

## Civic Insurance Brokers

### Important notices

#### **Your Duty of Disclosure:**

Before you enter into this insurance contract with us for the first time, the Insurance Contracts Act 1984 requires you to provide us with the information we need to enable us to decide whether and on what terms your proposal for insurance is acceptable and to calculate how much premium is required for your insurance. You will be asked various questions when you apply for this policy.

#### **When you answer these questions, you must:**

- ◆ give us honest and complete answers
- ◆ tell us everything you know; and tell us everything that a reasonable person in the circumstance could be expected to tell us.

You do not need to tell us about any matter:

- ◆ that diminishes the risk;
- ◆ that is of common knowledge;
- ◆ that we know or should know as an insurer; or
- ◆ that we tell you we do not need to know.

#### **Who does the duty apply to?**

Everyone who is insured under the policy must comply with the relevant duty.

#### **What happens if you or they breach the duty?**

If you or they do not comply with the relevant duty, your insurer may cancel the policy or reduce the amount they pay if you make a claim. If fraud is involved, they may treat the policy as if it never existed and pay nothing.

#### **Duty on renewals, variations and reinstatement:**

A different duty applies for any variation or renewal or reinstatement of the policy.

*Please refer to your policy wording for this duty.*

#### **Privacy Act 1988**

The Privacy Act 1988 requires us to tell you that as we collect your personal and other information in order to:

- ◆ decide whether to issue a policy,
- ◆ determine the terms and conditions of your policy,
- ◆ compile data, and
- ◆ handle claims.

We disclose personal information to third parties who we believe are necessary to assist us and them in providing the relevant services and products. For example, in handling claims, we may have to disclose your personal and other information to third parties such as insurers, loss adjusters, investigators, agents and others involved in the claims handling process, or as required by law. We limit the use and disclosure of any personal information provided by us to them to the specific purpose for which we supplied it.

You have the right to seek access to your personal information and to correct it at any time. Please contact us 9am-5pm, Monday-Friday and advise us of the changes. If you do not agree to the collection of your personal information then unfortunately we will be unable to process your proposal.

#### **Claims Made and Notified Basis of Coverage**

The Associations Liability Insurance Policy is issued on a "Claims made and notified" basis.

This means that the Insured Clause responds to:

- ◆ claims first made against you during the policy period and notified to the insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and:
- ◆ written notification of facts pursuant to Section 40(3) of the Insurance Contracts ACT 1984. The facts that you may decide to notify, are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the policy expires. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, S40(3) of the Insurance Contracts Act 1984 is set out below;

S40(3) Where the insured gave notice in writing to the insurer of facts that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, 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 cover provided by the contract.

When the policy period expires, no new notification of facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the policy period. You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed by you prior to the retroactive date, where one is specified in the policy terms offered to you.

1 Name of applicant:

2 Address of web site:

3 Address of head office:

4 Are you registered for GST purposes : Yes No  
What is your ABN?

5 Date you commenced business:

6 Please provide details of any previous name(s) the business has traded under:

7 Total number of members:

8 Does the Association have any subsidiaries or is itself a subsidiary of another entity? Yes No  
If yes, please give details

9 Is the Association an incorporated body? Yes No  
If yes, under the provisions of what legislation is it incorporated?

### Professional Indemnity cover

10 Please state the principal business of the Association:

**Please tick (✓) Yes or No and give details as requested.**

11 Does the Association;

- |    |  |     |    |
|----|--|-----|----|
| a) | Provide legal, financial, investment or environmental advice?  | Yes | No |
| b) | Engage in any form of medical treatment, medical advice or scientific or medical research?   | Yes | No |
| c) | Have a gaming licence?   | Yes | No |
| d) | Provide any web hosting or act as an Internet service provider?  | Yes | No |
| e) | Provide computer or information services or web sites with chat lines or bulletin boards or discussion areas where input can be posted by the public at large? | Yes | No |
| f) | Promote or provide any form of insurance to your members or act as an insurance agent?   | Yes | No |
| g) | Engage in real estate development, actual construction, fabrication, erection or any form of contracting?  | Yes | No |
| h) | Engage in the manufacture, sale or distribution of any product or process or patented production process?  | Yes | No |
| i) | Has any member or shareholder that controls 10% or more of the share capital or 10% or more of the voting rights of the Association?                           | Yes | No |
| j) | Provide any legal aid services, financial services, computer services, other advisory services?  | Yes | No |
| k) | Engage in any form of research, development, experimentation or testing?   | Yes | No |
| l) | Conduct activity which evaluates or sets standards for the qualification and performance of others or the quality of products manufactured?                    | Yes | No |

If you answered yes to any of the above questions please elaborate below;

- |       |  |     |    |
|-------|--|-----|----|
| 12 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 report? | Yes | No |
|-------|--|-----|----|

- |   |     |    |
|---|-----|----|
| b) Is the proposed insured person aware of any facts or circumstances that might affect the financial position, capital structure, operation of the Association or its ability to meet all its debts as and when they fall due? | Yes | No |
|---|-----|----|

If you answered yes to either of the above questions please elaborate;

- |  |     |    |
|--|-----|----|
| 13 a) Has the Association recently (the last 5 years) been merged, acquired, or itself acquired another Association? | Yes | No |
|--|-----|----|

- |  |     |    |
|--|-----|----|
| b) Is the Association currently aware of any potential takeover, acquisition or merger with another Association? | Yes | No |
|--|-----|----|

If you answered yes to either of the above questions please elaborate;

### Directors and officers cover

- |  |     |    |
|--|-----|----|
| 14 Has any director or executive officer of the Association been declared Bankrupt, entered into a deed of assignment or a scheme of arrangement with creditors? | Yes | No |
|--|-----|----|

If yes please provide details;

- |   |     |    |
|---|-----|----|
| 15 Has any director or executive officer of the Association been a director of an organisation placed in administration, a scheme of arrangement, receivership, liquidation or provisional liquidation? | Yes | No |
|---|-----|----|

If yes please provide details;

- |   |     |    |
|---|-----|----|
| 16 a) Has there been, or is there now pending any Claim against any proposed Insured Person in their capacity as a director, officer, secretary or Committee member or employee of either the Association or any other company or organisation?       | Yes | No |
| b) Do any circumstances exist that might give rise to a claim against any insured person?   | Yes | No |
| c) Has there been, or is there now pending, any action, litigation or other proceedings against the Association, including any action, litigation or other proceeding brought under or pursuant to any Commonwealth, State or Territory legislation?  | Yes | No |
| d) 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 |
| e) Do any circumstances exist that might give rise to any event described in c) or d) above?  | Yes | No |
| f) Has the Association or any proposed Insured Person ever been refused this type of Insurance, had similar insurance cancelled, had an application for renewal declined or had special terms imposed?  | Yes | No |
| g) If insurance similar to that now proposed had been or were now in effect, would any claim which had been made or which is now pending against the Association or any person proposed for insurance have fallen within the scope of such insurance? | Yes | No |

If yes please provide details;

### Employment Practices Cover

17 Please indicate the salary range of officers and employees of the Association (Officers shall mean those individuals concerned with the management of the Association, including all directors. Employees shall mean all those not included as officers).

	No. of Officers	No. of Employees
Receiving \$45,000 a year or less		
Receiving \$45,001 to \$100,000 per year		
Receiving over \$100,000 a year		

18 Please detail the following information for the last 3 years:

	Year
No. of Part Time Staff	
No. of Contract Workers	
No. of Full Time Staff	
Total Number of Staff	
No. of employer initiated terminations	
No. of early retirements	
Total staff turnover	

19 Does the Association have:

A Human Resources department?	Yes	No
A written HR manual or equivalent guidelines?	Yes	No
An employee Handbook distributed to all new staff?	Yes	No
<b>Written policies for;</b>		
a) Equal opportunity	Yes	No
b) Anti-sexual harassment	Yes	No
c) Discrimination	Yes	No
d) Legal procedures to be followed before termination of employment	Yes	No

20 a) Does the Association presently carry, or has the Association ever carried, Association liability, Professional Indemnity or Directors & Officers Insurance? Yes No

If yes please provide details;

Insurer

Expiry Date

Limit of Indemnity

Premium

## 21 Application for Cover

- a) Limit of Indemnity required
- b) Policy excess required
- c) Policy Sub-limit for Employment Practices;
- \$100k      \$250k      \$500k      Other

d) Please indicate which of the following policy extensions you require;

Policy Reinstatement	Yes	No
Fidelity <small>If yes, please answer question 22 to 26</small>	Yes	No
Outside Directorship	Yes	No
Extended Reporting Period	Yes	No

If outside Directorship is required, please provide the name of the director and a copy of the audited financial statement of the other organisation.

**Fidelity cover/taxation investigation cover**

- |  |     |    |
|--|-----|----|
| 22 Have you sustained any loss through fraud or dishonesty of any employee?                                | Yes | No |
| 23 Are all cheques required to be signed by at least two different authorised Signatories?                 | Yes | No |
| 24 Do you operate a trust account?   | Yes | No |
| If Yes, do you employ the services of an independent and qualified Accountant to audit your trust account? | Yes | No |
| 25 Have you ever received a tax audit advice from the Australian Taxation Office?                          | Yes | No |
| 26 Do you employ the services of an independent accountant?  | Yes | No |
| If Yes, please state their company name and address:   |     |    |

27 Are you stamp duty exempt?    Yes      No

If Yes, please provide evidence of the exemption (usually a letter from your state revenue office).

If No, please provide current staff numbers by state.

NSW	VIC	QLD	SA	NT
WA	ACT	TAS	Overseas	
Total				

**Declaration;**

I/We the undersigned authorised 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 attached to 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 our Insurers 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 for a contract should a policy be issued; and further, the applicants acknowledge that the Proposal and the accompanying documents will be incorporated in the Policy.**

Signature:

Date:

Name:

Signature:

Date:

Name: