| • Occupation Health and Safety            | Automatically included |
| • Breach of Contract                      | Automatically included |
| • Libel and Slander                       | Automatically included |
| • Infringement of Copyright               | Automatically included |
| • Fraud and Dishonesty                    | Automatically included |
| • Loss of Documents                       | Automatically included |
| • Insured v Insured                       | Automatically included |

(ii) Please indicate any Optional Extension for which you seek cover.

- |  |  |
|--|--|
| • Increased Aggregate Limit of Indemnity (Reinstatement) | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| • Outside Directorship (Blanket and Run-off Cover)       | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| • Fidelity   | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| • Trusteeship (Blanket and Run-off Cover)                | Yes <input type="checkbox"/> No <input type="checkbox"/> |

PLEASE NOTE;

- (a) If cover is requested for any Optional Extension, then QBE may require additional information and reserves the right to charge any additional premiums as it may require.
- (b) If cover is required for the **Fidelity Extension** then Question 9 must be completed.
- (c) If cover is required for the **Outside Directorship Extension**, please supply full details of all **Outside Directorships**, including the name of the **Outside Entity** and details of any Association Liability or Directors & Officers Insurance held by the **Outside Entity**. Please note that it is not necessary to submit Annual Reports or financial statements for any **Outside Entity** unless requested by QBE.

Details of Insurance				
Outside Entity	Insurer	Limit	Deductible/Excess	Expiry Date
				/ /
				/ /
				/ /
				/ /

**9. Fidelity Cover**

To be completed only where the Applicant is applying for the **Fidelity Extension**.

(a) Does the **Association** presently carry any Fidelity Guarantee Insurance? Yes  No

If Yes, please give details:

Insurer:	Expiry Date:	Limit of Indemnity:	Deductible/Excess:
	/ /	\$	\$

(b) Has the **Association** sustained any loss through the fraud or dishonesty of any employee? Yes  No

If Yes, please supply details and state precautions taken to prevent a recurrence.

(c) Is any member of the **Association's** staff allowed to handle cash or transferable documents or sign cheques on his/her signature alone? Yes  No

(d) How often and by whom are the entries in the cash book checked with the vouchers and reconciled with the book statements and returned cheques?

(e) Does the **Association** always require and obtain satisfactory references when engaging employees? Yes  No

**10. Declaration**

I/We the undersigned authorised **Insured Persons**, after enquiry declare as follows:

1. I am/We are authorised by each of the other Applicants to make this Proposal.
2. I/We have read and understood the Notice to the Proposed Insured on the front of this Proposal.
3. I/We have read this Proposal and the accompanying documents and acknowledge the contents of same to be true and complete.
4. I/We understand that, up until a contract of insurance is entered into, I am/We are under a continuing obligation to immediately inform QBE of any change in the particulars or statements contained in this Proposal or in the accompanying documents.

Although the signing of this Proposal does not bind the Applicants to effect insurance, the Applicants acknowledge that the particulars and statements contained in this Proposal and in the accompanying documents shall be the basis of the contract should a Policy be issued; and further, the Applicants acknowledge that the Proposal and the accompanying documents will be incorporated in the Policy.

Signed, Chairman/President:  \_\_\_\_\_ Date

Signed, Managing Director/Chief Executive Officer:  \_\_\_\_\_ Date

**Please enclose with this Proposal:**

- (a) The last two (2) Annual Reports and financial statements (including audit report) of the Association.
- (b) Copy of the Indemnity Clause (if applicable).

**Your Insurance Adviser or Broker**

Please return the completed form to your Financial Services Provider.



