

# FINANCIAL PLANNERS PROFESSIONAL INDEMNITY INSURANCE

# PROPOSAL FORM

## 1. NAME OF FIRM TO BE INSURED

(please include full names of all entities to be insured)

NAME	ABN
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

## 2. ADDRESS OF FIRM

Address		Postcode
<hr/>		<hr/>
Phone ( )	Email	
<hr/>	<hr/>	
Other Locations	Website	
<hr/>	<hr/>	

## 3. THE FIRM

Date Firm was established 

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Have any amalgamations or acquisitions taken place in the last six years?  Yes  No

If Yes, please provide details 

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## 4. DETAILS OF THE PRINCIPAL(S) OF THE FIRM

NAME	AGE	QUALIFICATIONS	DATE QUALIFIED	HOW LONG PRACTICING AS PARTNER/DIRECTOR	
				THIS FIRM	PREVIOUS FIRM
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

NUMBER OF STAFF	Directors	Qualified	Administrative
	Other		

NUMBER OF AUTHORISED REPRESENTATIVES (NOT INCLUDED ABOVE)

For whom cover is Required	For whom cover is NOT required
<hr/>	<hr/>

Total All Staff And Authorised Representatives 

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## 5. PROFESSIONAL MEMBERSHIPS

a) Please list the Professional Body/s or Association/s of which the Insured is a Member and/or holds a practising certificate for:

b) Has the Insured ever been disqualified, expelled or deregistered by a Professional Body/Association or Regulator?

## 6. NATURE OF YOUR BUSINESS

Please provide detail of the precise nature of your business.

Please provide copies of any brochures which may assist the insurer to better understand your business.

## 7. OVERALL ACTIVITIES

a) Please detail the approximate percentage of your income in the following areas:

Financial Planning / General Advice	
Investment Advice / Selection	%
Client Portfolio Administration and Reporting	%
Life Insurance	%
Personal Insurance	%
General Insurance	%
Mortgage Broking	%
Finance Broking	%
Accounts Preparation/Bookkeeping	%
Tax Returns	%
Tax Advice	%
SMSF Establishment & Administration	%
SMSF Audit	%
Total must equal 100%	

b) Please give a brief description of the five largest clients by fee income in the past 5 years.

BRIEF DESCRIPTION	LOCATION	CONSULTING ROLE (i.e. Life Broking, Investment Advice)	AMOUNT INVESTED / LIFE INSURED	TOTAL FEES EARNED / ESTIMATE
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

## 8. INVESTMENTS

a) Please advise the allocation of the clients investment across all licenses combined according to the following breakdown:

INVESTMENT	CLIENTS INVESTMENT	PERCENTAGE
Australian Equities on a Direct basis	\$	%
Australian Equities via Managed Funds	\$	%
Overseas Equities on a Direct basis	\$	%
Overseas Equities via Managed Funds	\$	%
Fixed Interest Securities and/or cash	\$	%
Property Trusts on a Direct basis	\$	%
Property Trusts Via Managed Funds	\$	%
Public Offer Superannuation	\$	%
Hedge Funds	\$	%
Derivatives (other than Hedge Funds)	\$	%
Registered Managed Investment Schemes	\$	%
Unregistered Managed Investment Schemes	\$	%
Tax Effective Schemes (with or without ATO Product Ruling)	\$	%
Unlisted Securities (for which a liquid market does not exist or for which units can not be redeemed on demand)	\$	%
Investments in single underlying asset or debt instrument	\$	%
Any other product or service from an entity which you are associated (financially or otherwise)	\$	%
Any other product or service that you would consider potentially high risk or speculative?	\$	%
Hybrid Securities	\$	%
Other, please provide details	\$	%
<b>Total Funds Under Advice/Management</b>	<b>\$</b>	<b>%</b>

b) Has the above allocation of clients investments varied significantly in the past 3 years?  Yes  No

If Yes, please provide full details

c) Please list the top 10 investment products (in order) that produced the most income (fees) in the last Financial Year period:

PRODUCT NAME	TOTAL INCOME EARNED
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
7.	\$
8.	\$
9.	\$
10.	\$

## 9. MARGIN LENDING

If you advise on Margin Lending, please answer the following questions:

- i. Please advise the number of clients that have Margin Lending
- ii. Please advise the total value of all margin loans outstanding \$
- iii. Do you provide your clients with a copy of the current PDS for each Funding provider when recommending Margin Lending products?  Yes  No
- iv. What is the maximum LVR when you set a margin facility? %
- v. Do you provide your clients with adequate details regarding the investment, interest rate and margin call risks associated with margin lending?  Yes  No
- vi. Do you recommend that your clients seek independent tax advice regarding the implications of margin lending?  Yes  No
- If No, do you refer them to a qualified accountant?  Yes  No

Please attach a list of Margin Lending facilities utilised by you in your Approved Products List

## 10. MANAGED DISCRETIONARY ACCOUNTS

Are you involved in client portfolio management on a Discretionary basis (MDA)?  Yes  No

If Yes, please provide the following information:

- Total Number of clients that have MDA's
- Total funds under management in respect of MDA's

Please provide a copy of the standard MDA client agreement

- Do you use an independent MDA service provider?  Yes  No

If Yes, please provide details and a copy of the contract

## 11. GENERAL INFORMATION

a) Please check Yes or No as applicable:

- i. Are you a member of an Australian Financial Planning Representative or Body?  Yes  No

- ii. Has any director or officer or Financial Planner ever been bankrupt, deregistered or expelled by the FPA or disqualified from being a Company Director?  Yes  No

If Yes, please provide details

- iii. Is more than 50% of your client base derived from a single company, or group of clients?

If Yes, please provide details

- iv. Are you a registered life or general insurance broker?  Yes  No

If Yes, please provide a list of insurance products that are brokered

- v. Do you deal in overseas securities or investments, not subject to Australian regulations?  Yes  No

If Yes, please provide details

- vi. Do you deal with customers that reside overseas or have their principal offices overseas?  Yes  No

If Yes, please provide details

- vii. Is advice given in relation to mergers and/or acquisitions?  Yes  No

If Yes, please provide details

b) Please provide the following client profile details:

**ACCOUNT BANDS**

(based on amount invested or managed on behalf of clients)

NUMBER OF CLIENT ACCOUNT	TOTAL AMOUNT INVESTED OR MANAGED	TOTAL FEE OR COMMISSION INCOME
Up to \$100k	\$	\$
More than \$100k, Up to \$250k	\$	\$
More than \$250k, Up to \$500k	\$	\$
More than \$500k, Up to \$1mil	\$	\$
TOTAL		

If you are unable to provide the above client profile, please provide any other details of your client base that will assist us to understand your business.

c) Are you or have you or any parent, subsidiary or other related entity either:

i. engaged in, or

ii. have or had a controlling share of any entity engaged in;

– actual construction, fabrication, erection or any form of works contracting?  Yes  No

– real estate development?  Yes  No

– the manufacture, sale or distribution of any product or process or patented production process?  Yes  No

If Yes to any of these questions please detail below;

i. names of the other entities involved, outlining their relationship to you

ii. full details including a description of the nature of the involvement in the relevant activity

**12. CLAIMS AND CIRCUMSTANCES**

Please answer the following questions after enquiry with your organisation.

a) Has any claim been made, or has negligence been alleged, against you or any of the present or former Principals, or have any circumstances been notified to insurers which may result in a claim being made?  Yes  No

If Yes, please provide details

b) Are there any circumstances not already notified to insurers which may give rise to a claim against you or any prior corporate practice or any of the present or former Principals?  Yes  No

If Yes, please provide details

c) Are there any claims against previous practices which may give rise to a claim against either a Principal or You?  Yes  No

If Yes, please provide details

d) Are there any Registered Complaints you consider could potentially lead to a claim?  Yes  No

If Yes, please provide details

### 13. OVERSEAS WORK (OUTSIDE AUSTRALIA AND NEW ZEALAND)

Have you performed work, or do you intend to, perform work overseas?

Yes  No

If Yes, please provide details

### 14. INCOME

	AUSTRALIA	OVERSEAS
Actual gross fees for the past 12 months	\$	\$
Actual gross fees for the previous 12 months	\$	\$
Estimated gross fees for the next 12 months	\$	\$

Please provide a percentage breakdown of fees by location:

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S
%	%	%	%	%	%	%	%	%

### 15. DETAILS OF EXISTING COVER

Does the Practice carry or has the Practice ever carried Professional Indemnity Insurance?

Yes  No

If Yes, please provide details:

Name of Insurer

Expiry Date of Policy

Limit of Indemnity \$

Deductible \$

Expiring Premium \$

### 16. LIMIT AND DEDUCTIBLE

What limit of indemnity do you require?

\$1,000,000  \$2,000,000  \$3,000,000  \$4,000,000  \$5,000,000  \$10,000,000

What is your preferred Deductible?

\$10,000  \$15,000  \$20,000  \$25,000  \$50,000

Please note that your policy has a standard \$10,000 deductible.

### 17. ADDITIONAL DOCUMENTS REQUIRED

Please attach the following documentation to this proposal to support your application:

- Copy of last 3 years Complaints Register
- Copy of current Approved Products List
- Copy of current SOA
- Copy of current FSG
- If new license, a copy of the AS Proof Document
- Copy of the last Compliance Audit Report

# IMPORTANT NOTICES

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The information you provide in this document and through any other documentation, either directly or through your insurance broker, will be relied upon by the insurer to decide whether or not to accept your insurance as proposed and if so, on what terms.

Every question must be answered fully, truthfully and accurately. If space is insufficient for your answer, please use additional sheets, sign and date each one and attach them to this document.

If you do not understand or if you have any questions regarding any matter in this document, including the Important Notices, please contact us or your insurance broker before signing the Declaration at the end of this document.

Unless we have confirmed in writing that temporary cover has been arranged, no insurance is in force until the risk proposed has been accepted in writing by us and you have paid or agreed to pay the premium.

## 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, 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 any matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in ordinary course of its business, ought to already know;

as to which compliance with your duty is waived by the insurer.

You should note that your duty continues after this Proposal Form has been completed until the policy commences.

## 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.

## CLAIMS MADE POLICY

This proposal is for a Claims Made Policy. This means that the policy only responds to:

- Claims first made against you and notified to the Insurer during the policy period arising from events after any retroactive date on the policy, and

- Events of which you first become aware during the policy period that could give rise to a future claim provided that you notify the Insurer during the policy period of the circumstances of such events and they arose after any retroactive date on the policy.

When the policy expires, no claims can be made on the policy even though the event giving rise to the claim may have occurred during the policy period.

## PRIVACY

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles (APPs), which will ensure the privacy and security of your personal information.

Our Privacy Policy explains how we collect, use, disclose and handle your personal information as well as your rights to access and correct your personal information and make a complaint for any breach of the APPs.

A copy of our Privacy Policy is located on our website at [www.sura.com.au](http://www.sura.com.au) Please access and read this policy. If you have any queries about how we handle your personal information or would prefer to have a copy mailed to you, please ask us. If you wish to access your file please ask us.

## NOT A RENEWABLE CONTRACT

Most Professional Indemnity Insurances are not renewable contracts so the Policy will terminate on the expiry date indicated. If you therefore require a subsequent Policy, you will need to complete and submit a new proposal form for assessment prior to the termination of the current policy.

## AGENT OF INSURERS

In arranging this insurance, SURA Professional Risks Pty Ltd is acting under an authority given to it by insurers, and is acting as the agent of the insurer and not as your agent.

## GENERAL INSURANCE CODE OF PRACTICE

We proudly support the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code aims to improve:

- the quality, comprehension and accuracy of policy documents and other information provided to consumers;
- employee and agent training and supervision;
- Claims handling and dispute resolution.

For further information on the Code, please visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au) or alternatively You can request a brochure on the Code from Us.

# DECLARATION AND AGREEMENT

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Has any Insurer, in respect of risks to which this proposal relates, ever:

- a) Declined a proposal, refused a renewal or terminated insurance?  Yes  No
- b) Required an increased premium or imposed special conditions?  Yes  No
- c) Declined an insurance claim by the Insured or reduced its liability to pay an insurance claim in full (other than by application of excess)?  Yes  No

If Yes to a), b), or c) please give details:

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This Declaration must be signed by the intending insured as the Proposer(s). If the intending insured is a Company, Partnership or other business venture or involves more than one person or entity, then the person signing this declaration must be authorised to sign on behalf of all persons / entities identified as the intending insured(s).

Before completing this document, I/We have read and understood the information herein, including the Important Notices.

I/We agree that this Proposal Form together with any other information supplied by me/us shall form the basis of any Contract of Insurance effected. I/We undertake to inform the insurer of any material alteration to this information occurring before the proposed insurance commences.

I/We declare that the statements and particulars contained within this Proposal Form are true and that I/We have not mis-stated or suppressed any material facts.

I/We understand that the insurer is relying on information supplied herein to decide whether or not to accept or reject this risk and that no material information has been knowingly withheld.

I/We acknowledge that by submitting this completed Proposal Form (with any other information) I/We consent that the insurer may use and disclose my/our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. This consent remains valid until I/We alter or revoke it by written notice. I/We also undertake to advise any changes to my/our personal information.

**NAME OF FIRM:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

(This Proposal is to be signed by a Principal, Partner or Director of the Proposed Insured)

**TITLE OF SIGNATORY:** \_\_\_\_\_

**FULL NAME:** \_\_\_\_\_

**DATE:** \_\_\_\_\_