

Professional Indemnity Insurance

APPLICATION FORM INSTRUCTIONS

Our aim is to secure the most appropriate and competitive insurance for you through a high quality submission to insurers. The following outlines what you can do to help us achieve the best outcome for you.

The objective of your application form is to provide insurers with data about your business such as income and activity types, but also to enable them to understand your risk, including:

- what you do – the nature of services provided
- who you do it for – your typical clients
- how you fit into the picture – the way in which you are typically engaged (i.e. lead versus sub-consultant or lump sum versus hourly rate contracts)
- the types of ‘projects’ you are typically engaged on
- your claims history
- how you manage risk.

Please consider the above as well as the following when completing your application:

- Read the following Important Notices before completing the application form.
- Complete the application form with clear, concise answers.
- Preferably, complete the application form as a word document (it presents better and enables you to save the form to reuse in future years).
- For small to medium firms please include copies of the principals’ CV(s). For medium to large firms please provide a Business Profile if available.
- If you have a claims history, whether actual claims or circumstances notified, please complete a Claims Addendum for each matter.
- Your approach to risk management is increasingly important to insurers, particularly if you have a claims history or your profession is perceived as high risk. If you have documented risk management strategies, even if these are limited to strategies around project risk assessments or client selection criteria, then please convey these in your application (refer to question titled Risk Management in the application form).
- If you are currently insured elsewhere please provide a copy of your current policy schedule or certificate of currency.
- If you have any queries regarding completion of the application form, insurance or risk management in general, please call us on 03 9059 4000 to discuss.
- We will always confirm receipt of your application within one business day.
- Return your completed application to: admin@insurancelab.com.au

YOUR DUTY OF DISCLOSURE

Before you enter into an insurance contract, you have a duty to tell the insurer anything that you know, or could reasonably be expected to know, may affect their decision to insure you and on what terms.

You have this duty until they agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract.

You do not need to tell the insurer anything that:

- reduces the risk they insure you for; or
- is common knowledge; or
- they know or should know as an insurer; or
- they waive your duty to tell them about.

If you do not tell the insurer something you are required to, they may cancel your contract or reduce the amount they will pay you if you make a claim, or both. If your failure to tell them is fraudulent, they may refuse to pay a claim and treat the contract as if it never existed.

DUTY OF GOOD FAITH

Both parties to an insurance contract, the insurer and the insured, must act towards each other with the utmost good faith. If you fail to do so, the insurer may be able to cancel your insurance or deny indemnity for a claim.

AVERAGE OR CO-INSURANCE

Some policies contain an Average or Co-insurance clause. This means that if you insure for less than the full value of the property, your claim may be reduced in proportion to the amount of the under-insurance.

CONTRACTS AND LEASES YOU SIGN

If you sign a contract with an indemnity, "hold harmless" or release, it can invalidate your policy or your insurance may not cover you for liability assumed under the contract.

These clauses are often found in leases as well as professional services contracts. Do not sign a contract or lease without contacting us and/or taking legal advice as to whether the contract terms will prejudice your policy.

LEASING, HIRING AND BORROWING PROPERTY

When you lease, hire or borrow property, make sure that the contract clearly identifies who is responsible for insuring the property.

ADDITIONAL INSURED AND NOTING INTERESTS

If someone requests they are named on your policy as an insured, interested party, co-insured or joint insured, please notify us as soon as possible. Insurers may not agree to include other parties under your policy therefore please check with us before you agree to this in a contract or lease.

CLAIMS MADE POLICIES

Some policies, including professional indemnity insurance, provide cover on a "claims made" basis. This means that claims first made against you and reported to your insurer during the policy period are insured under that policy, irrespective of when the incident causing the claim occurred.

Claims made policies also require that you notify circumstances that may give rise to a claim. This is due to Section 40(3) of the Insurance Contracts Act 1984 that states:

Where the insured gave notice in writing to the insurer of facts that might give rise to a claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim, when made, by reason only that it was made after the expiration of the period of the insurance cover provided by the contract.

The above means that to protect your entitlement under your policy you must report all incidents that may give rise to a claim against you to the insurers immediately after they come to your attention and before the policy expires.

Claims made policies do not cover claims arising out of circumstances that were known to you prior to the inception of the policy.

RETROACTIVE/PRIOR COVER

Your policy may be subject to a retroactive date restriction which means that the policy will not cover claims arising out of your conduct prior to the retroactive date stated in your policy. If the retroactive date is also the inception date of your policy, your insurance will not cover claims arising out of events that occurred before your policy commences.

NON-RENEWABLE INSURANCE

Cover under your policies terminates on the date shown in the policy schedule. While insurers will send renewal offers for most insurance policies, there are some including professional indemnity insurance which are not "renewable". For these, if you wish to effect similar insurance for a subsequent period, you will need to complete a further proposal before the current policy expires so that we can seek terms of insurance and quotations on your behalf.