



# MANAGEMENT LIABILITY INSURANCE PROPOSAL

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## Important Notices

### CLAIMS MADE POLICY

This Proposal is for a policy issued by ProRisk on a claims made and notified basis. This means that the policy only covers claims first made against you during the insurance period and notified to ProRisk in writing during the insurance period. The policy does not provide cover for any claims made against you during the insurance period if at any time prior to the commencement of the insurance period you were aware of facts which might give rise to those claims being made against you.

Section 40(3) of the *Insurance Contracts Act 1984* provides that where the insured gives notice in writing to the insurer during the insurance period of facts that might give rise to a claim against the insured, the insurer cannot refuse to pay a claim which arises out of those facts, by reason only that the claim is made after the insurance period has expired.

### YOUR DUTY OF DISCLOSURE

Section 21 of the *Insurance Contracts Act 1984* provides that before you enter into a contract of general insurance with an insurer, you have a duty to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, upon 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 matter:

- That diminishes the risk to be undertaken by the insurer;
- That is of common knowledge;
- That your insurer knows, or in the ordinary course of its business, ought to know;
- As to which compliance with your duty of disclosure 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.

### RETROACTIVE LIABILITY

The policy is limited by a retroactive date. The policy does not cover any civil liability arising from your conduct of the professional business prior to the retroactive date.

### ALTERATION TO RISK AND DEREGISTRATION

The policy requires you to notify the insurer within thirty days of any material change in the nature of the professional business, or any act of insolvency or bankruptcy of the insured. The policy requires you to give immediate notice of the cancellation, suspension, termination or imposition of conditions in respect of the insured's statutory registration. Claims arising following the cancellation, suspension or termination of the insured's statutory registration are excluded from indemnity under the policy.

### LIMITED LIABILITY

The policy provides that if a payment greater than the limit of indemnity is required to dispose of a claim, the insurer's liability for costs and expenses will be limited to the proportion that the limit of indemnity bears to the payment required to dispose of the claim.

### POLICY CANCELLATION

In the event of policy cancellation by the insured, ProRisk's cancellation rates will apply.

### WAIVER OF RIGHTS OF SUBROGATION

The policy provides that you must not, without our prior written consent, enter into any contract or agreement which excludes, limits or prejudices a right of recovery which the insured may have in respect of any claim covered under the policy. Further, you must not do anything or fail to do anything which excludes, limits or prejudices our rights of subrogation.

### PRIVACY STATEMENT

ProRisk is bound by the obligations of the *Privacy Act 1988* (as amended) regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We collect personal information about you to enable us to provide you with relevant products and services, to assess your application for insurance and, if a contract is entered, to enable us to provide, administer, and manage your policy, and to investigate and handle any claims under your policy. We may disclose your information to third parties (who may be located overseas), such as the insurer, lawyers, claims adjusters, and others appointed by ProRisk or by the insurer to assist us and them in providing relevant products and services. We may also disclose your information to people listed as co-insured on your policy and to your agents. By providing your personal information to us, you consent to us making these disclosures.

If you do not provide all or part of the information required, we may not be able to provide you with our products and services, consider your application for insurance, administer your policy, assess or handle claims under your policy, or you may breach your Duty of Disclosure.

When you provide us with personal information about other individuals, we rely upon you to have made them aware of that disclosure, and of the terms of the ProRisk Privacy Statement, and to obtain their consent.

For a copy of the ProRisk Privacy Statement or to request access to or update the personal information, contact the Privacy Officer at ProRisk by email: [enquiries@prorisk.com.au](mailto:enquiries@prorisk.com.au) or by mail at the address shown on this Proposal.

# MANAGEMENT LIABILITY INSURANCE PROPOSAL FORM

**Important Notice:**

- Please answer all questions in full. Where appropriate, please tick the yes or no box that best indicates your reply.
- If there is insufficient space, please provide further details on your letterhead.
- All attached documents form part of this Proposal Form.

1. Full Name of Company: \_\_\_\_\_

2. Address of the Registered Office of the Company:

Street: \_\_\_\_\_ Suburb: \_\_\_\_\_ Post Code: \_\_\_\_\_

3. Company Website Address: www. \_\_\_\_\_

4 a) Was the Company was incorporated in Australia with limited liability, more than 24 months ago:  Yes  No

b) Is the Company (please tick ONE option from i – vi below):

- |                                                                 |                              |
|-----------------------------------------------------------------|------------------------------|
| i. Private                                                      | <input type="checkbox"/> Yes |
| ii. Not-for-Profit association or registered charity            | <input type="checkbox"/> Yes |
| iii. Publicly listed on any stock exchange or securities market | <input type="checkbox"/> Yes |
| iv. a Strata company                                            | <input type="checkbox"/> Yes |
| v. a Limited Liability Partnership (LLP)                        | <input type="checkbox"/> Yes |
| vi. Other (please give details below):                          | <input type="checkbox"/> Yes |

c) Can the Company be described as, or is it involved in, any of the following activities:  Yes  
 No

- |                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>➤ aviation</li> <li>➤ contract management services</li> <li>➤ information technology</li> <li>➤ oil, gas, mining, mineral extraction</li> <li>➤ forestry</li> <li>➤ recruitment</li> <li>➤ advertising</li> <li>➤ broadcasting</li> <li>➤ media</li> <li>➤ publishing</li> </ul> | <ul style="list-style-type: none"> <li>➤ healthcare</li> <li>➤ nursing homes / hospitals</li> <li>➤ pharmaceuticals</li> <li>➤ tobacco</li> <li>➤ Utility (electricity, gas, water)</li> <li>➤ bank</li> <li>➤ credit union</li> <li>➤ financial institution</li> <li>➤ fund manager</li> <li>➤ hedge fund</li> </ul> | <ul style="list-style-type: none"> <li>➤ hedge fund manager</li> <li>➤ insurance or reinsurance</li> <li>➤ investment company</li> <li>➤ investment management</li> <li>➤ investment trust</li> <li>➤ merchant bank</li> <li>➤ mortgage company</li> <li>➤ mortgage lender</li> <li>➤ savings, loans</li> <li>➤ stockbroker</li> <li>➤ venture capitalist</li> </ul> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

If none of the above, describe the nature of the Company's operations &/or industry:

\_\_\_\_\_

d) Does the Company have any Employees or Locations or Assets or Shares or Funds or Subsidiary Companies domiciled or incorporated in the United States and/or earn Gross Receipts in the United States of America in excess of 30% of total Gross Receipts?  Yes  No

e) In the last two consecutive years, has the Company published reports and accounts in the two latest consecutive financial years, which show:  Yes  No

- i unqualified reports by independent auditors or accountants
- ii net profit (i.e. after tax, interest, etc)
- iii any and all of its debts can be paid as they fall due
- iv no litigation or disputes or contingent or extraordinary liabilities
- v positive net worth (i.e. both balance sheets show that assets exceed liabilities)

If, no to any of 4. e) i - v above please provide further details:

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f) Please state:

Gross Total Revenue:	AUD\$
Gross Total Assets:	AUD\$
Total Employees (including volunteers)	AUD\$

5 After full and reasonable investigation, does the Proposer and Directors and Officers and the Company and the employees and the trustees and the committee members have any knowledge of the following:

a) any intention for the Company to be acquired by, or merged with, any other entity, or for there to be any other material change in the ownership of the Company (including but not limited to, a management buy-out or an offering of its share capital or securities)?  Yes  No

b) any event of the sort referred to in question 5a) having taken place in the last 24 months?  Yes  No

c) any claims, or circumstances which may give rise to a claim, or any disciplinary proceedings or any complaints having been threatened or intimated or made (successfully or otherwise) against the Directors or Officers or the Company or the employees or the trustees or committee members or the Proposer in respect of the legal liabilities or loss to which this Proposal Form relates?  Yes  No

If, Yes, please provide details: \_\_\_\_\_

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## Questions 6-8: Optional Coverage Extensions

- 6 Is insurance sought for claims in respect of:
- a) legal liabilities which fall within the legal jurisdiction of the United States of America?  Yes  
 No
  - b) employee benefit and pension plans? (If 'Yes' then answer question 7)  Yes  
 No
  - c) Employment Practices Liability Entity Cover? (If 'Yes' then answer question 8)  Yes  
 No
- 7 Only answer if the answer to 6b) is Yes:  
Can the Proposer confirm that all employee benefit and pension plans have no more than 5% of their investments in the shares or other securities of the Company and that these plans are adequately funded and are neither in deficit or 'run-off' and are approved without qualification by an appropriate independent third party?  Yes  
 No
- 8 Only answer if the answer to 6c) is Yes:
- a) Does the Company have written procedures, contracts of employment, personnel files, and employee handbook?  Yes  
 No
  - b) Does the Company minutes all grievance and disciplinary hearings?  Yes  
 No
  - c) Does the Company expect there to be any redundancies or other reductions amongst its employees in the next 24 months?  Yes  
 No
  - d) Has there been more than 10% of the employees of the Company resign, or made redundant, or dismissed during the last 24 months?  Yes  
 No
  - e) Does the Company plan to make any amendments to the employee benefits package in the next 24 months nor has done so during the last 24 months?  Yes  
 No
  - f) Does the Company pay an average annual gross salary of more than \$400,000 to any full-time employee?  Yes  
 No
- 9 Does any person or entity hold (beneficially or otherwise) more than twenty five percent (25%) of the issued share capital of the Company?  Yes  
 No

If Yes, please provide details of the shareholder(s) and percent shares owned:

_____ %	_____ %
_____ %	_____ %

10 Please select which of the following Limits of Indemnity are sought for quotation:

Other (please state): \_\_\_\_\_  
\_\_\_\_\_

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### Declaration

- ❖ The Proposer declares and warrants that after full and reasonable enquiry and investigation and to the best of his/her knowledge and belief all statements and particulars contained in this Proposal Form and (if applicable) any addenda hereto are true and that no information whatsoever has been withheld which might increase the risk of the Underwriters or influence the acceptance of this Proposal Form and that should the above particulars alter in any way confirms that he/she will advise the Underwriters as soon as is practicable.
- ❖ The Proposer further declares and warrants that he/she has been duly authorized by the Directors and Officers and the Company to act as their agent in respect of all matters of any nature or kind relating to or affecting this Proposal Form and the Policy.
- ❖ The Proposer understands that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal Form may result in the Underwriters refusing to provide indemnity or voiding the Policy in every respect.
- ❖ The Proposer hereby agrees and accepts that this Proposal Form and (if applicable) addenda hereto shall be the basis of the contract of insurance if entered into.
- ❖ The Underwriters are hereby authorized, at their absolute discretion, to make any investigation and enquiry in connection with regard to this Proposal Form as they deem necessary.

For and on behalf of (name of Company): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name of Signatory: \_\_\_\_\_ Position: \_\_\_\_\_

Position must be the Chairman or Managing Director or Chief Executive or any equivalent of the Company

Brokerage: \_\_\_\_\_ Broker e-mail: \_\_\_\_\_

Broker signature: \_\_\_\_\_ Date: \_\_\_\_\_