



Financial Planners Professional Indemnity Insurance Proposal Form

IMPORTANT NOTICES

The proposed insurance is issued on a 'claims made' basis. This means that the policy responds to:

1. claims first made against the insured during the policy period and notified to Pacific Indemnity Underwriting Solutions Pty Ltd during that policy period, providing that the insured was not aware, at any time prior to the policy inception, of circumstances which would have alerted a reasonable person in the insured's position that a claim may be made against the insured; and
2. 'claims circumstances' notified pursuant to Section 40 (3) of the Insurance Contracts Act which states:
'where the insured gave notice in writing to the insurer of facts that might give rise to a 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'.

After policy expiry, no new claims can be made on the expired policy even though the event giving rise to the claim may have occurred during the policy period.

If during the policy period you become aware of circumstances which a reasonable person in your position would consider may give rise to a claim, and which you fail to notify to us during the policy period, we may not cover you under a subsequent policy for any claim which arises from these circumstances.

When completing the proposal you are obliged to report and provide full details of all circumstances of which you are aware and which a reasonable person in your position would consider may give rise to a claim.

It is important that you make proper disclosure (see **Duty of Disclosure**, below) so that your cover under any new policy with us is not compromised.

Pursuant to the Insurance Contracts Act your duty to disclose all relevant information is set out below.

Duty of Disclosure

Before entering into a contract of general insurance, you have a duty, under the Insurance Contracts Act, to disclose to us every matter that you are aware of, or could reasonably be expected to be aware of, that is relevant to our decision about insuring you and if so, on what terms. You have the same duty to disclose these matters to us before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter -

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of our business, ought to know;
- as to which compliance with your duty is waived by us.

You should note that your duty continues after the proposal form has been completed until the policy is entered into, i.e. until the date we receive instructions to bind cover.

Non-disclosure

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim or may cancel the policy. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning. It is therefore vital that you enquire of all entities comprising the insured, including senior staff, before completing the proposal form and before you sign any declaration confirming no change in the information disclosed.

Retroactive Liability

The proposed insurance may be limited by a retroactive date either stated in the schedule or endorsed onto the policy. Where the retroactive cover provided by the proposed policy is subject to such a date, then the policy does not cover any claim arising from actual or alleged act, error, omission or conduct occurring prior to such retroactive date.

Average Provision

One of the insuring provisions of the proposed insurance may provide that where the amount required to dispose of a claim exceeds the limit of the sum insured in the policy then Pacific Indemnity Underwriting Solutions Pty Ltd shall be liable only for a proportion of the total costs and expenses. This shall be the same proportion of the total expenses as the policy limit bears to the total amount required to dispose of the claim.

Surrender of Waiver of any Right of Contribution or Indemnity

If another person or company is liable to compensate you or hold you harmless for part or all of any loss or damage otherwise covered by our policy, but you agree with that person or company (either before or after the inception of our policy) that you would not seek to recover any loss or damage from them, we will not cover you for this loss or damage.

Wholesale only

Pacific Indemnity Underwriting Solutions Pty Ltd is only licensed to offer or provide General Insurance products or services which do not include any of the following types of General Insurance (which are defined by the Corporations Act as "retail"): Motor Vehicle, Home Building, Home Contents, Sickness and Accident, Consumer Credit, Travel, Personal or Domestic Property, Medical Indemnity or any other kind of General Insurance which has been prescribed by the Corporations Regulations.

About Pacific Indemnity Underwriting Solutions Pty Ltd

Pacific Indemnity Underwriting Solutions Pty Ltd, ABN 14 606 511 639, specialises in Professional Risk insurance (including Professional Indemnity Insurance, Malpractice Insurance, Information & Communication Technology Insurance, Management Liability Insurance and similar products). Pacific Indemnity's Australian Financial Service Licence number is 480863.

Professional Indemnity Insurance Proposal Form for Financial Planners

1. Details of Proposer

Full Legal Name(s) of each natural person & incorporated body to be insured, and any Trading Name(s)

ABN		Contact Person
Commencement Date of Business		
Name(s) of any Legal Entity the Business has operated under (other than those answered above)		
Name(s) of any other business your Business has purchased, merged or consolidated with		

2. Address

Street Address	
Suburb	State
Telephone	Postcode
Postal Address (if Different)	
Email Address	Website Address
Number of Office Locations	
Other Office Locations	

3. Details of the proposed Insured's principals/partners/directors:

Name	Qualifications	Years as principal of this practice	Year as principal of prior practice	Name of prior practice

4. Number of full-time equivalent staff in the following categories:

Partners/Principals/Directors	
Qualified Staff (other than directors)	
Employed Authorised Representatives (not included above)	
Non-employed Authorised Representatives (not included above)	
Administration/support & other staff	
Total Staff	

5. Firm History & Staff Details:

Has the Firm, Company or Practice ever changed their Name?	YES ☐	NO ☐
If 'Yes', please provide or attach details		
Has any other Practice or Business amalgamated or merged with the Firm, Company or Practice?	YES ☐	NO ☐
If 'Yes', please provide or attach details		
Has the Firm, Company or Practice purchased any other Practice or Business?	YES ☐	NO ☐
If 'Yes', please provide or attach details		

6. Non-Employed Authorised Representatives:

Do You have non-employed (Corporate) Authorised Representatives (CARs / ARs)?	YES ☐	NO ☐
If 'Yes', please advise the number of CARs and/or ARs		
If 'Yes', please attach a copy of the checklist you use before you appoint your ARs	ATTACHED?	
Please attach an AR application form	ATTACHED?	

Please note that no cover is provided for claims arising from the activities of non-employed ARs relating to their services under a prior AFS Licensee.

7. Fee Income

Total amount of the Proposed Insured's turnover for the following periods:

(a) Previous 12 months	\$
(b) Current 12 months	\$
(c) Coming 12 months (estimate)	\$

8. Details of the Business

Details of Professional Services undertaken	Gross Fees	% of Annual Gross Income
Wealth Management	\$	%
Risk Business (life)	\$	%
Risk Business (non Life)	\$	%
Other (Please specify)	\$	%
TOTAL	\$	%
What percentage are wholesale clients in Wealth Management?		%

9. Investment Allocation Profile – Funds Under Management

Investment type	\$FUM	% of total FUM
Cash & Fixed Interest	\$	%
Bonds	\$	%
Securitised Investments e.g. RMBS	\$	%
Mortgage funds	\$	%
Shares through Managed funds	\$	%
Shares on direct basis	\$	%
Shares unlisted	\$	%
Property trusts through managed funds or listed trusts	\$	%
Property trusts through unlisted vehicle	\$	%
Property on direct basis	\$	%
Hedge funds on multi strategy managed funds	\$	%
Hedge funds on single strategy fund	\$	%
Hybrid securities	\$	%
Structured products/ capital protected products	\$	%
Tax effective agriculture/aquaculture investments	\$	%
Alternative investment (other than investments not enumerated above e.g. commodities, private equity, infrastructure, art)	\$	%
TOTAL	\$ 0	10 %

10. Client Profile

Value of investments	Number of Clients	Total Funds Under Management in this band	Income from this band
Less than \$100K		\$	\$
\$100 to \$500K		\$	\$
\$500K to \$1M		\$	\$
Greater than \$1m		\$	\$
TOTALS	0	\$	\$ 0

11. Approved Product List

Please attach the following material

Your APL- Please divide your APL list to current APL, closed investments in the APL, any funds where product suspended distribution of funds, products included at the insistence of investors and with appropriate sign off by investors; change from current APL list from last year.	ATTACHED?
Your Investment philosophy	ATTACHED?
Member of Investment Committee and short information about the members' qualification and experience	ATTACHED?
Explanation of how your APL is created, managed and reviewed	ATTACHED?
Details of internal mechanism for approving new products or funds outside APL	ATTACHED?
Have you had any funds that are or were frozen?	YES ☐ NO ☐
If so, please attach details of funds, amount and whether such funds have been settled?	ATTACHED?
Do you advise on or deal in direct shares?	YES ☐ NO ☐
If so, please attach guidelines relating triggers for buying and selling; investor profile; profile of acceptable shares e.g. ASX top 50	ATTACHED?
Do you advise on or deal in unlisted property trusts or direct property?	YES ☐ NO ☐
If so, please attach investment guidelines which include the following: a short description of investment including usage (e.g. commercial mainly offices), valuation on acquisition, LVR, percentage leased and current LVR	ATTACHED?
Do you advise on or deal in Hedge funds, hybrid or alternative investments?	YES ☐ NO ☐
If so, please attach guidelines which includes limit for such type of investments, list of funds, investor profile for such investments, etc.	ATTACHED?
Do you advise on or deal in unlisted MIS?	YES ☐ NO ☐
If so, please attach a short description of the unlisted investments, guidelines or copy of the investment offer	ATTACHED?

12. Gearing and Margin Lending

Do you advise on or deal in margin lending?	YES ☐ NO ☐
Please advise the number of client that have Margin Lending	
Please advise the Total Value of outstanding Margin Loans	
What is the maximum LVR when you set up a Margin Loan?	
Please attach your gearing guidelines	ATTACHED?

13. Training and Risk Management

Please attach the following material

Attach details of your training and development program	ATTACHED?
Attach details of your program for regular reviews and internal licensing/assessment of your authorised representatives	ATTACHED?
Please attach most recent external audit report and remedial actions taken on key concerns	ATTACHED?
Please attach your latest complaint register	ATTACHED?
Please attach your switching/replacement policy guidelines	ATTACHED?
Are all investment statements mailed directly to investors not through the ARs?	YES ☐ NO ☐
Are you financially connected to or have ownership in any unlisted managed investment schemes listed in the APL?	YES ☐ NO ☐
Please attach a copy of your LRBA guidelines	
Are lead generation services used as part of your business practice?	YES ☐ NO ☐
If Yes, please provide the following details:	
Entity you engage for lead generation	
Provide details of the client review undertaken prior to switching superannuation funds	ATTACHED?
Provide a sample copy of a client report (not a template) recommending switching superannuation funds from a lead generation	ATTACHED?

14. Risk Products

Do you monitor your lapse rate for life risks products?	YES ☐ NO ☐
Do you enquire if lapse rate is higher than your target rate?	YES ☐ NO ☐
What is your last 12 months' average retention rate for life risk products?	%
Do you offer takeover terms to life product portfolio?	YES ☐ NO ☐
If answer is yes, please attach details of the terms of such offer?	ATTACHED?
Do you sell non life insurance products?	YES ☐ NO ☐

15. Managed Discretionary Account (includes IMA and SMA)

Do you offer MDA service?		YES	☐	NO	☐
If 'yes' please confirm the scope of your MDA. (Pick from the options below):					
i.	Is there an external custodian	YES	☐	NO	☐
If 'yes' Please identify custodian:					
ii.	Are external MDA advisors utilised	YES	☐	NO	☐
If 'yes' Please identify the advisors:					
iii.	Is external administration support provided	YES	☐	NO	☐
If 'yes' identify who provides you administration support					
iv.	Are services limited to regulated platform(s) only	YES	☐	NO	☐
If 'yes' please identify the platforms					
v.	Others - please specify (this could be limited to family only or where the ownership of portfolio remains with client)	YES	☐	NO	☐
Please provide (or attach) details:					
Are the MDA services you provide:		Limited Unlimited			
If the MDA services you provide unlimited, please attach your guidelines for the scope of service you offer. Also attach a sample MDA service report		ATTACHED?			
How many staff and ARs have authority to provide MDA Services					
Please advise the number of clients in MDA?					
Please advise the Total FUM in MDA?					
How do you monitor that the mandate in the MDA agreement is adhered to?					

16. Stamp Duty

For the purpose of calculating Stamp Duty please state the percentage of your gross income/fees that was earned in each state in the previous financial period:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas *	Total
%	%	%	%	%	%	%	%	%	%

17. Overseas work/exposure

*If "Yes" to overseas income in answer to 16 above, please give details of the overseas work including countries where work is performed and details of any overseas office locations

18. Claims Information

a) After enquiry of the Partners/Principals/Directors and employees, has there been or is there now pending a claim against the Proposed Insured, its Subsidiaries, its predecessors in business or its current or former Partners/ Principals/Directors or employees for a Civil Liability in the performance of the Proposed Insured's Professional Services?	YES ☐ NO ☐
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If "Yes", please give details (if insufficient room below, provide details on a page of your letterhead).

b) After enquiry of the Partners/Principals/Directors and employees is the Proposed Insured or any of its Subsidiaries aware of any circumstance or incident which may give rise to a claim against the Proposed Insured, its Subsidiaries or it's Partners/ Principals/ Directors or employees?	YES ☐ NO ☐
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If "Yes", please give details (if insufficient room below, provide details on a page of your letterhead).

c) After enquiry of the Partners/Principals/Directors and employees is the Proposed Insured or any of its Subsidiaries aware of any prosecution or investigation (actual or pending) of the Proposed Insured, any Subsidiary, or any Partner / Principal/Director or employees under any International, Commonwealth, State or Local statute, legislation, regulation or By Law?	YES ☐ NO ☐
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If "Yes", please give details (if insufficient room below, provide details on a page of your letterhead).

d) After enquiry of the Partners/Principals/Directors and employees, has the Proposed Insured, any Subsidiary or any Partner/Principal/Director or employee ever been subject to any disciplinary action, been fined or penalised, or been the subject of an inquiry investigating or alleging professional misconduct?	YES ☐ NO ☐
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If "Yes", please give details (if insufficient room below, provide details on a page of your letterhead).

e) Has the Proposed Insured, or any of the authorised representatives, had any enforceable undertakings imposed by ASIC?	YES ☐ NO ☐
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If "Yes", please give details (if insufficient room below, provide details on a page of your letterhead).

Please attach a copy of your " Complaints Register "	ATTACHED?
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19. Details of Current Insurance

Please state

(a) Insurer	
(b) Indemnity Limit	
(c) Excess	
(d) Expiry Date	

Has the Proposed Insured ever had any Insurer decline a proposal, imposed any special terms, cancelled or refused to renew a Professional Indemnity Insurance Policy?

YES

☐

NO

☐

If "Yes", please give details (if insufficient room below, provide details on a piece of your letterhead).

20. Required Insurance

What limit of PI cover do you require?

21. Required Excess

What Excess do you require?

Declaration

I/We hereby declare that:

My/Our attention has been drawn to the Important Notice accompanying this Proposal form and further I/we have read these notices carefully and acknowledge my/our understanding of their content by my/our signature/s below.

The above statements are true, and I/we have not suppressed or mis-stated any facts and should any information given by me/us alter between the date of this Proposal form and the inception date of the insurance to which this Proposal relates I/we shall give immediately notice thereof.

I/we agree that, by submitting this form, the personal information I/we provide to Pacific Indemnity Underwriting Solutions Pty Ltd in this form or otherwise may be collected, held, used and disclosed in the manner set out in the Pacific Indemnity Privacy Policy including for processing this application and providing me/us with cover.

I/We also confirm that the undersigned is/are authorised to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form and I/we complete this Proposal form on their behalf.

To be signed by the Chairman/President/Managing Partner/Managing Director/Principal of the association/partnership/company/practice/business.

Name:	
Title:	
Signature:	
Date:	

It is important the signatory/signatories to the Declaration is/are fully aware of the scope of this insurance so that all questions can be answered. If in doubt, please contact your insurance broker since non-disclosure may affect an Insured's right of recovery under the policy or lead to it being avoided.