

**ValuerProtect**  
**Professional Indemnity**  
**Proposal Form**

(Reference: June 2009)

**BROOKLYN** 

## ValuersProtect Proposal Form

### **Important Notices – Please Read**

Signing or completing this application DOES NOT bind either the Insurer or your practice to complete the relevant contract(s). It is purely for quotation and review purposes only.

### **Application Instructions**

1. Please answer every question fully, incomplete answers will not be accepted, and will result in a delay in receiving your quotation.
2. If there is insufficient space to provide an answer, please attach a separate sheet on your letterhead.
3. Please attach any material which may assist in evaluating your proposal.
4. The proposal must be signed by a Principal, Partner or Director of the Practice.
5. Please ensure all notices are read thoroughly prior to completing each section and signing the applicable declaration(s)

### **Your 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 insurance and, if so on what terms.

You have a duty to disclose matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty, however, does not require disclosure of matter:

1. That diminishes the risk to be undertaken by the Insurer;
2. That is common knowledge;
3. That your insurer knows or, in the ordinary course of his business, ought to know;
4. As to which compliance with your duty is waived by the Insurer.

### **Non - Disclosure**

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce his 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 Contracts of Insurance

Professional Risks Insurance is issued on a 'Claims Made' basis

This means that the policy responds to:

1. Claims first made against the insured during the policy period and notified to the Insurer during the that policy period, providing that the insured was not aware, at any time prior to the policy inception, of circumstances which would have alerted a reasonable person in the insured's position that a claim may be made against the insured;

And

2. 'Claims circumstances' notified pursuant to Section 40 (3) of the Insurance Contracts Act which states:

*'Where the insured gave noticed 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 a claim, when made, by reason only that it was made after the expiration of the period of insurance cover provided by the contract.'*

After the policy expiry, no new claims can be made on the expired policy even though the event giving rise to the claim may have occurred during the policy period.

**1.0. Practice Details**

Contact Name: .....

Contact Phone: .....

Contact Mobile: .....

Contact Email: .....

Address of Head Office .....

Suburb: ..... Postcode: ..... State: .....

ABN: .....

**1.1. Details of current cover:**

Insurer: .....

Limit of Indemnity: .....

Excess: .....

Expiry Date: .....

Retroactive Date: .....

**1.2 What limit(s) of indemnity do you require quotations for?**

\$1 million       \$2 million       \$5, million       Other .....

**1.3 Legal Entity(s) and Trading names (The Practice) to be covered under this policy**

Entity & Trading Name	Date Incorporated	ABN

1.4 Over past year (other than those disclosed in the **Policy Period**) has there been any:

- a) Any change in the name of the Practice?  Yes  No
- b) Any acquisition or merger involving the Practice?  Yes  No
- c) Any Subsidiary company sold or ceased trading?  Yes  No
- d) Any change in the capital structure of the Practice?  Yes  No

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

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1.5 Details of Practice & Risk Management

- a) Partners/Principals/Directors (Provide C.V's of key staff) .....
- b) Professionally qualified staff .....
- c) Other technical staff (i.e. CFO, COO) .....
- d) \*Sub – Contractors engaged (if used you must complete Annexure A) .....
- e) Trainee staff (Cadet Valuers) .....
- f) Clerical staff – typists, receptions etc .....
- g) Total incl. Partners/Principles/Directors and staff .....

**\*Sub – Contractor(s) named under current policy (note, cover can only be provided for professional services performed by the each sub – contractor for worked performed solely for the entity (ies) named in 1.2) YOU MUST COMPLETE ANNEXURE A IF YOU ENGAGE SUB – CONTRACTORS.**

1.6 When is your end of financial year i.e. what date? .....

1.7 Please provide total turnover (professional fees) derived by the Practice for the following periods:

Last Financial Year	Current Financial Year	Forthcoming Financial Year (Est)
\$	\$	\$

1.8 Are the Practice's fees set to increase or decrease by more than 20% for any of the periods above?

Yes  No

If "Yes" please complete the following:

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 .....  
 .....

1.9 Please provide a breakdown in Professional Fees derived by the Practice as follows:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	O/S

1.10 Please disclose from which country(ies), other Australia, Professional Services are performed:

Country	Professional Services Provided	Fees Received (\$)

1.11 Does one client or contract represent more than 50% of the Practice's Professional Fees?

Yes  No

If "Yes," please complete the following:

Brief Description of Valuation Activities	Start of Contract	Proposed end of Contract	Contract Value (\$)	Fees Derived (\$)

1.12 Does your practice use comparable sales figures when undertaking valuations?  Yes  No

If "No," please provide details

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1.13 Does your Valuation practice undertake valuations for or on behalf of any aggregator?  Yes  No

*If "Yes," please complete the following and provide a full copy of the contract entered into with each aggregator noted below:*

Name of Aggregator: .....

Average Fee per Valuation .....

Average Value of Property Valued .....

Fees Derived from Aggregator Last 12 Months .....

Estimated fees for forthcoming 12 Months .....

1.14 Has all Valuation staff of the Practice completed the API's 2009 Risk Management Module?  Yes  No

*If "No," please provide details*

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## 2.0. Professional Activities

For each of the last four years (4) please provide a percentage break-up of your Professional Fees in respect of the following Professional Services. Year 1 is the most current financial year.

\* Banks, Building Societies and Credit Unions are Authorised Deposit-taking Institutions authorised under the Banking Act 1959.

\*\* Non Bank lenders are those lenders regulated by the Managed Investment Schemes Act of 1998

Professional Services	Year 1 .....	Year 2 .....	Year 3 .....	Year 4 .....
Fees derived from <b>Residential</b> Mortgage Valuations relied upon by Banks, Building Societies and Credit Unions *	%	%	%	%
Fees derived from <b>Commercial / Industrial</b> Mortgage Valuations relied upon by Banks, Building Societies and Credit Unions. *	%	%	%	%
Fees from <b>Residential</b> Mortgage Valuations relied upon by Non-Bank Lenders **	%	%	%	%
Fees from <b>Commercial / Industrial</b> Mortgage Valuations relied upon by Non-Bank Lenders **	%	%	%	%
Fees from Solicitor Funds and other Non-Bank Lenders not regulated by the Managed Investment Schemes Act 1998	%	%	%	%
Fees from Valuer – General Contracts	%	%	%	%
Fees from Valuations performed for use in prospectus'	%	%	%	%
Fees from the Asset / GST / Stamp Duty Valuations;	%	%	%	%
Fees from Expert Witness and Lecturing	%	%	%	%
Fees from Valuation consultancy (Research Development, Advice on Property Sales / purchases)	%	%	%	%
Fees derived for Plant and Machinery Valuations	%	%	%	%
Fees from Business Valuations	%	%	%	%
Fees from Real Estate Sales	%	%	%	%
Fees from Real Estate Property Management	%	%	%	%
Fees from Project Management	%	%	%	%
Fees from Quality Surveying activities	%	%	%	%
Other (Please Specify) .....	%	%	%	%
Other (Please Specify) .....	%	%	%	%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

2.1 Please provide the ESTIMATED percentage breakdown of fees derived by location:

Location	Percentage	Expected Variance in Market over the next 12 months
CBD and Major Metropolitan Areas (Sydney, Melbourne, Brisbane, Perth, Adelaide, Hobart and population areas greater than 200,000)	%	%
Metropolitan/Regional (population areas between 25,000 – 200,000 and excluding holiday/coastal areas)	%	%
Holiday/Coastal (excluding CBD and Major Metropolitan Areas)	%	%
Rural (population of 25,000 or less)	%	%

2.2 What is the average Value of properties Valued over the past 12 months? \$.....

2.3 In the last 3 years, please advise your five largest **mortgage** Valuations:

Name of Lender / Client	Valuation Amount	Was this for a Bank or Non Bank Lender?	Name of lender for which the valuation was conducted for?	LVR (If known or for Mortgage Security Purposes)	Type of property (residential, commercial, rural, industrial) and or / development of)
	\$			%	
	\$			%	
	\$			%	
	\$			%	
	\$			%	

2.4 In the last 3 years, please advise your five largest **non-mortgage** Valuations:

Name of Lender / Client	Valuation Amount	Purposes / Reliance of Valuation	Type of property (residential, commercial, rural, industrial) and or / development of)
	\$	%	
	\$	%	
	\$	%	
	\$	%	
	\$	%	

2.5 Please advice as a percentage the fees derived from any Mezzanine lending, second or third mortgage valuations in the past 12 months:

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2.6 Please advise as a percentage the fees derived from Desktop Assessments over the past 12 months:

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2.7 Please advise as a percentage the fees derived from Kerbside Valuations over the past 12 months:

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**3.0. Claims and Current Circumstances**

Please review important notices, paying particular attention to “Claims Made Contracts” and “Your Duty of Disclosure” advice.

3.1 During the past 10 years had any Claim been made, or had negligence been alleged,  Yes  No  
against the Practice (or any previous Practice) or its partners, principals or directors?

*If “Yes,” you will be required to complete Annexure 2*

3.2 Are any of the partners, principals, directors or employees of the Practice aware of any  Yes  No  
facts or circumstances which may give rise to a claim against the Practice?

*If “Yes,” you will be required to complete Annexure 2*

3.3 Has any partner, principal, director or employee of the Practice ever been subject to  Yes  No  
disciplinary proceedings for professional misconduct?

*If “Yes,” please give details*

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Has the Practice, or any Partner, Principal or Director ever:

3.4 Had a Professional Indemnity insurance policy cancelled by the Insurer?  Yes  No

3.5 Been declined or refused Professional Indemnity insurance?  Yes  No

3.6 Had Special terms or conditions imposed on a Professional Indemnity insurance policy?  Yes  No

*If "Yes," please provide details*

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**DECLARATION**

I / We hereby declare that:

My / Our attention has been drawn to the Important Notice accompanying this Proposal form and further I / we have read these notices carefully and acknowledge my / our understanding of their content by my / our signature/s below.

The above statements are true, and I / we have not suppressed or misstated any facts and should any information given by me / us alter between the date of the Proposal form and the inception date of the insurance to which this Proposal relates, I / we shall give immediately notice thereof.

I / We also confirm that the undersigned is / are authorised to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form and I/we complete this Proposal form on their behalf.

To be signed by the Chairman / President / Managing Director, / Principal of the association / partnership / company / practice / business.

Name: ..... Signature:..... Date: ...../...../.....

Name: ..... Signature:..... Date: ...../...../.....

**SIGNING THIS PROPOSAL DOES NOT BIND THE PROPSEER  
OR THE INSURER TO COMPLETE THIS INSURANCE**

**Annexure A – Sub – Contractors**

Important Notices Relating to this Annexure (Please Read & Consult your Broker if unsure)

- a) **If sub – contractors are not used you do not need to complete this section**
- b) Cover is automatically provided under the professional indemnity contract for any sub – contractor earning more than 90% of their professional fees (i.e. as Valuer, Surveyor or Real Estate Agent) from the Practice, but only for services on behalf of the Practice.
- c) The Practice is automatically covered for acts, errors or omissions committed by sub – contractors, however indemnity is not extended to such sub – contractor (unless as under the provisions of 4.0.2, or if the sub – contractor is specifically named of the policy)
- d) If the Practice **does not require sub – contractors to be named** under the Practice’s policy you do not need to complete this section.
- e) If sub – contractors maintain their own professional indemnity, such contractor does not be named on this policy; **you do not need to complete this section.**

A.1 Please disclose Professional Fees derived by the Practice via sub – contractors:

Last Financial Year	Current Financial Year	Forthcoming Financial Year (Est)
\$	\$	\$

A.2 Please disclose the following information for each sub – contractor that is required to be named on your policy:

Insured name (Legal Entity Name) of Sub Contractor and ABN	Does the sub – Contractor earn more than 90% of their professional fees from the Practice?	Does the sub – contractor maintain their own professional indemnity policy?
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

A.3 Does the Practice Have any formal procedures or guidelines in place regarding the engagement of consultants, and / or agents

Yes  No

*If “No,” please advise why no procedures or guidelines are in place*

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A.4 Has the Practice ever entered into hold-harmless agreements or otherwise waived any legal rights or entitlements which it may have against such consultants, sub-contractors or agents?

Yes  No

*If “Yes,” please provide details*

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A.5 Has the Practice always used a standard form of contract with consultants, sub – contractors or agents?

Yes  No

*If “No,” please advise why not*

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**Annexure B – Claims and Current Circumstances**

**If you have answered “Yes” to 3.1, 3.2, 3.3, you must provide details (including all relevant correspondence) to the following questions**

B1. Please complete the table below for all **Claims which have been finalised** during the past 10 years, against the Practice (or any previous Practice) or its partners, principals or directors?

Date Professional Services Provided	Date Notified to Insurer	Claimants (Instructing Party)	Performing Valuer	Type of Property Valued (i.e. Commercial / Residential etc)	Reliance on Valuation (i.e. 1 <sup>st</sup> Mortgage; GST; Asset)	Valuation Amount(s)	Damages Awarded	Defence Costs	Date Matter Closed
						\$	\$	\$	
						\$	\$	\$	
						\$	\$	\$	

B2. Please complete the below for all Claims which have been notified to Insurers and are **currently open (not finalised)** over the past 10 years, alleging negligence against the Practice (or any previous Practice) or its partners, principals or directors?

Date Notified to Insurer	Date of circumstance	Performing Valuer	Type of Property Valued	Reliance on Valuation (i.e. 1 <sup>st</sup> Mortgage; GST; Asset)	Valuation Amount (s)	Reserves (Damages)	Reserves (Legal Costs)	Recent Developments
					\$	\$	\$	
					\$	\$	\$	
					\$	\$	\$	

B3. Are any of the partners, principals, directors or employees of the Practice aware of **any facts or circumstances which may give rise to a future claim** against the Practice?

Date Notified to Insurer	Date of circumstances	Performing Valuer	Allegations	Recent Developments