



Association liability insurance

(with optional public liability and
voluntary workers personal accident insurance)

Proposal form 2011-2012

Please return completed proposal form to your nearest Aon office (back page of proposal)

Aon Risk Services Australia Limited
ABN 17 000 434 720

Notice to the proposed insured

It is a requirement of the Insurance Contracts Act 1984 and the Corporations Act 2001 that the following notices 1, 2, 3, 4, 5 and 6 be brought to your attention before you complete this proposal form.

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 that you know, or could reasonably be expected to know, that 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 the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by the Insurer
- that is a common knowledge
- that your Insurer knows or, in the ordinary course of its business, 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.

The requirement of full and frank disclosure of anything which may be material to the risk for which you see cover (e.g. 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 and notified policy

This proposal is for a "claims made and notified" 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 which you first became aware of 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.

Upon expiry of the policy no further claims can be made thereunder and the need to maintain insurance or arrangement of Run-Off cover is essential.

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

3. Broker acting as agent of insurer

In effecting this contract of insurance the broker will be acting under an authority given to it by the Insurer and the broker will be effecting the contract as agent of the Insurer and not the Insured.

4. Claims notification

If you become aware of a claim or of circumstances that could give rise to a claim in the future, you should notify us in writing immediately, so that we can notify your insurer on your behalf. If you become aware of a claim or of circumstances and you do not notify them during the policy period, you could be left uninsured or facing a reduced payout from your insurer in respect of that claim or any future related claim.

5. Average provision

This policy provides that if a payment in excess of the limit of indemnity available under this policy has to be made to dispose of a claim, the insurer's liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim. Any surplus will be deducted from claim payments.

6. Subrogation agreements

Where another person would be liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, the insurer will not cover you under the policy for any such loss or damage.

Aon's privacy statement

Aon has always valued the privacy of personal information. When we collect, use, disclose or handle personal information, we will be bound by the Privacy Act 1988.

If you would like a copy of our Privacy policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or email your Aon contact or access our website – www.aon.com.au.

Association liability information guide

Answers to your most common questions on Professional Indemnity, Directors' & Officers' Liability, Employment Practices Liability and Association Liability Insurance

What is Association Liability Insurance?

- A. The policy is a combination of Professional Indemnity, Directors' & Officers' Liability Insurance and Employment Practices Liability, designed to meet the needs of "not-for-profit" associations.

Each section of this policy will cover your own legal defence costs as well as compensation and legal costs payable to the claimant (ie a third party) following an allegation of a "wrongful act" by you in the course of your professional duty.

About each section:

Professional Indemnity

This section provides protection to the association, office bearers and employees, for claims that arise from any advice they give to third parties and members.

Office Bearers

This section provides personal protection to all office bearers for claims that arise from wrongful acts, committed whilst representing their association.

Entity Insurance

This section provides protection to the Association itself where the Association becomes legally liable for claims not covered under other section of the policy. This is a key area of coverage for all associations.

Employment Practices

This section provides cover for any loss the Association is legally liable to pay arising from any Employment Practices claims. Subject to conditions.

Fidelity

This section provides protection for loss of money (limit \$100,000) due to dishonesty of an office bearer in the conduct of the Association's professional duty. Subject to conditions.

Taxation Investigation

This section provides cover for the Association for tax audit costs. Subject to conditions.

Q. What is a "Claims Made and Notified" policy?

- A. These policies are arranged on a "claims made and notified" basis. Under a "claims made and notified" policy, any new claim or potential claim that is made against you must be lodged under the current policy, not the policy in place when the mistake was initially made.

For example: If you let your policy expire on 31 October 2008 and do not effect a new policy, and 6 weeks later a claim is made against you for the work performed by you prior to 31 October 2008 (or at any time in the past), you will have no current policy to respond to that claim. All cover under each year's policy ceases absolutely on the expiry date.

Each new policy should have unlimited retroactive cover which will mean that once you have effected a new policy, any of the past work performed by you will be protected by that new policy, should a claim arise against you.

It is vitally important therefore that any new claim or complaint that comes to your attention is properly notified to your current insurer during the current policy (and definitely before it expires).

Q. What level of Sum Insured should I select?

- A. It is recommended that you ensure that the level of indemnity carried sufficiently reflects the potential exposure of the type and level of your activities.

Consider also that the claim/circumstances advised to Insurers during the currency of the 2008 policy will be subject to that limit of indemnity, even though matters might be settled some time later and any settlements will reflect damages and costs at the later time.

Q. What is the Excess on the policy?

- A. Unlike all other Association policies there is **NO** excess under this policy for Professional Indemnity, Directors' and Officers' Liability and Employment Practices Liability Insurance sections.

Q. What is Entity Cover?

A. This section of the policy covers a claim made against the Entity which is not covered under a standard Directors' & Officers' policy. A Directors' & Officers' policy only covers personal liability of the Directors and Office Bearers.

This policy covers the Entity, Directors and Office Bearers for legal fees and any claims for damages.

Q. When do I notify a claim/potential claim?

A. As soon as you:

- are aware of a problem which involves a loss or potential loss to a client, regardless of whether or not the client knows yet
- receive a verbal complaint which cannot be easily solved and without expense
- receive a client letter threatening legal action
- receive a solicitor's letter threatening legal action
- receive a Writ / Summons / Subpoena / legal court document.

Q. What Extensions to the policy are included?

A. The following extensions are automatically covered by this policy:

- Defamation
- Trade Practices and Related Legislation
- Continuous Cover
- Extended Reporting Period
- One Automatic Reinstatement of Professional Indemnity Insurance Limit of Indemnity
- Advance Payment of Defence Costs
- Employment Practices Liability
- Trusteeship (excess of any other Trustee Policy)
- Spousal Liability
- Occupational Health & Safety
- Outside Directorships
- Pollution Expenses
- Court Attendance Witness Expenses
- Breach of Confidentiality
- Loss of Documents
- Dishonesty of Office Bearers
- Fidelity (\$100,000)
- Attendance at Enquiries
- Breach of Copyright
- Legal Representation Costs
- Automatic Run-off Liability for Office Bearers
- Joint Venture
- Committees
- Estate
- Statutory Liability (\$500,000)
- Free Legal Consultation (2 hours)
- Preservation of Indemnity
- Public Relations Expenses

Q. What are the conditions applying to Fidelity cover?

A. The automatic cover is only provided if:

- (1) The Association keeps an account in the name of the Association and this is audited annually by a qualified independent accountant.
- (2) All cheques are authorised by two signatures.
- (3) The Association takes all reasonable precautions to prevent any loss.

Q. What is a "Wrongful Act" under the policy?

A. A "Wrongful Act" is defined as:

"Any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, other act wrongly committed or wrongly attempted by any Insured Person, individually or otherwise, in the course of his/her duties to the Association."

As you can see from the definition above, the cover provided is very broad.

Q. Can we include Public/Products Liability cover?

A. Yes, but the policy will exclude the following areas of activity:

- (1) Organisers of fairs, festivals, fetes or sporting events.
- (2) Child care facilities, community centres and counselling facilities.
- (3) Participation exclusion.

Q. Can we include Voluntary Workers Personal Accident cover?

A. Yes. The policy covers all volunteers (office bearers/committee members) whilst attending meetings/functions on behalf of the Association.

Please contact your nearest Aon office if you have any further questions.

Association liability insurance. Proposal form

with optional public liability and voluntary workers personal accident insurance

2011/2012

Please complete and return this proposal form to the Aon office in your state. (Refer to the back sheet.)

If you are faxing your proposal form, please do not send the original.

1. Details of Insured (referred to in the proposal)

Name of organisation

ABN

Contact person

Mr Mrs Ms Miss

First name Family name

Postal Address

Suburb State Postcode

Phone Fax

Email

Web address

- NOTE:** (a) If the policy is to cover a national body and all of its state affiliation or chapters, please provide details of the name and address of each state affiliation, chapter or body on a separate sheet.
(b) If the policy is to cover any subsidiary or associated body, please provide details on a separate sheet.

2. Organisation details

(a) Year the organisation was established.

(b) Is the organisation an incorporated body? Yes No

If 'Yes', under what legislation is it incorporated?

(c) Are you a licensed gaming venue? Yes No

(d) Please provide a brief summary of the role and activities of the organisation.

(e) Approximate number of members in your organisation.

3. Staff numbers

Please state number of:

(a) <u>Paid Employees</u>	<i>National Office</i>	<i>State / Local Office</i>
(i) Executive staff, secretaries, clerical or technical staff	<input type="text"/>	<input type="text"/>
(ii) All other employees	<input type="text"/>	<input type="text"/>
(b) <u>Volunteers</u>		
(i) Office bearers (excluding sub-committees)	<input type="text"/>	<input type="text"/>
(ii) Sub-committee members	<input type="text"/>	<input type="text"/>

4. Revenue details

(a) Actual total gross revenue for the last financial year	\$ <input style="width: 100%;" type="text"/>
(b) Estimated total gross revenue for the current financial year	\$ <input style="width: 100%;" type="text"/>
(c) Financial year balance date	<input style="width: 100%;" type="text"/>

5. Stamp Duty

(a) Please provide a percentage breakdown of revenue by state or territory (which state do you conduct your activities from?)

<input type="text"/> % ACT	<input type="text"/> % NSW	<input type="text"/> % NT	<input type="text"/> % QLD	<input type="text"/> % SA
<input type="text"/> % TAS	<input type="text"/> % VIC	<input type="text"/> % WA	<input type="text"/> % O/seas	<input type="text"/> 100% TOTAL

(b) Is your organisation exempt from paying stamp duty on insurance policies? Yes No

6. Financial details *(Please state the value of)*

(a) Total assets	\$ <input style="width: 100%;" type="text"/>
(b) Total liabilities	\$ <input style="width: 100%;" type="text"/>

7. Does the Association provide any:

(a) legal, financial or environmental advice?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(b) medical treatment, medical advice, scientific or medical research?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(c) professional services (other than services provided to members) that are provided on a "fee for services" basis?	<input type="checkbox"/> Yes <input type="checkbox"/> No

(If you have answered 'Yes' to any part of Question 7, please provide full details on a separate sheet, of the type of advice, your qualifications/experience and the income generated from these activities)

8. Limits of indemnity – Association liability policy *(Please tick the relevant box for limit of cover required.)*

\$1,000,000 \$2,000,000 \$5,000,000 \$10,000,000

OPTIONAL POLICIES

9. Public / products liability *(separate policy)*

(a) Do you currently have public liability cover with Aon?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(b) Would you like a quote for public liability?	<input type="checkbox"/> Yes <input type="checkbox"/> No
(c) If so, do you manufacture goods? <i>(If 'Yes', please provided details on a separate sheet)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
(d) Limit of indemnity required <i>(Please tick the relevant box for limit of cover required.)</i>	

<input type="checkbox"/> \$10,000,000	<input type="checkbox"/> \$20,000,000	<input type="checkbox"/> Higher limit	\$ <input style="width: 100%;" type="text"/>
---------------------------------------	---------------------------------------	---------------------------------------	--

Please indicate limit required

10. Voluntary workers personal accident cover for office bearers / committee members (separate policy)

- (a) Does the organisation require voluntary workers personal accident cover for its officer bearers / committee members? Yes No
- (b) Have there been any incidents or claims for office bearers / committee members during the past five years? (If Yes, please provide details on a separate sheet.) Yes No

11. Claims / Circumstances

- (a) Have any claims ever been made against the office bearers, executive staff, sub-committee members or organisation during the past five years? Yes No
- (b) Are you aware, after enquiry, of any circumstances which may result in any claim against the office bearers, executive staff, sub-committee members, employees or organisation? Yes No
- (c) Have any losses been incurred by the office bearers or organisation which could have been the subject of claims under an Association liability policy had it been in force? Yes No
- (d) Have any losses been incurred by the office bearers or organisation which could have been the subject of claims under a public / products liability policy had it been in force? Yes No
- (e) Has any insurer ever declined, cancelled or imposed special conditions in relation to this type of insurance? Yes No

(If you have answered 'Yes' to any part of Question 11, please provide full details on a separate sheet.)

12. Insurance details

- (a) Are you currently insured?
- (b) With which company?
- (c) For what amount? \$
- (d) Amount of policy excess? \$
- (e) When does the cover expire?
- (f) Premium? \$

FINANCIAL STATEMENTS:

The latest audited financial statements of the Organisation are ONLY required if the assets or revenue exceed \$5,000,000 or if total liabilities exceed total assets at the time the proposal form is completed.

DECLARATION AND AGREEMENT

- I/We acknowledge that I/We have read the Notice to the Proposed Insured and the Association Liability Insurance Guide included with this form, and I/We understand those notices. I/We acknowledge that if the proposal form is accepted, the insurance cover will be subject to the terms and conditions as set out in the policy wording.
- I/We declare that the information contained in this proposal form is true and correct and that I/We have not suppressed nor mis-stated any facts.

Signature of Principal/Director

Date signed

Note: This proposal form can only be actioned once ALL questions have been answered and the above declaration has been signed and dated. Acceptance is also subject to underwriting guidelines.

OFFICE USE ONLY		Date stamp
Cheque ID No.	<input type="text"/>	
CC transaction date	<input type="text"/>	
Inception date	<input type="text"/>	
Total paid	\$ <input type="text"/>	

Please return completed proposal form to your nearest Aon office:

<p>Victoria</p> <p>Level 51, 80 Collins Street, Melbourne VIC 3000 GPO Box 1230, Melbourne VIC 3001 phone 03 9211 3000 tollfree 1800 805 191 fax 03 9211 3510</p>	<p>New South Wales</p> <p>Level 30, 201 Kent Street, Sydney NSW 2000 GPO Box 4189, Sydney NSW 2001 phone 02 9253 7000 tollfree 1800 251 774 fax 02 9253 7290</p>
<p>Queensland</p> <p>Level 6, 175 Eagle Street, Brisbane QLD 4000 GPO Box 65, Brisbane QLD 4001 phone 07 3223 7400 fax 07 3223 7542</p>	<p>South Australia</p> <p>Level 10, 63 Pirie Street, Adelaide SA 5000 GPO Box 514, Adelaide SA 5001 phone 08 8301 1111 tollfree 1800 806 493 fax 08 8301 1100</p>
<p>Tasmania</p> <p>1 Brooker Highway, Hobart TAS 7000 GPO Box 182B, Hobart TAS 7001 phone 03 6234 9770 fax 03 6234 9735</p>	<p>Western Australia</p> <p>Level 32, 250 St Georges Terrace, Perth WA 6000 PO Box 7026, Cloister Square, Perth WA 6850 phone 08 9429 4444 fax 08 9429 4495</p>