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## **Professional Indemnity Insurance REAL ESTATE AGENTS PROPOSAL FORM**

### **IMPORTANT NOTICES**

#### **Your Duty of Disclosure**

In order to make an informed assessment of the risk and calculate the appropriate premium, your Insurer needs information about the risk you are asking to insure. For this reason, before you enter into a contract of insurance, you have a duty under the *Insurance Contracts Act 1984 (Cth)* to disclose to your insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept this risk and, if so, on what terms. The duty continues after the proposal form has been completed up until the inception date of the policy and also applies when you renew, extend, vary or reinstate a contract of insurance.

You do not have to disclose anything that:

- Reduces the risk to be undertaken by the insurer;
- Is common knowledge;
- Your insurer knows, or in the ordinary course of its business, ought to know; or
- If the insurer has waived your obligations to disclose.

One important matter to be disclosed is the history of losses suffered by the person or entity seeking insurance and possibly also losses suffered by any related or associated person or entity sought to be covered by the relevant insurance policy. You are responsible for checking that you have made complete disclosure. We suggest that you keep an up to date record of all such losses and claims and that you make all reasonable enquiries of directors, officers, senior managers and any relevant employees in order to ensure that adequate disclosure has been made.

If you have any questions or concerns about whether information needs to be disclosed, please contact us.

#### **Claims Made Policies**

Many liability policies are issued on a 'claims made' basis. This means that the policy responds to:

- Claims first made against you during the policy period and notified to the insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- Written notification pursuant to section 40(3) of the *Insurance Contracts Act 1984 (Cth)* of facts which might give rise to a claim against you. If you give written notification of facts as soon as reasonably practicable after you become aware of the facts prior to the expiry of the policy period, the policy will respond even though a claim arising from those facts is made against you after the policy has expired.

#### **Retroactive Date**

You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed by you prior to the retroactive date, where one is specified in the policy terms offered to you.



**Consequences of Non-Disclosure**

If you do not comply with your duty of disclosure, your insurer may be entitled to reduce its liability in respect of a claim or may cancel your contract of insurance. If the non-disclosure was fraudulent, the insurer may be able to avoid (or cancel) the contract of insurance from its beginning. This would effectively mean that you were never insured.

**Material Changes**

You must also notify your insurer of any significant changes which occur during the period of insurance. If you do not, your insurances may be inadequate to fully cover you. We can assist you to do this and to ensure that your contract of insurance is altered to reflect those changes.

**Interests of Other Parties**

Some insurance contracts do not cover the interest in the insured property or risk of anyone other than the person named in the contract. Common examples are where property is jointly owned or subject to finance but the contract only names one owner or does not name the financier. Please tell us about everyone who has an interest in the property insurance so that we can ensure that they are noted on the contract of insurance.

**Contracts entered into by the Insured Affecting Insurers' rights**

Some insurance contracts seek to limit or exclude claims where the insured person has limited their rights to recover a loss from the person who has responsibility for it eg: by signing an agreement which contains a disclaimer, indemnity or limitation of liability of the other party. Please tell us about any contracts of this type which you have entered into or propose to enter into.

**Privacy**

We are committed to protecting your privacy. We only use the information you provide to us to advise about and assist with your insurance needs. We only provide your information to the insurance companies with whom you choose to deal (and their representatives.) We do not trade, rent or sell your information.

For more information about our Privacy Policy, please ask us for a copy or visit our website.

**When completing this Proposal Form:**

- Please answer **all** questions giving full and complete answers
- If the space required on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer.
- **Please ensure that this Proposal Form is properly signed and dated.**



1. Proposer (s) – Please provide full name of ALL ENTITIES to be insured:

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 .....  
 .....

2. Address of Principal Office & Any Other Offices:

.....  
 .....

Phone: ..... Fax: .....

Email: ..... Web: .....

3. Date Business was Established:

Month: ..... Year: .....

4. Please supply the following details for all Principals:

Name of all principals, directors, partners	Age	Qualifications	Date Qualified	How long practicing as Partner / Principal

5. Please advise the total number of partners/staff:

Number of Principals & Staff	Full Time	Part Time
Directors, Partners, Principals		
Consultants / Sub Contractors		
Qualified / Technical Staff		
Administration / Other Staff		

6. Has the Insured been involved in any mergers or acquisitions or change of name in the last five years?  Yes  No

If "Yes" please provide details:

.....  
 .....



7. Has the Insured been involved in any joint ventures or have interest in any land sales or property management agents in the last five years?  Yes  No

If "Yes" please provide details:

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 .....

8. Please provide the proposer's fees/income in each of the financial years derived from clients based in:

Location	Previous 12 Months	Last 12 Months	Next 12 Months
Australia	\$	\$	\$
Overseas (Excl. North America)	\$	\$	\$
In North America	\$	\$	\$
<b>Total of Above</b>	\$	\$	\$

9. Stamp Duty Declaration – Please provide a percentage breakdown of fees/turnover by location as follows:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	O/S	TOTAL
									<b>100%</b>

10. Please allocate below, as a percentage to a total of 100%, the split fees/income between activities for the last complete financial year:

	Australia	Overseas	Total
Residential Sales			
Commercial Sales			
Residential Property Management			
Commercial Property Management			
Business Broking			
Mortgage Broking			
Mortgage Originator (i.e. delegated authority from a leading Institution)			
Valuations			
Auctioneering			
Insurance			
Other (Please Specify)			
			<b>100%</b>

11. Is the proposer aware of any change in activity/structure that will occur in the coming financial year?  Yes  No

If "Yes" please provide details:

.....  
 .....



**12. What is the proposer's largest fee earned from one client and the average fee per client in the last year?**

Largest:

Average:

.....

.....

**13. Please state the 5 largest contracts for the last 5 years.**

Type of Service	Project Value	Fees Earned	Year Work Performed

**14. (a) Does the Insured provided Property Management and/or Strata Title Management Services?**

Yes  No

If 'Yes'

**(b) Does the Insured use the standard Property Management and/or Strata Title Management agreements as recommended by the Real Estate Institutes?**

Yes  No

**(c) Does the Insured maintain a Complaints/Repairs Register to record all reports it receives about problems with the properties the Insured is managing?**

Yes  No

**15. Does the proposer always obtain satisfactory written references when engaging employees?**

Yes  No

If No, Please provide details as to why:

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 .....

**16. If any partner, principal, director or employee is allowed to sign cheques without a counter signature please provide details of the individuals, the cheque limit and the circumstances:**

.....  
 .....

**17. Are employees who receive cash/cheques in the course of their duties required to pay in daily?**

Yes  No

If No, Please provide details of the procedures implemented:

.....  
 .....

**18. Does the proposer ensure that sub consultants are engaged in a binding contract accepting responsibility for their own negligence, error or omission and does the proposer ensure that all sub consultants carry Public Liability Insurance?**

Yes  No

If not, why not?

.....



19. Does the Insured have any Professional Indemnity Insurance currently in force?

Yes  No

If "Yes" please state:

<b>Name of Insurer:</b>	
<b>Limit of Indemnity:</b>	
<b>Renewal Date:</b>	
<b>Excess:</b>	
<b>Retroactive Date:</b>	

**CLAIMS AND CIRCUMSTANCES**

1. Has any insurer, in respect of the risks to which this proposal relates, ever:

- (a) Declined a proposal, refused renewal or terminated an 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 an Excess)?  Yes  No

If "Yes" to any of the above, please give details:

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2. Please answer:

- (a) Has any claim been made against the Insured or any principal, partner or director (either as a principal, partner or director of the Insured or of any previous business), consultant or employee in respect of the risks to which this proposal relates?  Yes  No
- (b) Has the Insured or any principal, partner, director, consultant or employee incurred any other loss or expense which might be within the terms of the Professional Indemnity cover?  Yes  No

If "Yes" in either case, please give details:

Date of Claim or Loss	Nature of each Claim or Loss	Cost (if any) of Claim Paid or Loss Insured	Estimated Outstanding Loss



3. What action has been taken to prevent a recurrence of the situation which gave rise to each claim or loss?

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.....  
.....

4. Is any principal, director, partner, consultant or employee, after enquiry, aware of any circumstances which might:

- (a) Give rise to a claim against the Insured or his/her predecessors in business or any of the present or former partners, principals, directors, consultants or employees?  Yes  No
- (b) Result in the Insured or his/her predecessors in business or any of the present or former partners, directors, consultants, employees or principals incurring any losses or expenses which might be within the terms of the Professional Indemnity cover?  Yes  No
- (c) Otherwise affect the Insurer's consideration of this insurance?  Yes  No

If "Yes" to any, please give details, including maximum potential cost (by separate note if preferred)

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**IT IS AGREED THAT IF SUCH FACTS, CIRCUMSTANCES OR SITUATIONS EXIST, WHETHER OR NOT DISCLOSED, ANY CLAIM ARISING FROM THEM IS EXCLUDED FROM THIS PROPOSED INSURANCE POLICY.**

**INDEMNITY REQUIRED**

**Please state the Limit of Indemnity required under this Professional Indemnity insurance:**

- \$1,000,000     \$2,000,000     \$5,000,000
- \$10,000,000     \$20,000,000     Other: .....

**Please state Excess required (in most cases an Excess will be compulsory) :**

- \$1,000     \$2,500     \$5,000
- \$7,500     \$10,000     Other: .....



**DECLARATION AND AGREEMENT:**

I/We declare in relation to the facts, statements and particulars contained in this proposal as follows:

- I/We have made all reasonable and necessary enquiries;
- I/We confirm that to the best of our knowledge and belief, they are true and complete;
- No material facts have been omitted, misstated, misrepresented or suppressed; and
- Should any of the information given by us alter between the date of this proposal and inception date of the insurance to which this proposal relates, we will give immediate notice thereof to the insurer.

I/We acknowledge receipt of the Important Notices on Page 1 and 2 contained on this Proposal Form and that we have read and understood the content of those Notices.

I/We confirm that we are authorised by the Company and its Directors to complete, sign and submit this proposal on behalf of the Company and its Directors.

**Name of Business:** \_\_\_\_\_

**Signature/s:** \_\_\_\_\_

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

**Title of Signatory:** \_\_\_\_\_

**Full Name of Such Person:** \_\_\_\_\_

**Date of Signing:** \_\_\_\_\_