

**Professional Indemnity Insurance Proposal Form
for Design & Construct Contractors**



Important Notice

Claims Made Insurance

This is a proposal for a 'Claims Made' policy of insurance. This means that the policy covers you for any claims made against you and notified to the insurer during the policy period. The policy does not provide cover in relation to:

- acts, errors or omissions that occurred prior to the retroactive date (if one is specified) in the policy;
- any claim made, threatened or intimidated against you prior to the commencement of the policy period;
- any claim or fact that might give rise to a claim, reported or which can be reported to an insurer under any insurance policy entered into before the commencement of the policy period;
- any claim or fact that might give rise to a claim, noted in this proposal or any previous proposal;
- any claim arising out of any fact you are aware of before the commencement of the policy period;
- any claim made against you after the expiry of the policy period.

However, the effect of Section 40(3) of the Insurance Contracts Act 1984 (Cth) is that where you become aware, and notify us in writing as soon as is reasonably practicable after first becoming aware but within the policy period, of any facts which might give rise to a claim against you, any claim which does arise out of such facts shall be deemed to have been made during the policy period, notwithstanding that the claim was made against you after the expiry of the policy period.

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 (Cth), 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, 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 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 is waived by the insurer.

Non Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their 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.

Privacy Notice

Liberty International Underwriters (LIU) is a trading name of Liberty Mutual Insurance Company, which is a company incorporated in the United States. It is a member of Boston-based Liberty Mutual Group (LMG). LIU Australia's head office contact details are:

Address: Locked Bag 18, Royal Exchange NSW 1225, Australia
Phone: +61 2 8298 5800

LIU is bound by the Privacy Act 1988 (Cth) and its associated Australian Privacy Principles when it collects and handles your personal information.

LIU collects personal information, including from insurance brokers, in order to provide its services and products, manage claims and for purposes ancillary to its business. LIU passes it to third parties involved in this process such as LIU's related companies, reinsurers, agents, loss adjusters and other service providers. We may store your information with third party cloud or other types of networked or electronic storage providers. Third parties may be located locally or overseas in the United States, Canada, United Kingdom, Singapore, Hong Kong and Malaysia. Your information may be transferred to countries without comparable privacy laws if it is reasonably necessary to provide you with the products or services you seek from LIU. If you do not provide the personal information LIU or other relevant third parties require to offer you specific products or services, LIU may not be able to provide the appropriate type or level of service.

If you wish to gain access to or correct your personal information, make a privacy complaint, or if you have any query about how LIU collects or handles your personal information please write to LIU's Privacy Officer at the address above or by emailing: privacy.officer.ap@libertyiu.com. To obtain a copy of LIU's Privacy Policy go to LIU's website (www.liuaustralia.com.au) or request a copy from LIU's Privacy Officer.

When you give LIU personal or sensitive information about other individuals, LIU relies on you to provide its Privacy Notice to them. If you have not done this, you must tell LIU before you provide the relevant data.



Professional Indemnity Insurance

Important: Please answer all questions fully. All questions will be deemed to be answered in respect of all entities & persons to be insured under this policy. If the space provided is insufficient please include attachments on your company letterhead.

Details of the Proposer

1. Please state the full name of all entities (including any subsidiaries) and persons to be insured (collectively referred to in this form as the "Proposer")

2. Address of the principal office (please provide a street address only)

Street

City

State

Country

Postcode

3. Address of any branch offices

4. Contact details

Name

Telephone

Email

5. Company details

Registered company name

Country of registration

Date or year established

ABN

Website address



Professional Indemnity Insurance

6. Has the Proposer been involved in a merger or acquisition over the last 10 years? Yes No

If "Yes", please provide details.

7. Has the Proposer ever traded under another name? Yes No

If "Yes", please provide details.

8. Please advise the number of staff in the following categories:

Partners or directors

Professional / technical staff

Administration / support staff

Other staff (please specify)

Total

9. **Attach** the CV of each partner or director.

10. Please list any current memberships of professional associations held by the Proposer.

Nature of Business

11. Please describe in detail the nature of the business and professional services provided by the Proposer.

Financial Information

12. When does the Proposer's financial year end (dd/mm/yyyy)?

13. Actual & estimated total revenue:

Location	Last Completed Financial Year	Current Financial Year Forecast	Next Financial Year
Australia & New Zealand	\$	\$	\$
USA & Canada	\$	\$	\$
Other	\$	\$	\$
Total	\$	\$	\$

14. Does any one client represent 25% or more of the Proposer's total revenue? Yes No

If "Yes", please provide details.

15. If activities are performed outside Australia, please list the country and the services / products provided there:

Country	Services / Products
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Please be aware: With effect from 1 January 2018, unless LIU or its agents receive a Small Business Declaration from you, at the time of entering into the contract of insurance, LIU will charge stamp duty on risks that 1) occur within or partly within NSW or 2) cover NSW property.

16. Please provide a breakdown of the Proposer's total revenue generated in the last financial year as follows:

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

Professional Indemnity Insurance

17. Please provide the breakdown in total revenue requested below. For the purposes of this question,

Professional Services means:

- design and advice in relation to design
- drafting
- technical calculation
- technical specification
- project management
- construction management
- feasibility studies
- programming and time flow management
- quantity surveying
- surveying
- technical advice
- inspection
- training in respect of the above

Type of Activities	Last Completed Financial Year	Current Financial Year Forecast
Revenue derived from Design & Construction contracts where the performance of Professional Services was provided by the Proposer.	\$	\$
Revenue derived from Design & Construction contracts where the Proposer had responsibility contractually for the performance of Professional Services , but those Professional Services were sub-contracted to third parties.	\$	\$
Fees received for the performance of Professional Services ONLY.	\$	\$
Fees received where the Proposer was engaged as Project/Construction Management Consultants	\$	\$
Revenue derived from contracts where the Proposer undertook construction, erection, installation or manufacturing activities but had no responsibility contractually or otherwise for the performance of Professional Services	\$	\$
Other Revenue *	\$	\$
Total	\$	\$

*Please provide a detailed description of the activities from which this Other Revenue is derived.

Professional Indemnity Insurance

18. Please advise the approximate percentage of your total revenue generated in the last completed financial year from the following activities.

Type of Work	Percentage %
Bridges	%
Commercial (< 3 floors)	%
Commercial (> 3 floors)	%
Dams	%
Feasibility Studies	%
Harbours & Jetties	%
Industrial	%
Mechanical Plant & Bulk Handling Equipment	%
Mine Infrastructure	%
Mining (processing precious metals)	%
Mining (other)	%
Municipal (hospitals, schools and the like)	%
Petrochemical / Refinery	%
Power Stations	%
Residential Low Rise (< 3 floors)	%
Residential High Rise (3 + floors)	%
Retail	%
Roads	%
Silos	%
Sports Complexes (stadiums)	%
Tunnelling	%
Waste Water / Sewage	%
Other (please specify below)	%
	%
	%
	%
	%
	%
	%
Total must be	100%



Professional Indemnity Insurance

19. Does the Proposer engage sub-contractors to provide any professional services? Yes No
- If "Yes",
- a) What percentage of professional services is provided by sub-contractors? %
- b) Please specify the professional services sub-contracted.
- c) Is proof of current professional indemnity insurance obtained from sub-contractors? Yes No
20. Has the Proposer ever been involved in any form of joint venture? Yes No
- If "Yes", please provide details.
21. Has there been any substantial change in the business or professional activities of the Proposer in the last 2 years? Yes No
- If "Yes", please provide details.
22. Does the Proposer envisage any change in the business or professional activities, or the commencement of any new activity, during the next 12 months? Yes No
- If "Yes", please provide details.
23. Are there any business or professional activities which are no longer conducted by the Proposer (or by any previous company name used by the Proposer)? Yes No
- If "Yes", please provide details including fee income derived therefrom, the period such activity was conducted and the reason for its discontinuation.



Contracts

24. Please list the 5 largest contracts the Proposer has entered into over the last 5 years.

Client	Contract Period	Revenue	Services Provided
	From:		
	To:		
	From:		
	To:		
	From:		
	To:		
	From:		
	To:		
	From:		
	To:		

25. What is the average value of the Proposer's contracts? \$

26. Does the Proposer ever take an equity stake in any of the projects/contracts they are commissioned to work on? Yes No

If "Yes", how does the Proposer limit their liability?

27. Does the Proposer ever enter into any Build Own & Operate (BOO) contracts or any Build Own Operate & Transfer (BOOT) contracts? Yes No

If "Yes", how does the Proposer limit their liability?

28. Are standard forms of contract or terms of engagement always used by the Proposer? Yes No

If "Yes", please **attach** copies of those contracts and describe the procedure to alter such standard forms of contract or terms of engagement.

If "No", please provide details of the basis of engagement used by the Proposer:



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29. Does the Proposer limit its liability in contracts with clients? Yes No

If "Yes", how does the Proposer limit their liability?

30. Does the Proposer ever sign contracts where liability is accepted for consequential losses? Yes No

If "Yes", in what circumstances?

31. Are all non-standard contracts legally reviewed prior to signing? Yes No

If "No", who reviews them?

32. Does the Proposer ever agree to hold harmless any third party for claims arising out of its services? Yes No

If "Yes", please provide details.

33. Does the Proposer ever enter contracts with other parties that limit the other parties' liability? (other parties include clients, subcontractors and joint venture partners). Yes No

If "Yes", in what circumstances and what are the limitation amounts?

Professional Indemnity Insurance

34. Does the Proposer ever agree to contract out of proportionate liability legislation? e.g. Civil Liability Act. Yes No

If "Yes", please provide details.

35. Are the scope of Professional Services to be performed always clearly set out in the contract or terms of engagement? Yes No

If "No", please explain how this is agreed.

29. a) Has a claim ever been made against the Proposer under the Security of Payments Act or otherwise in relation to the payment of subcontractors or suppliers? Yes No

If "Yes", please provide details.

- b) Is the Proposer in breach or expect to be in breach of any payment terms with any suppliers or subcontractors? Yes No

If "Yes", please provide details.

30. Has the Proposer experienced any difficulties with cash flow, given consideration to potential insolvency or administration, or is there any reason to believe that the Proposer may experience financial distress during the term of the policy period? Yes No

If "Yes", please provide details.

Risk Management

36. Does the Proposer hold ISO or any other third party accreditation for the risk management procedures it utilises? Yes No

If "Yes", which accreditation is held and when was this accreditation obtained?

How often is the accreditation reviewed and by whom is it reviewed?



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37. Are verbal reports or advice always confirmed in writing? Yes No

If "No", how are they substantiated?

38. Is legal counsel an in-house function? Yes No

If "No", who provides this service?

39. Describe **by attachment** the formal procedures in place relating to the following:

- a) Risk management, quality control and / or compliance.
- b) The engagement of consultants, sub-contractors or agents.
- c) The identification and reporting of incidents or facts which might give rise to a professional liability claim.
- d) Peer review and dual sign-off or approval in respect of any aspect of the business or professional services provided by the Proposer.
- e) The evaluation and approval of new clients, contracts and tenders.
- f) Identification and management of conflict of interest.
- g) When were the above procedures established, how regularly are they reviewed and whom are they reviewed by?

If such procedures are not in place, please advise how these exposures are managed.

40. If any branch offices are noted in Question 3, please advise:

a) Partner or director in charge.

b) Are they domiciled at that location? Yes No

c) How does the Proposer ensure compliance by Branch Offices with corporate policies & procedures?



Claims History

Please Note: It is critical that you make appropriate enquires of all persons and entities intending to be insured under this insurance before you answer Questions 41 – 43.

41. Has any partner, director or employee of the Proposer ever been subject to any inquiry or disciplinary proceedings? Yes No

If "Yes", please provide details.

42. Has a professional liability claim ever been made against the Proposer (or any previous company name used by the Proposer), or any past or present partner, director or employee of the Proposer? Yes No

If "Yes", please provide details including nature of the allegations, claimant, current status, amounts paid and reserve amounts.

43. Is the Proposer including any of its partners, directors or employees aware of any facts which might give rise to a professional liability claim against any of them? Yes No

If "Yes", please provide details.

Insurance History

44. Have any special terms or conditions ever been imposed on any insurance policy held by the Proposer? Yes No

If "Yes", please provide details.

45. Has the Proposer ever had any entitlement to indemnity under any insurance policy denied, or otherwise affected, due to non-disclosure, misrepresentation or breach of a policy provision? Yes No

If "Yes", please provide details.



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46. Has any insurer ever refused to provide terms or offer renewal terms to the Proposer or has any insurance held by the Proposer ever been avoided or cancelled by an insurer? Yes No

If "Yes", please provide details.

47. Has the Proposer purchased any Specific Project Professional Indemnity Policies? Yes No

If "Yes", please provide details of each project and policy

48. a) Does the Proposer currently hold a Professional Indemnity policy? Yes No

If "Yes", please advise the following:

Insurer

Expiry Date

Sum Insured

Retroactive date

Excess

- b) If "No" has the Proposer ever held Professional Indemnity Insurance?

Please provide details.

49. Does the Proposer maintain a General Liability Insurance Policy? Yes No

If "Yes", please provide details including limit of liability?

Insurer

Policy Number

Policy Period

Policy Limit

Excess



Professional Indemnity Insurance

50. With respect to the Proposer's General Liability Insurance Policy, please provide information regarding the Professional Liability Exclusion in the wording. For example, does the exclusion only apply where the Insured receives a specific fee for service or does it apply to all design or professional activities?

Limit of Liability

Please specify the options for Limits of Liability and Excess you would like quotations for.

51. Limit of Liability:

- a) \$
- b) \$
- c) \$

52. Excess:

- a) \$
- b) \$
- c) \$

Optional Extensions

Please Note: If you request any of these extensions, Liberty is not obliged to offer them. If Liberty decides to offer any of these extensions it may charge an additional premium. The below are descriptions of the cover only. To fully understand the cover provided by these extensions you must read the relevant clause in the policy wording and/or seek advice from your insurance adviser.

53. Contractual Liability

Would you like the policy to be extended to provide cover for claims under an indemnity and/or hold harmless term of a client contract (to the extent that such civil liability results from your performance of professional services)?

Yes

No

54. Loss Mitigation & Rectification

Would you like the policy to be extended to pay for the reasonable direct costs and expenses you incur in taking action to rectify or mitigate the effects of any act or omission that would otherwise result in a claim covered under the policy?

Yes

No

55. Novated Contracts

Would you like the policy to be extended to provide cover for liabilities you have assumed by reason of novation?

Yes

No

56. Proportionate Liability

Would you like the policy to be extended to provide cover for liability you have assumed under a contract by reason of having contracted out of the operation of proportionate liability legislation? For example the Civil Liability Act.

Yes

No

57. Reinstatement

Would you like the policy to be extended so that in the event the limit of liability is exhausted, it is then reinstated once to cover future unrelated claims?

Yes

No

Declaration

(To be signed by a partner or director.)

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Liberty International Underwriters of any changes to any information supplied or of any new information that is relevant;
- that I understand Liberty International Underwriters relies on the accuracy of the information and documentation supplied in proposing for this insurance;
- that I have read and understood the Important Notices which form part of this proposal;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty International Underwriters, if any;

- that the proposed Insured is a small business with a turnover of less than AU\$2 million in the last financial year. Note that if No is selected or this question is left blank, LIU will charge stamp duty on risks that 1) occur within or partly within NSW or 2) cover NSW property.

Yes

No

Signed

Print Name

Title

Dated

Have you Remembered to Attach the Following?

- | | |
|-------------|---|
| Question 9 | The CV of each partner or director |
| Question 28 | A copy of the standard contract or terms of engagement used |
| Question 39 | A description of the risk management procedures |

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