

Chartered Accountants Australia & New Zealand Professional Indemnity and Management Liability Proposal Form

SECTION 1: Professional Indemnity

1. Insured Details

1.1 Is at least one principal, director or senior manager of your firm a member of Chartered Accountants Australia and New Zealand? YES NO

If Yes please provide the member name and membership number below:

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1.2 Name all entities or others for which cover is required; including any service, trustee, administrative, nominee, subsidiary or newly created companies (from hereon referred to as "you", "your" or "the practice").

Name	Date Established

1.3 Has the name of the practice ever changed, amalgamated, merged with or acquired another practice or business? If **YES** please list the prior entity names and the year of each change in the table below. YES NO

Name	Year of Change

2. Location

2.1 Principal Office and/or correspondence address

Address

Telephone Contact Email

List all company websites

3. Personnel

3.1 Please provide the following details

Names of Partners/Principals/ Directors	Age	Qualifications	Date Qualified	Professional Body Memberships	Time Practising as Partner/Principal/Director		
					At this Practice	At previous practice, please provide Practice name	Time



3.2 Please provide a breakdown of personnel falling into the following categories:

	Partners/Principals/ Directors	Qualified Accountants	Other technical staff or staff training	Non-technical / Administrative staff	Other staff
Full time					
Part time					

3.3 Do you have arrangements in place to cope with temporary absences (e.g. leave, sickness or unforeseen emergency)? YES NO

3.4 Aon can provide advice around key person cover, personalised shareholder arrangements for your business, and income protection - in addition to any life/health and employee benefit requirements.
Do you require Aon to contact you to discuss the issues? YES NO

4. External Appointments

4.1 Is any Partner or Director of the practice or Employee on behalf of the practice acting as a Director of any outside entity? (including but not limited to professional directorships undertaken as part of your accounting services and/or any directorships held for companies you own or are a shareholder in) YES NO

4.2 If **YES** please complete the Management Liability section of this application form as this exposure is not covered under the Professional Indemnity policy

5. Contractors

5.1 Do you engage consultants, sub-contractors or agents to perform services as part of your professional business for which you could become liable? YES NO

5.2 Please advise what percentage of your fees/turnover relates to such consultants, sub-contractors or agents. %

5.3 Do you contractually require such consultants, sub-contractors or agents to carry their own professional indemnity insurance? YES NO

5.4 Do you enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which you may have against such consultants, sub-contractors or agents? YES NO

5.5 Do you have any agreements to name consultants, sub-contractors or agents under your own professional indemnity covers? (**Note this is not automatically covered**). If **YES** please provide details below.

6. Work Activity

6.1 Please detail the approximate percentage of your total fee income that is derived from the following activities:

Activity	% of fees	Activity	% of fees
Accounts Preparation	%	Mergers & Acquisitions	%
Taxation	%	Prospectus Reporting and/or preparation	%
Auditing	%	Referrals to other professions	%
Management Consultancy	%	Financial Advice / Investment Management	%
Corporate Advisory Services	%	Trusteeships	%
Receiverships, insolvency & reconstruction services	%	Business Valuations	%
Other please advise below	%	Secretarial Services	%
		TOTAL	100 %

6.2 If you currently or in the past have undertaken other activities that are not listed above and you require separate cover, please specify these activities below:

6.3 Are any of the above mentioned activities performed for listed public companies or financial institutions? If **YES** please advise as per the table below. YES NO

Name of Entity	Nature of Business	Total Revenue
		\$
		\$
		\$
		\$

6.4 If you have indicated a percentage under *Trusteeships* in section 6.1 - how many trusteeships does your firm hold?

Please be aware that no cover is provided where you or a member of your family has a financial interest greater than 15%. Please discuss this with your broker if that raises an issue.

6.5 The policy does not automatically cover any trust activity engaged in the operation of commercial business. YES NO
Do you require a separate quote for this exposure?

- If **YES** please **attach** a separate list including
- i. Entity name
 - ii. Confirmation that the entity is solvent
 - iii. Specify whether this is a current or former appointment

6.6 Is any member of the Practice's staff able to transfer funds or sign cheques on his/her signature alone? YES NO

6.7 If applicable, does your Practice have policies and processes in place to comply with the Anti Money Laundering and Countering Financing of Terrorism Act 2009? YES NO

7. Revenue

7.1 Please detail your gross income / fees (excluding GST)	Actual for the last financial year	\$
	Estimate for the current financial year	\$
	Estimate for next financial year	\$

7.2 Is any of the above revenue derived from work that may be applicable to US/Canada jurisdiction? If **YES** please provide details as per the table below YES NO

Description of the Work	Percentage
	%
	%
	%
	%

7.3 What is the date of your financial year end?

7.4 What is the largest fee you received from any single client? \$

7.5 If you refer clients to other external professionals do you disclose any income you earn as a result of this referral? YES NO

8. Indemnity Limit Required

8.1 Please specify the limit of indemnity you require:	Option 1	\$
	Option 2	\$

In selecting the appropriate limit please ensure that you have given consideration to your contractual and/or professional body standards. CAANZ standards can be found: <http://www.charteredaccountants.com.au/Industry-Topics/Practice-management/Professional-indemnity-insurance.aspx>

9. Prior Insurance

9.1 Does the Practice carry, or has it ever carried, Professional Indemnity insurance? If **YES**, please advise as follows" YES NO

Expiry Date		Insurer / Broker	
Limit of Indemnity	\$	Excess	\$
		Expiring Premium	\$

PLEASE COMPLETE THE CLAIMS EXPERIENCE AND DECLARATION ON PAGE 6 & 7 OF THIS FORM

SECTION 2: Management Liability

This section provides cover for risks not insured under the Professional Indemnity section. We have negotiated a package offer for the following classes of insurance which we will include within our quotation document.

1. Scope of Additional Policies / Limits / Excess

A	Insurance Class	B	Pre Agreed Policy Limit \$5,000,000 for all claims under all policy section	C	Limit Options If alternative required	D	Pre agreed excess
	General Liability	\$2,000,000	any one claim and in all	\$		\$500	
	Statutory Liability	\$2,000,000	any one claim and in all	\$		\$500	
	Employers Liability	\$2,000,000	any one claim and in all	\$		\$500	
	Directors & Officers Liability	\$2,000,000	any one claim and in all	\$		\$2,500 Costs Inclusive	
	Corporate Legal Liability	\$50,000	any one claim and in all	\$		\$500	
	Employment Practices Liability	\$50,000	any one claim and in all	\$		\$5,000	
	Employee Dishonesty / Fidelity	\$100,000	any one claim and in all	\$		\$5,000	
	Kidnap and Ransom	\$50,000	any one claim and in all	\$		\$1,000	
	Umbrella Defence Costs (in addition to the Policy Limit)	\$1,000,000	any one claim and in all	\$		\$2,500	

General Liability	Protects against damage to third party property or third party personal injury for which the insured can be held legally liable.
Statutory Liability	Covers legal defence costs and certain fines or penalties under various Acts of the New Zealand Parliament (or any amendment to or re-enactment) excluding Acts enforced by any revenue collecting authority, Acts that are against public policy and are uninsurable and any fines, penalties or infringement fees imposed under Health & Safety legislation. This cover will only apply to the entities declared in Q1.2 and covers your Directors, Principals and/or Staff in relation to the professional activities and duties within the practice.
Employers Liability	Provides insurance protection for employers liability to pay compensation to an employee for work related person injury sustained in New Zealand which is not covered by ACC.
Directors & Officers	Covers for claims against the directors, officers or employees (insured persons) of the company (insured organisation) for any actual or alleged act, error, omission, breach of duty, breach of trust, breach of authority, misstatement or misleading statement by them.
Corporate Legal Liability	Protects against claims made against your company as a result of any actual or alleged, breach of trust, error, omission, misstatement, misleading statement, neglect or breach of duty.
Employment Practices Liability	Covers claims against the company by any person who was, now is or becomes during the policy period an employee for an actual or alleged employment-related breach.
Employee Dishonesty/Fidelity	Cover for direct financial loss to the company resulting from a single act, or series of related, continuous or repeated acts, of fraud, dishonesty or theft committed by an employee, acting alone or in collusion with others.
Kidnap & Ransom	Covers Loss resulting directly from a Kidnapping, Hijacking, Wrongful Detention, Extortion, Cyber Extortion or Political Threat during the Policy Period
Umbrella - Defence Costs	A separate limit of indemnity designated specifically to pay your defence costs in any third party claim scenario. This section has been specifically developed to deal with the situation created in Steigrad vs BFSL 2007 Limited (Bridgecorp)

2. Directors & Officers Questions

- a. What are the Total Assets for your practice? (including any subsidiary companies that are to be insured) \$
- b. Are there any facts or circumstances that might affect the ability of the practice to meet all its debts as and when they fall due? If **YES** please provide details below. YES NO
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c. If applicable please state the total number of Directorships currently held on behalf of client companies as part of your accountancy services. \$

d. Are any of these outside directorships for clients who are listed public companies or financial institutions? YES NO
If **YES** please **attach** a copy of the last audited financials for each company and the date of when the appointment commenced.

e. Are there any past directorship appointments that you may no longer hold for which you require insurance to be maintained to provide cover for claims arising out of past acts? YES NO
If **YES** please provide details in the table below.

Entity Name	Start Date	End Date

SECTION 3: Claims Experience & Declaration

- a. Has the Company or any director, officer or employee ever been refused any of the covers applied for, had a similar policy cancelled, or had special terms imposed? YES NO
- b. Has any person or entity proposed for any of the covers applies for suffered any loss in the past five years that would have been covered under one or more of the covers in the proposed Policy(s)? YES NO
- c. Have you, your subsidiaries, affiliates, employees, fellow partners or principals or business predecessors been the subject of disciplinary action or investigation by any authority or regulatory agency? YES NO
- d. Is the Company or any person proposed for coverage aware of any facts, circumstances, acts or omissions that may give rise to any future claims under the proposed Policy(s)? YES NO
- e. Has the practice ever sustained a loss through the fraud or dishonesty of an employee? YES NO

If you have answered **YES** to any of the above, please provide full details below

Attachments

Please ensure that attachments are included if applicable as follows:

- Section 1 - Q4.2 Management Liability complete
- Section 1 - Q6.5 List of trading trusts
- Section 2 - d Outside Directorships Audited Financials

Declaration

I/We declare on behalf of all proposed insured's that:

- I/We acknowledge that we have read and understood the Important Notices contained in this application;
- All answers and statements in this proposal are correct and complete in every respect and there is no further information which may affect acceptance of the proposal;
- If accepted, this proposal and declaration, and any other material which I/we have provided, shall be incorporated into and form the basis of the contract of insurance;
- I/We understand that the insurer requires this information (which will be retained by Aon/the insurer) in order to decide whether to accept this proposal, and also that the Privacy Act 1993 entitles me/us to have access to and request the correction of this information;
- The insurer is authorised to disclose information received from me/us to its advisors, reinsurers and to other insurers. I/We authorise the insurer to obtain, from any party, information that is, in the insurer's view, relevant to this proposal;
- I/We understand that the insurance will not be in force until this proposal has been accepted and cover confirmed by the insurer.

Signed

Printed name

Position

Date

Telephone

Important Notices

Material Facts & Non Disclosure

"You" (this includes every person or entity to be insured under this insurance) are under a duty to disclose all material facts that could influence a prudent insurer's decision to accept this insurance and, if so, on what terms. You need to disclose both facts known to you AND facts which you could have been reasonably expected to know about. If you are in any doubt as to whether a fact may be material, you should disclose it to ensure that any cover granted is not prejudiced. If you fail to comply with your duty of disclosure, your insurer may be entitled to avoid the contract altogether, and so decline to pay any claim.

Jurisdiction

Except to the extent otherwise provided in any subsequently issued policy, the content and use of this form and any agreement entered into pursuant to this form or any dealing in relation to or arising from this form are governed by the laws of New Zealand and in relation to those matters, the parties submit to the jurisdiction of the courts of New Zealand.

Completion Notes

If you are completing this form electronically, please use your 'Tab' key to take the cursor to the next available field. Boxes can be 'checked' either by hitting 'X' or using your mouse.

Upon completion you will need to print the form in order to sign the Declaration. The form can then be posted/faxed/ scanned and/or emailed to your broker.

Privacy Act 1993

Pursuant to the Privacy Act 1993, the following is brought to your attention:

- This authority enables us to collect personal information about you.
- The information is collected to evaluate the insurance you seek.
- The intended recipients of the information are:
 - Aon New Zealand
 - The Underwriters of this insurance
 - The Reinsurers of this insurance
 - Any agent of the above
 - Insurance Claims Register Ltd
- If you refuse to provide the information, the Underwriters may decline your proposal.
- The information is being collected and held by Aon New Zealand and the Underwriters of this insurance.
- You have rights of access to, and correcting of this information, subject to the provisions of the Privacy Act 1993.

Please answer ALL questions fully. If you need extra space please attach additional pages on your letterhead and tick the appropriate box.

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