

Arch Accountants Proposal Form

IMPORTANT NOTICES

Any terms used in this Proposal that are also used in the Policy wording have the same meaning as defined in the Policy wording. Please read the Policy wording to understand the cover we can provide before completing this Proposal.

DUTY OF DISCLOSURE

Before any person/s enter into an insurance policy with us, they have a duty under the *Insurance Contracts Act 1984* to disclose to us every matter that they know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and if so, on what terms.

They have the same duty to disclose those matters to us before they renew, extend, vary or reinstate the Policy.

The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time). If anything changes between the time disclosures are made and the Relevant Time, the person/s need to tell us.

What we do not need to know

A person does not need to tell us about any matter that:

- diminishes our risk;
- is of common knowledge;
- we know or should know in our business as an insurer;
- we tell the person we do not need to know.

Who does the duty apply to?

The duty of disclosure applies in relation to everyone who is insured under the POLICY.

What happens if the duty of disclosure is not complied with?

If the duty of disclosure is not complied with we may cancel the POLICY and/or reduce our liability under the POLICY in respect of a claim. If fraud is involved, we may treat the POLICY as if it never existed and pay nothing.

PLEASE TAKE NOTICE OF THE FOLLOWING STATEMENTS PURSUANT TO THE PROVISIONS OF THE INSURANCE CONTRACTS ACT 1984

"Claims made and notified" general information

The information under this heading is provided for general information purposes only and does not:

- form part of the Policy.
- impose any contractual obligations on any Insured or create contractual rights between us.

Certain insuring clauses in the Policy wording operate on a "Claims made and notified" basis, which means that they:

- cover claims made against the relevant Insured and notified to us in writing during the Period of Insurance.
- do not provide cover in relation to:
 - claims made against an Insured after the expiry of the Period of Insurance even though the event giving rise to the claim may have occurred during the Period of Insurance (unless specified otherwise);
 - claims made against an Insured 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 intimidated against an Insured prior to the commencement of the Period of Insurance;
- facts or circumstances of which an Insured first became aware prior to the Period of Insurance, and which they knew or ought reasonably to have known had the potential to give rise to a claim under the Policy;
- claims arising out of circumstances noted on the proposal for the current Period of Insurance or on any previous proposal form;
- claims arising from civil, administrative, criminal or regulatory proceeding, investigation, arbitration or adjudication that existed prior to or was pending before the commencement of the Period of Insurance.

If the Insured gives notice in writing to Us of any facts that might give rise to a Claim against them as soon as reasonably practicable after they become aware of those facts but before the expiry of the Period of Insurance, they may have rights under Section 40(3) of the Insurance Contracts Act 1984 (the Act) to be indemnified in respect of any claim subsequently made against them arising from those facts, notwithstanding that the Claim is made after the expiry of the Period of Insurance. Such rights arise under the Act only. The terms of the Policy and the effect of the Policy is that the Insured is not covered for claims made against them after the expiry of the Period of Insurance unless specified otherwise.

UTMOST GOOD FAITH

The Policy is based on the utmost good faith requiring us and the proposer/insured(s) (including third party beneficiaries after the Policy is entered into) to act towards each other with the utmost good faith in respect of any matter relating to the Policy. A failure to comply is a breach of the Insurance Contracts Act 1984.

NOTICES

We will send all notices in relation to the Policy to:

- the Named Insured's nominated insurance intermediary until we receive written notice to the contrary from the Named Insured;
- or
- if there is no nominated intermediary, the Named Insured, acting on behalf of all Insureds.

WHAT DO I DO IF I HAVE A COMPLAINT?

If you have any concerns or wish to make a complaint in relation to this policy, our services or your insurance claim, please let us know and we will attempt to resolve your concerns in accordance with our Internal Dispute Resolution procedure. Please contact us in the first instance:

The Complaints Manager,
Arch Underwriting at Lloyd's (Australia) Pty Ltd
Level 10, 155 Clarence Street,
Sydney NSW 2000
Telephone: (02) 8284 8400
Email: complaints@archinsurance.com.au

We will acknowledge receipt of your complaint and do our utmost to resolve the complaint to your satisfaction within 10 business days.

If we cannot resolve your complaint to your satisfaction, we will escalate your matter to Lloyd's Australia who will determine whether it will be reviewed by their office or the Lloyd's UK Complaints team. Lloyd's contact details are:

Lloyd's Australia Limited
Email: ldraustralia@lloyds.com
Telephone: (02) 8298 0783
Post: Suite 1603 Level 16, 1 Macquarie Place, Sydney NSW 2000

A final decision will be provided to you within 30 calendar days of the date on which you first made the complaint unless certain exceptions apply.

You may refer your complaint to the Australian Financial Complaints Authority (AFCA), if your complaint is not resolved to your satisfaction within 30 calendar days of the date on which you first made the complaint or at any time. AFCA can be contacted as follows:

Telephone: 1800 931 678
Email: info@afca.org.au
Post: GPO Box 3 Melbourne VIC 3001
Website: www.afca.org.au

Your complaint must be referred to AFCA within 2 years of the final decision, unless AFCA considers special circumstances apply. If your complaint is not eligible for consideration by AFCA, you may be referred to the Financial Ombudsman Service (UK) or you can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to you

RIGHTS OF OTHER PARTIES

Save as provided under the Insurance Contracts Act 1984, no other party except the you or the Applicant shall be entitled to make a claim or enforce any term of this Policy.

CONFIDENTIALITY

You and the Applicant agree not to disclose the terms, conditions, exclusions or limits of indemnity of the Policy or the amount of premium paid to any third party, except to the extent that you or the Applicant is required to do so by law, or unless we give our prior written consent to such disclosure.

RENEWAL PROCEDURE

Before the Policy expires we will advise you/the Applicant via their intermediary, or the Policyholder, whether we intend to offer renewal and if so on what terms.

This advice also applies for any offer of renewal we may make, unless we tell you otherwise.

It is important that you check the terms of any renewal offer before renewing to satisfy yourselves that the details are correct. In particular, check the maximum Limit(s) of Indemnity (Sub Limit(s) of Indemnity) and Additional Limits of Indemnity amounts and Retention(s) applicable, and to ensure the levels of cover are appropriate.

Please note that you/the Insured need to comply with the duty of disclosure before each renewal.

PRIVACY STATEMENT

Unless the context otherwise provides, in this section 'we', 'our' or 'us' means Certain Underwriters at Lloyd's and Arch Underwriting at Lloyd's (Australia) Pty Ltd and their related entities.

Personal information is essentially any information or an opinion about an identified individual, or an individual who is reasonably identifiable. See the Privacy Act 1988 (Cth) (the Act) for full details of what constitutes personal information.

This privacy notice details how we collect, disclose and handle personal information.

Why we collect your personal information

We collect personal information (including sensitive information) so we can:

- identify you and conduct necessary checks;
- determine what service or products we can provide to you e.g. offer our insurance products;
- issue, manage and administer services and products provided to you or others, including claims investigation, handling and settlement;
- improve our services and products, e.g. training and development of our representatives, product and service research and data analysis and business strategy development.

What happens if you don't give us your personal information?

If you choose not to provide us with the information we have requested, we may not be able to provide you with our services or products or properly manage and administer services and products provided to you or others.

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How we collect your personal information

Collection can take place through websites (from data input directly or through cookies and other web analytic tools), email, by telephone or in writing.

We collect it directly from you unless you have consented to collection from someone other than you, it is unreasonable or impracticable for us to do so, or the law permits us to.

If you provide us with personal information about another person, you must only do so with their consent and agree to make them aware of this privacy notice.

Who we disclose your personal information to

We share your personal information with third parties for the collection purposes noted above.

The third parties include: our related companies and our representatives who provide services for us, other insurers and reinsurers, our claim management partner(s), your agents, our legal, accounting and other professional advisers, data warehouses and consultants, investigators, loss assessors and adjusters, other parties we may be able to claim or recover against, and anyone either of us appoint to review and handle complaints or disputes and any other parties where permitted or required by law.

We may need to disclose information to persons located overseas who will most likely be located in the United Kingdom. Who they are may change from time to time. You can contact us for details or refer to our Privacy Policy available at our website www.archinsurance.com.au. In some cases we may not be able to take reasonable steps to ensure they do not breach the Privacy Act and they may not be subject to the same level of protection or obligations that are offered by the Act. By proceeding to acquire our services and products you agree that you cannot seek redress under the Act or against us (to the extent permitted by law) and may not be able to seek redress overseas.

More information, access, correction or complaints

For more information about our privacy practices including how we collect, use or disclose information, how to access or seek correction to your information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled, please refer to our Privacy Policy. It is available at our website www.archinsurance.com.au or by contacting us on (02) 8284 8400 EST 9am-5pm, Monday-Friday.

Privacy complaints

We have established a Privacy Complaints Handling Procedure to deal with any complaints you may have about how we have collected, used or managed your personal information. If you would like to make a complaint, please contact:

The Privacy Officer,
Arch Underwriting at Lloyd's (Australia) Pty Ltd,
Level 10, 155 Clarence Street,
Sydney NSW 2000
or email complaints@archinsurance.com.au

Your complaint will be taken seriously and investigated thoroughly.

If you are not satisfied with our final decision, you can direct your complaint to the Federal Privacy Commissioner either on 1300 363 992 (for the cost of a local call anywhere in Australia) or by mail to GPO Box 5218, Sydney NSW 2001.

Your Choices

By providing us with personal information, you and any person you provide personal information for, consent to this use and these disclosures unless you tell us otherwise. If you wish to withdraw your consent, including for things such as receiving information on products and offers by us, or persons we have an association with, please contact us.

GENERAL INSURANCE CODE OF PRACTICE

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice ("the Code"), which is a voluntary self-regulatory code. The Code aims to raise the standards of practice and service in the insurance industry.

Lloyd's has adopted the Code on terms agreed with the Insurance Council of Australia. For further information on the Code please visit www.codeofpractice.com.au.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au

ARCH ACCOUNTANTS PROPOSAL FORM

This proposal form must be completed by clearly printing in ink by a Partner, Principal or Director of the Firm or Company. All Questions must be answered to enable a quotation to be given. The completion and signature of this proposal does not bind the proposers or insurers to complete a contract of insurance.

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

Please provide a brochure, if possible and any standard contract terms, conditions, agreements or letters of appointment which you have with your clients.

APPLICANT OR ORGANISATION DETAILS

1. Full legal name of company or sole practitioner or partnership (Further referred to as 'You/Your' in the proposal form). It is essential that You specify the legal name of the entity entering into this contract:	
2. Trading names associated with the above-named entity:	
3. Name of any of Your subsidiaries or service companies (if applicable):	
4. Your ABN/CAN Number/s:	
5. Date Your business was established:	
6. Your Principal business address:	
7. Your business website(s):	

8. Has Your name ever been changed?

Yes ☐ No ☐

a) If Yes, please provide further details below:

9. Have You ever purchased or been purchased by any other business, or amalgamated or merged with any other business?

Yes ☐ No ☐

a) If Yes, please provide further details below:

PARTICULARS OF ALL PRINCIPALS/PARTNERS/DIRECTORS

10. Details of all Principals/Partners/Directors:

Name of Principal/Partner/Director	Age	Qualifications	Years practising as Principal/Partner/Director		Professional Membership/s
			Current Business Practice	Previous Business Practice(s)	

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11. Particulars of Principals/Staff and their current professional memberships and practising certificates held:

Name	Professional Membership/s	Practising Certificate/s

12. Workforce Details:

WORKFORCE DETAILS	
Type	Number
Partners/Principals/Directors	
Managers	
Administrative Staff	
Qualified Staff	
Total	

Type	Number
Professional Qualified Employees	
Non-Technical/ Administrative	
Total	

13. Do You use sub-contractors or sub-consultants?

Yes ☐ No ☐

DESCRIPTION OF YOUR ACTIVITIES

14. Where services provided for a professional fee:

Any other activities:

15. Do any of your activities require you to be licensed or registered under Chapter 7 or any other provisions of the Corporations Act 2001?

Yes ☐ No ☐

If Yes, please provide a copy of your current licence(s) and/or registration(s).

Gross Fee Income:

16. Please state the gross fee income received for each of the last two financial years and an estimate for the next financial year in:

Year	Fees (AUD)
Prior Financial Year	\$
Current Financial Year	\$
Next Financial Year (Estimate)	\$

17. Please provide the approximate percentage of your activities (based on gross fee income) applicable to each State, Territory and Overseas.

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

18. Are You eligible for Small Business Exemption for Stamp Duty in New South Wales in accordance with section 259B of the Duties Act 1997 (NSW)?

Yes ☐ No ☐

DIVISION OF WORK

Activity Name

Splits %

19. Please express your activities as a percentage of Your gross professional fees

Accounts Preparation/Bookkeeping	%
Auditing	%
Is cover for past audit work required:	Yes <input type="checkbox"/> No <input type="checkbox"/>
CFO or Directorship positions (private or not for profit)	%
Corporate Advisory and M&A	%
Management Consulting (Accounting related)	%
Payroll or Payment Processing	%
Secretarial duties and ASIC lodgement	%
SMSF Administration and Compliance	%
Taxation or management and forensic accounting	%
Trusteeship (including for SMSF) or Executorship services	%
Valuation Services	%
Receiverships, Liquidations, or Insolvencies	%
Superannuation Fund Management/Trusteeship/ Administration	%
Other – If services are provided outside of these categories, please describe in detail	%

20. If you have marked "Other" above, please provide details:

21. If you have previously engaged in any of the above activities during the last 5 years but have ceased, please specify which activities:

AUDIT ACTIVITIES

22. Please provide details of the percentage of your AUDIT activities that fall into the following categories:

Category	(Percentage)
Public Listed Companies	%
Public Unlisted Companies	%
Small Private Companies (<\$25m revenue)	%
Large Private Companies (>\$25m revenue)	%
Non-Profit Organisations	%
Financial Institutions	%
Trust Funds and/or Executorships	%
Superannuation Funds (general)	%
Self Managed Superannuation Funds (SMSF)	%
Other (please specify)	%
TOTAL	%

23. If the Audit Activities table above is completed then please provide details of:

		AUS \$	Overseas \$
(i)	Gross professional fees from your audit activities during the past twelve (12) months	\$	
(ii)	Estimated gross professional fees from these activities for the next twelve (12) months	\$	
(iii)	The names, nature of business and annual fees of your 5 largest audit clients:		
	Client Name	Nature of Business	

24. Does any Partner/Director hold any Directorship or Secretarial position with any other practice or business?

Yes ☐ No ☐

If Yes, please give details by way of attachment. (i.e. Company, position, length of time involved)

SUPERANNUATION FUNDS

25. With reference to the DIVISION OF WORK table, if Superannuation activities are mentioned, is the Superannuation Fund for the benefit of the firm's:

a) Principals or staff

Yes ☐ No ☐

b) Clients

Yes ☐ No ☐

c) If you selected Yes for 'Principals or Staff', is the Superannuation Fund invested at the discretion of the firm?

Yes ☐ No ☐

If Yes, where is it invested?

26. Do any Partners, Principals or Staff act as Trustees of any clients' Superannuation Funds?

Yes ☐ No ☐

If Yes, please provide details:

27. Do the firm's clients have knowledge of the type of investment in the Fund's and formally confirm their acceptance?

Yes ☐ No ☐

28. Does the firm's clients have knowledge of the type of investment in the Fund's and formally confirm their acceptance?

Yes ☐ No ☐

29. Has the firm established predetermined investment criteria with the clients?

Yes ☐ No ☐

BUSINESS VALUATIONS

30. Please give details of the names of Principals or Staff who undertake business valuations, or valuations of equity in business, or profitability assessments and their professional qualifications and experience:

Name and Position	Type of valuation/assessments undertaken	Qualifications	Experience (years/months)

31. express as a percentage of your total business valuation/assessment work the activities relating to:

	No. per annum	%
Business valuations		%
Valuations of equity in business		%
Profitability assessments		%
Pre purchase reviews		%
Other (and specify)		%

32. Do you provide business valuations/ valuations of equity / profitability assessments (or other, as above) of your client's operations or of other parties' operations?

Yes ☐ No ☐

If Yes, please provide details including the purpose of the work, for whom it was undertaken and the number of valuations/assessments undertaken in the last 12 months:

33. Please list the Four largest clients in the last five years of the Firm, Company, or Sole Practitioner:

Description of the project (what is being consulted on/built/studied etc)	Details of Your services and responsibilities on the project	Total value project (AUD)	Your Fees earned (AUD)	Start Date	Completion Date
		\$	\$		
		\$	\$		
		\$	\$		
		\$	\$		

34. What is the largest annual income earned from a single client in the last 12 months?

\$

35. Name of client:

36. Does the Firm, Company or Sole Practitioner perform work outside Australia, or work for clients who are outside?

Yes ☐ No ☐

If Yes, please give details (i.e. work performed, countries involved and fee income of each)

RISK MANAGEMENT DETAILS

Please answer the following questions:

37. Are You or any Partner/Principal/Director a member of a Professional Body or Association?

Yes ☐ No ☐

If Yes, please provide details below:

38. Do any individual contracts or clients represent more than 25% of Your annual fee revenue?

Yes ☐ No ☐

39. Do You expect any significant changes to Your activities in the next 12 months?

Yes ☐ No ☐

40. Do you have a standard contract of engagement?

Yes ☐ No ☐

If Yes:

a) Does the contract clearly state a scope of works to be undertaken by you?

Yes ☐ No ☐

b) Does the contract include limitations of liability to Your clients?

Yes ☐ No ☐

If YES to any of the above, please provide details:

CLAIMS/HISTORY DETAILS

41. Has any insurer ever:

a) Declined to offer insurance to You or Your Partners, Directors, or Principals (including past Partners, Directors or Principals)?

Yes ☐ No ☐

b) Cancelled or voided any insurance held by You or any Partner, Director, or Principal?

Yes ☐ No ☐

42. Have You, including any present or former Partners, Directors, Principals or Employees:

a) Been the subject of any investigations or disciplinary proceedings for professional misconduct?

Yes ☐ No ☐

b) Been declared bankrupt?

Yes ☐ No ☐

c) Held office in a company that was trading while insolvent and/or entered administration/receivership/liquidation?

Yes ☐ No ☐

d) Been convicted of a criminal offence?

Yes ☐ No ☐

If Yes to any of the above, please provide further details:

43. Has any claim been made against You, including any present or former Partners, Directors, Principals, Consultants or Employees?

Yes ☐ No ☐

If YES, please provide the following details in respect of each matter:

Year of Notification	Insurer	Claimant	Nature of Claim	Amount Paid or Estimated Potential Liability	Claim Status: (Finalised or Outstanding)

44. Are You or any Partners, Directors, Principals, Consultants or Employees, after enquiry, aware of any facts, circumstances or notifications that may lead to a claim?

Yes ☐ No ☐

If Yes, please provide further details:

Date of Circumstance	Claimant	Nature of Potential Claim	Amount Claimed/Estimate

45. Please select the limit of indemnity which You require:

☐ \$1,000,000

☐ \$2,000,000

☐ \$5,000,000

☐ Other (please specify)

\$ (ENTER)

46. Do You currently have a Professional Indemnity Insurance Policy in place?

Yes ☐ No ☐

Limit of Indemnity	\$
Amount of Excess	\$
Premium	\$
Expiry Date	
Insurer	

FIDELITY

Please be aware that an aggregate Sub Limit for Fidelity will apply and will be specified in the insurance Schedule

47. Are cash, electronic funds transactions, securities and negotiable instruments subject to control by a Partner, Principal or by at least two employees?

Yes ☐ No ☐

48. Are cheques and electronic funds transaction signed/co-signed/authorised by a Partner, Principal or Director, or by at least two employees?

Yes ☐ No ☐

49. Are bank reconciliations carried out by someone not authorised to deposit into or withdraw from bank accounts?

Yes ☐ No ☐

50. Do you apply the principle of separation of duties, as much as is practicable, in order to minimise the incidence of fraud and dishonesty by employees?

Yes ☐ No ☐

51. Do you always require and obtain satisfactory references before hiring employees?

Yes ☐ No ☐

PUBLIC LIABILITY COVER

52. Do you require a quote for Public & Products Liability Insurance?

Yes ☐ No ☐

If Yes:

a) Do you provide any services that involve manual labour and/or use of heavy equipment or machinery, including their supervision or direction?

Yes ☐ No ☐

b) Do You manufacture, import, export, sell, or supply any products?

Yes ☐ No ☐

If the answer to questions 52. a) or b) is YES, please provide further details below:

53. Please select the limit of liability which You require:

- ☐ \$5,000,000
- ☐ \$10,000,000
- ☐ \$20,000,000

The answers you have provided to the above questions will usually provide sufficient information for a proper consideration of the Proposal. However, if there are any matters which are material to the risk to which this Proposal relates, you should disclose such matters to us in the space below, or on a separate sheet if necessary.

Documents may be required by us (on request) including:

- The last Annual Report and Accounts for the Applicant
- Claims History

DECLARATION

I declare that I have made all necessary inquiries into the accuracy of the responses given in this Proposal and confirm that the statements and particulars provided in it are true and complete and that no material facts have been omitted, misstated or suppressed. I agree that if any of the information given by me or the proposer, alters between the date of this Proposal and the inception date of the insurance to which it relates, I will give immediate notice thereof to the insurer.

I acknowledge receipt of the Important Notices contained in this Proposal and that I have read and understood the content of them, including the duty to take reasonable care not to make a misrepresentation. I agree to the terms of the Privacy Statement. I also acknowledge that the insurance will be provided in whole or in part by overseas insurers.

I confirm that I am legally authorised by the proposer and its partners/principals/directors (if applicable) to complete this Proposal and to accept the quotation terms for this insurance on their behalf.

Name and Title	
Date	
Signature	

HOW TO CONTACT THE UNDERWRITER:

Melbourne: Suite 11.02, Level 11,
360 Collins Street,
Melbourne VIC 3000
P (03) 9629 5444
F (03) 9629 1854

Sydney: Level 10
155 Clarence Street
Sydney NSW 2000
P (02) 8284 8410
F (02) 8088 1024

Email: info@archinsurance.com.au