

# Professional Indemnity Insurance for Design and Construction Contractors



## Proposal form

### Completing the Proposal form

1. This application must be completed in full including all required attachments.
2. If more space is needed to answer a question, please attach a separate sheet with details.
3. The terms proposer, whenever used in this proposal form shall mean the policyholder listed and all subsidiary companies of the policyholder for which coverage is proposed under this proposal.
4. The terms policyholder and subsidiaries have the same meaning in this proposal form as in the policy.

### Statutory Notice – Section 40 Insurance Contracts Act 1984 (Cth)

This notice is provided in connection with but does not form part of the policy.

This policy is a 'Claims Made' liability insurance policy. It only provides cover if:

- A claim is made against an insured entity, by some other person, during the period when the policy is in force; and
- The claim arises out of circumstances committed, attempted or alleged to have been committed or attempted after the inception date stipulated in the schedule.

Section 40(3) of the Insurance Contracts Act 1984 (Cth) applies to this type of policy. That sub-section provides that if an insured entity becomes aware, during the period when the policy is in force, of any occurrence or fact which might give rise to a loss against them by some other person, then provided that the policyholder notifies Zurich of the matter before this policy expires, Zurich may not refuse to indemnify merely because a loss resulting from the matter is not made against the insured entities while the policy is in force.

If the policyholder, inadvertently or otherwise, does not notify the relevant occurrence or facts to Zurich before the expiry of the policy, the insured entities will not have the benefit of section 40(3) and Zurich may refuse to pay any subsequent loss, notwithstanding that the events giving rise to it or the circumstances alleged in it may have taken place during the policy period.

### Duty of Disclosure

Before you enter into a contract of general insurance with us, you have a duty under the Insurance Contracts Act 1984 (Cth) to disclose to us every matter you know, or could reasonably be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate a contract of general insurance. Your duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know;
- we indicate to you that we do not want to know.

### Non-disclosure or Misrepresentation

If you make a misrepresentation to us, or if you do not comply with your duty of disclosure and we issue your policy with terms and conditions that are different to the terms and conditions that would have been issued had there not been any misrepresentation, or your duty of disclosure had been complied with, then:

- we may reduce the cover provided so that we are placed in the same position as we would have been in, had there not been any misrepresentation and your duty of disclosure had been complied with; and
- we may also cancel your policy; or
- we may treat your policy as if it never existed if the misrepresentation or your non-compliance with your duty of disclosure was fraudulent.

### Privacy

Zurich is bound by the Privacy Act 1988 (Cth). Before providing us with any Personal or Sensitive Information ('Information'), you should know that:

We collect, use, process and store Personal Information and, in some cases, Sensitive Information about you in order to comply with our legal obligations, assess your application and, if your application is successful, to administer the products or services provided to you, to enhance customer service and/or product options or manage a claim ('purposes').

If you do not agree to provide us with the Information, we may not be able to process your application, administer your policy or assess your claims.

By providing us or your intermediary with your Information, you consent to our use of this Information which includes us disclosing your Information where relevant for the purposes, to your intermediary, affiliates of the Zurich Insurance Group Ltd, other insurers and reinsurers, our service providers, our business partners or as required by law within Australia or overseas.

Zurich may obtain Information from government offices and third parties to assess a claim in the event of loss or damage.

For further information about Zurich's Privacy Policy, a list of service providers and business partners that we may disclose your Information to, a list of countries in which recipients of your Information are likely to be located, details of how you can access or correct the Information we hold about you or make a complaint, please refer to the Privacy link on our homepage – [www.zurich.com.au](http://www.zurich.com.au), contact us by telephone on 132 687 or email us at [Privacy.Officer@zurich.com.au](mailto:Privacy.Officer@zurich.com.au)

## 1 Personal information

1. Full name of person/s or organisation to be insured including trading name/s (the business). Where the Applicant is a company, please give the name of the company and their subsidiaries requiring cover

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2. Address State Postcode

3. Please state the addresses of all other locations from which the business operates including any overseas locations

Address State Postcode

Address State Postcode

Address State Postcode

4. Does the Applicant have a website on the Internet? Yes ☐ No ☐ If 'Yes', please provide URL

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## 2 The business

5. On what date was the business established? / /

Please give a complete description of the business and professional activities including details of any advice given and/or services provided

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6. (a) Has the name of the business ever been changed? Yes ☐ No ☐

(b) Has any other practice or business amalgamated or merged with you? Yes ☐ No ☐

(c) Have you purchased any other business or practice? Yes ☐ No ☐

If you have answered Yes to either (a), (b) or (c), please supply details

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7. Does the business envisage that any changes in ownership or operations may take place over the next 12 months? Yes ☐ No ☐

If 'Yes', please provide details

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8. Please supply details in respect of the total number of:

Principal/partners/directors	
Non-technical administrative staff	
Professional qualified staff	
Clerical staff – typists, receptionists etc.	
Other technical staff	
Other staff (please specify)	
Trainee staff	
<b>Total</b>	

(Please enclose curriculum vitae or resumes for all principals/partners/directors detailing qualifications and a summary of career experience)

## 2 The business (continued)

9. In respect of each principal, partner or director of the business, please provide the following details:

Name	Age	Qualifications	Date qualified	Years with this firm	Name and number of years with previous firm

10. Are any of the principals, partners or directors financially or otherwise associated with any other business?

Yes ☐ No ☐

If 'Yes', please provide details

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11. Please list the professional bodies or associations to which the Applicant belongs

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### Questions 12 and 13 for Sole Proprietors Only

12. State the experience of your assistants and their length of service

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13. What arrangements do you have to assist you during your temporary absence on business, leave or sickness, or unforeseen emergency?

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14. Please advise date of your Financial Year End      /      /

15. Please provide the following details of the business gross income (including all subsidiaries requiring cover)

- (a) Estimate of fees/turnover for the current financial year
- (b) Fees/turnover received or rendered during the last financial year
- (c) Fees/turnover received or rendered during the previous financial year
- (d) Please provide the amount of the largest annual fee for any one client
- (e) Please indicate whether figures above represent:

☐ Fees      OR      ☐ Gross Turnover

(f) What countries do the overseas component represent?

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Australia/NZ	Overseas
\$	\$
\$	\$
\$	\$
\$	\$

## 2 The business (continued)

16. Please indicate the approximate percentage of fee/turnover derived in each state or overseas or alternatively the number of staff in each state or overseas

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S
<b>Staff</b>									
<b>Income</b>	%	%	%	%	%	%	%	%	%

17. Please detail the approximate percentage of **fee income** derived from the following fields of consulting work

Field of Work		Field of Work	
Acoustic Engineering	%	Nuclear Engineering	%
Architecture: Commercial/Industrial	%	Petrochemical Engineering	%
Architecture: Domestic/Residential	%	Pre-Purchase Building Inspections	%
Building Certification	%	Process Engineering	%
Chemical Engineering	%	Project Management	%
Civil Engineering	%	Structural Engineering	%
Communication Engineering	%	Surveying (a) Building	%
Construction Management	%	Surveying (b) Land	%
Electrical Engineering	%	(c) Marine	%
Environmental Engineering	%	(d) Mines	%
Geotechnical / Soil Engineering	%	(e) Quantity	%
Heating & Ventilation / Air Conditioning Engineering	%	Town Planning	%
Hydraulic / Fire Engineering	%	Other (please specify)	%
Interior Designing	%		%
Landscape Architecture	%		%
Lifts / Elevators Engineering	%		%
Mining Engineering	%		%
Mechanical Engineering	%		%
Marine Engineering	%	<b>TOTAL</b>	<b>100%</b>

Please detail the approximate percentage of your total work in the following areas.

Types of Projects	
Airports	%
Amusement rides / parks	%
Apartments – low rise (3 stories and under)	%
Apartments – high rise (over 3 stories)	%
Arenas and stadiums	%
Bridges	%
Churches	%
Townhouses – commercial (duplicate design – more than 2)	%
Townhouses – residential (duplicate design – more than 2)	%
Convention centres	%
Dams	%
Harbours / piers / ports	%
Hospitals / healthcare	%
Hotels / motels	%
Industrial waste treatment	%
Jails	%

2

Please detail the approximate percentage of your total work in the following areas.

<b>Types of Projects</b>	
Landfills	%
Libraries	%
Manufacturing / industrial	%
Mass transit	%
Mines – above ground	%
Mines – underground	%
Municipal / government buildings	%
Nuclear / atomic	%
Office buildings	%
Parking structures	%
Petroleum / chemical structures	%
Pools	%
Pre-engineered buildings / structures	%
Private dwellings (custom)	%
Recreation / playgrounds	%
Roads	%
Schools / colleges	%
Sewerage systems	%
Sewerage treatment plants	%
Shopping / retail centres	%
Superfund / pollution	%
Telecommunications	%
Theatres	%
Tract Homes	%
Tunnels	%
Utilities	%
Warehouses	%
Wastewater	%
Water Systems	%
Other (please specify)	%
	%
	%
	%
	%
	%
<b>TOTAL</b>	<b>100%</b>

18. Does the Applicant undertake any works which involve them in:

(a) manufacturing, construction, erection or installation?

Yes ☐ No ☐

If 'Yes', state what percentage of the fees declared relates to such contracts %

(b) the supply of materials, plant, goods, or equipment?

Yes ☐ No ☐

If 'Yes',

(i) does the supply relate to branded products only?

Yes ☐ No ☐

(ii) do the products originate from suppliers outside Australia?

Yes ☐ No ☐

If Yes to (b) (i) or (ii) above, please give details of products and name and location of suppliers

(iii)	what proportion of the fees declared relates to such contracts?	%
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## 2 The business (continued)

19. Please provide details of the business 5 largest contracts undertaken during the last 7 years

Particulars	Contract value	Year	Contract fees
	\$		\$
	\$		\$
	\$		\$
	\$		\$

20. Does any one client account for more than 50% of the business annual income?

Yes ☐ No ☐

If Yes, please provide details

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Client's name

Nature of services provided to the client

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Income received from the client \$

21. (a) Does the business provide written reports to clients?

Yes ☐ No ☐

If Yes, please attach copies including any disclaimers

(b) Are verbal reports always confirmed in writing?

Yes ☐ No ☐

If No, how do you substantiate such verbal reports?

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22. Do you engage consultants, sub-contractors or agents?

Yes ☐ No ☐

If Yes:

(a) do you insist they carry their own Professional Indemnity Insurance?

Yes ☐ No ☐

(b) do you enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which you may have against such consultants, sub-contractors or agents?

Yes ☐ No ☐

(c) please advise which percentage of your fees/turnover is outsourced to sub-contractors %

23. Does the business limit its liability in contracts with clients?

Yes ☐ No ☐

If 'Yes', how does the business limit their liability?

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24. Does the Proposer ever sign contracts where liability is accepted for consequential losses?

Yes ☐ No ☐

If 'Yes', in what circumstances?

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25. Are all non-standard contracts legally reviewed prior to signing?

Yes ☐ No ☐

If 'No', who reviews them?

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## 2 The business (continued)

26. 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.

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27. 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?

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28. Does the Proposer ever agree to contract out of proportionate liability legislation? e.g. Civil Liability Act.

Yes ☐ No ☐

If "Yes", please provide details.

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29. 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.

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30. 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?

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

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31. Are verbal reports or advice always confirmed in writing?

Yes ☐ No ☐

If "No", how are they substantiated?

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32. Is legal counsel an in-house function?

Yes ☐ No ☐

If "No", who provides this service?

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## 2 The business (continued)

33. 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.**

34. Has the Proposer purchased any Specific Project Professional Indemnity Policies?

Yes ☐ No ☐

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

### Optional Extensions

34. **Contractual Liability**

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

Yes ☐ No ☐

36. **Novated Contracts**

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

Yes ☐ No ☐

37. **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 ☐

## 3 Details of cover

38. Does the business presently carry or has the business ever carried Professional Indemnity Insurance?

Yes ☐ No ☐

If 'Yes', please supply the following details

Insurer

Expiry date        /        /

Limit of Indemnity    \$

Excess                \$

### Application for Cover

Limit of Indemnity required                \$

Excess required (each & every claim)        \$



#### 4 Claim information

38. Has the business or any principal, partner or director ever been refused Insurance of the type proposed, had a similar policy cancelled or had special terms imposed? Yes ☐ No ☐
39. Have any claim/s ever been made against the business or its predecessors or against any present or past principals, partners or directors? Yes ☐ No ☐

If 'Yes', please provide details

Date matter notified	Name of insurer (if any)	Name of claimant or potential claimant	Brief description of matter	Amount paid or estimate of potential liability	Is matter finalised or outstanding?

40. Are any of the principals, partners or directors aware, after enquiry of all staff, managers and contractors, of any facts or circumstances which may give rise to a claim or claims of the type insured by this policy? Yes ☐ No ☐

If 'Yes', please provide details

Name of claimant or potential claimant	Brief description of matter	Estimate of potential liability

41. Are any of the principals, partners or directors aware, after enquiry of all staff, managers and contractors, of any accounts overdue for payment where there is reason to believe that the client is dissatisfied with the professional services rendered? Yes ☐ No ☐

If 'Yes', please provide details

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#### 5 Declaration

Signature of this form does not bind the Applicant or the insurers to complete the insurance.

I/we hereby declare that the statements and particulars in this proposal are true and that I/we have not mis-stated or suppressed any material facts. I/we agree that this proposal form with any other information supplied on behalf of the business shall form the basis of any Contract of Insurance effected thereon. I/we undertake to inform the Insurer of any material alteration to these facts whether occurring before or after completion of the Contract of Insurance.

For and on behalf of

Signature of Partner, Principal or Director	Date
X	/ /