



Accountants

Professional indemnity insurance

Proposal form 2010

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, and 5 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 seek 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. 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.

4. 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.

5. 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.

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.

Accountants professional indemnity insurance. Proposal form

2010

Please complete and return this proposal form to the Aon office in your state. (Refer to the back page.)
If you are faxing your proposal form, please do not send the original.

Contact person

Mr Mrs Ms Miss

First name Family name

Name of **all** entities to be covered by this policy (*referred to in this proposal form as 'you' and 'your'*)
(If space provided is insufficient, please give full details on a separate addendum.)

ABN

Will you be claiming any Input Tax Credits on the GST applicable to this policy? Yes No

If Yes, what percentage? %

Postal Address

Suburb State Postcode

Phone Fax

Email

Web address

1. Please provide the following details:

Name of Partners/Principals/Directors	Professional body(ies) membership	Qualifications and date obtained	Age	Period practising as Partner/Principal/Director	
				This practice	Previous practice
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Do you require cover for Partners/Principals/Directors' previous business? Yes No

If Yes, please complete details below:

Name of Partner/Principal/Director	Name of previous practice	Date Partner/Principal/Director left that practice
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

3. Please list total number of staff:

	Principals/Partners	Qualified Accountants	Other Technical Staff	Admin/Clerical Staff	Other Staff
Full-Time:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Part-Time:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

4. Do you perform work outside of Australia, or work for clients located overseas? Yes No
If Yes, please provide full details on a separate addendum.

5. Please provide details for the percentage of your income/fees derived from each state and overseas.

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"/> %	Overseas	<input type="text"/> %	TOTAL	100 %

(as per attached details)

6. Gross Income/Fees

(a) Please state:

Actual for last financial year	\$ <input type="text"/>
Estimate for current financial year	\$ <input type="text"/>
Estimate for next financial year	\$ <input type="text"/>

(b) Date of your end of financial year

7. Do you engage consultants, sub-contractors or agents? Yes No

If Yes:

(a) Do you insist they carry their own professional indemnity insurance? Yes No

(b) 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 agents or agents? Yes No

(c) Please advise what percentage of your fees/turnover is outsourced to sub-contractors. %

8. Has any Partner, Principal, Director or staff member ever been subject to disciplinary proceedings for professional misconduct? Yes No

9. In the last ten (10) years have any claims for negligence or breach of professional duty been made against the Practice or any of its predecessors in business or any prior Practice or any of its present or former Partners, Principals or Directors, or have circumstances been notified to insurers that might give rise to a claim? Yes No

10. Are any of the Partners, Principals or Directors, AFTER ENQUIRY, aware of any claim or circumstance that might give rise to a claim against the Practice or any prior Practice or any of its present or former Partners, Principals, or Directors which matter is not referred to in question 8. above? Yes No

11. Has the Practice or any Partner, Principal or Director 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 you have answered Yes to any of questions 8., 9., 10. and/or 11., please provide full details on the attached claims addendum.)

12. Indicate approximate percentage of your fee income derived from the following fields of work:

(a) Auditing - <i>please complete addendum</i>	%
(b) Accounts Preparation / Bookkeeping	%
(c) Insolvency, Receiverships or Liquidations	%
(d) Financial Planning, Investment Advice / Management - <i>please complete addendum</i>	%
(e) Superannuation Fund Management / Trusteeship	%
(f) Taxation / GST BAS	%
(g) Management Consultancy - <i>please complete addendum</i>	%
(h) Company Directorship / Secretarial Positions	%
(i) Business Valuations - <i>please complete addendum</i>	%
(j) Other (i.e. Mergers & Acquisitions, etc) - <i>please provide details on addendum</i>	%
	100 %

13. Indicate Limit of Indemnity required: *(Minimum limit available \$500,000)*

Option 1 \$ Option 2 \$

14. Do you have a current policy in place? *If Yes, please supply details below:*

Yes No

Insurer / Broker	<input type="text"/>	Limit of Indemnity	\$ <input type="text"/>
Excess	\$ <input type="text"/>	Expiry Date	<input type="text"/>

15. Past Activities

(a) Have you undertaken in the past any activities not already described in question 12.? Yes No
If Yes, please describe those activities

(b) Some of these past activities may not be covered automatically.
 Do you wish us to investigate availability of cover for these past activities? Yes No

DECLARATION AND AGREEMENT

- I/We acknowledge that I/we have read the Notice to the proposed insured 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, and I am authorised by each of the other applicants to complete this proposal.

Signature of Partner/Principal/Director	Date signed
<input type="text"/>	<input type="text"/>

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.

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 33, 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>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>	

Claims addendum

If you have answered Yes to any of questions 8., 9., 10. and/or 11. of this proposal form, please provide the following details in respect of each matter.

If more than one matter, copy this form as required before proceeding further.

If there is insufficient space to answer questions, please continue on your headed notepaper and attach it to this addendum.

Year of notification:

Name of insurer (if any):

Name of claimant:

Nature of problem:

Amount paid or estimated \$

Potential total liability \$

Is matter finalised or outstanding?

If possible, please provide a claims report from the insurer that is handling this claim.

Declaration

I/We confirm that the information provided above is true and correct.

Name of Practice

Signature of Partner/Principal/Director

Date signed



Accountants addendum

Auditing, business valuations, management consulting and 'other' activities

Please complete the specific sections below as per your answer to question 12. of the proposal form.

Note: Insurers will not provide a quotation if this addendum is not completed.

Auditing (please complete section below)

1. Please provide the percentage of your audit activities falling into the following categories:

Public listed companies	%
Public unlisted companies	%
Private companies	%
Not for profit organisations	%
Financial Institutions	%
Trust funds	%
Superannuation funds	%
Trust funds	%
Other - please specify	%
	100 %

2. Have you undertaken any other audit activities in the past not already shown in question 1. above? *If Yes, please provide full details on a separate addendum.*

Yes No

3. Please provide details of your five largest audit clients:

Client Name	Nature of Business	Annual Fee
(i)		\$
(ii)		\$
(iii)		\$
(iv)		\$
(v)		\$

4. Business valuations, management consulting and 'other' activities

(please provide details and a percentage of income)

	%
	%
	%
	%
	%
	%
	%
	%
	%
	%

Declaration

I / We confirm that the information provided above is true and correct.

Name of Practice

Signature of Partner/Principal/Director

Date signed

Financial planners addendum

2010

1. Please indicate:

- (a) Are you a Licensed Dealer? Yes No
- (b) Are you an Authorised Representative? Yes No
- (c) State the Australian Financial Services (AFS) Licence Number you will be operating under
- (d) Are you a member of the Financial Planning Association? Yes No

2. Do you require cover for your own external authorised representatives? Yes No

(Please note, we will require each individual representative to complete a questionnaire. We will also require a copy of your guidelines for selection, training, supervision and auditing your authorised representatives. Please contact your broker for the necessary form.)

3. Please list the top five financial institutions by sum of clients' fund invested:

- (i) _____ %
- (ii) _____ %
- (iii) _____ %
- (iv) _____ %
- (v) _____ %

Do any of these institutions have a proprietary interest in your business? Yes No

If Yes, please provide detail:

4. Please indicate the percentage breakdown of your gross income (both fees and commissions) between the following activities.

- (a) Financial Planning/Portfolio Management %
- (b) Life Insurance acting as AFS Licensed Holder %
- (c) Life Insurance acting as AFS Licensed Representatives %
- (d) Non Life Insurance Agency/Broking - *please note this will be excluded* %
- (e) Superannuation Administration * %
- (f) Mortgage Originating/Mortgage Broking %
- (g) Other - *please provide details on a separate sheet* %
- 100 %**

* Superannuation administration refers to the overall administration of a self managed or regulated super fund.

5. Please advise the allocation of clients' investments according to the following breakdown:

(a) Australian equities on a DIRECT basis	%
(b) Australian equities via a MANAGED FUNDS basis	%
(c) Foreign equities via a MANAGED FUNDS basis	%
(d) Property trusts via a MANAGED FUNDS basis	%
(e) Fixed interest securities and/or cash	%
(f) Managed investment schemes (other than (b) to (e) above)	%
(g) Margin lending via a MANAGED FUNDS basis	%
(h) Margin lending on a DIRECT EQUITY basis	%
(i) Derivatives	%
(j) Other - please provide full details on a separate sheet	%
	100 %

6. Australian Equities on a direct basis

- (a) Do you obtain **external** advice and/or view external analyst reports regarding investing into shares? Yes No
(If No, please attach your guidelines in place to ensure the investment on this basis is suitable to your client.)
- (b) Do you ensure the investments are spread across more than five industries? Yes No

7. Margin Lending

- (a) Do you provide your clients with a copy of the current product disclosure statement for each funding provider when recommending margin lending products? Yes No
- (b) What is the **maximum percentage** of your clients' overall portfolio that you recommend they place via margin lending? %
- (c) Do you provide taxation advice to your clients on the implications of margin lending? Yes No
 If No, do you refer them to a Qualified Accountant? Yes No

Please attach a list of the Margin Lending facilities utilised by you.

- 8. Are you involved in client portfolio management on a discretionary basis?** Yes No
 If Yes, please advise percentage of income undertaken on this basis. %

9. Risk Management

- (a) Do you conduct a risk appraisal/needs analysis for all financial planning/portfolio management clients and present a written plan to clients for agreement? Yes No
- (b) Do you provide all your clients with a copy of a Financial Services Guide? Yes No
- (c) Do you conduct random audits on your clients' existing portfolio? Yes No
- (d) How often do you conduct audits on your existing clients' portfolio?
- (e) Who will be conducting audits on clients' portfolio?
- (f) Does a Para Planner prepare your plans? Yes No

Declaration

I, the undersigned, **after enquiry**, declare as follows:

- 1. I am authorised by each of the persons or entities in the definition of “insured” to make this proposal.
- 2. I have read this addendum and the accompanying documents and acknowledge the contents of same to be true and complete.
- 3. I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the insurers of any change in the particulars or statements contained in this addendum or in the accompanying documents.

Although the signing of this addendum does not bind the applicants to effect insurance, I acknowledge that the particulars and statements contained in this addendum and in the accompanying documents shall be the basis of the contract if a policy is issued. I also acknowledge that the addendum and the accompanying documents will be incorporated in the contract of insurance.

Name of Practice

Signature of Partner/Principal/Director

Date signed