



REAL ESTATE AGENTS PROFESSIONAL INDEMNITY PROPOSAL

Professional Indemnity insurance is different from most other types of insurance. The policy is issued on a "claims made" basis and a new contract based on a fresh proposal needs to be negotiated each year. Before we can provide you with a quotation you will need to complete and sign the attached proposal form and return it to us.

In view of the matters highlighted in "Important Notes" below it is vital that inquiry be made with all senior staff about any claim or potential claim or known circumstance that might give rise to a claim before completing the proposal.

IMPORTANT NOTES (Please read before completing this Professional Indemnity proposal)

Claims Made Policy

Your attention is drawn to the fact that this policy is a "claims made" policy which means that the policy will respond to:

1. Claims first made against you and reported to the Insurers during the period of insurance.
2. Events of which you became aware during the period of insurance which may give rise to a future claim provided you inform Insurers in writing as soon as practicable, within the period of insurance, of such events.

It is therefore vital that inquiry be made with all senior staff and you notify Insurers immediately of any claim or potential claim or known circumstance that might give rise to a claim.

The policy will not cover you for:

1. Events that occurred prior to the retroactive date, if any, specified in the Schedule of the Policy.
2. Events that were matters of claim or potential claim of which you were aware before the commencement of the period of insurance.

Your Duty of Disclosure

Before you enter into a contract of 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 to accept the risk of insurance and if so, on what terms. You have the same duty to disclose matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance. You are to give the insurer notice in writing as soon as possible of every change materially varying any of the facts or circumstances existing at the commencement of this insurance.

Your duty however, does not require disclosure of any matter that diminishes the risk to be undertaken by the insurer; that is common knowledge; that the insurer knows or, in the ordinary course of business, ought to know; 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 its 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 the beginning.

Privacy Notice & Consent

As an insurance broker and advisor it is necessary for us to collect "personal information" about you or other persons so that we can obtain insurance on your behalf or resolve claims or otherwise advise you in regard to insurance and risk management matters.

This "personal information" will need to be disclosed to third parties such as insurers, insurance agents, loss adjusters, lawyers, accountants and others depending on the task we are undertaking on your behalf.

We take reasonable steps to ensure that the information is accurate, complete and up-to-date.

When you provide us with "personal information" about other persons, we rely on you to have made them aware that you will provide the information to us and the way in which we will use it.

If you send back to us the premium or other information or documentation asked in this correspondence and do not advise us otherwise you will be confirming your understanding and agreement to the above use of "personal information" on your own behalf and on behalf of those you represent.

Important Note about Workers Compensation:

Please note that Workers Compensation Insurance is NOT included OR available with this policy but needs to be insured separately. If you are an employer in New South Wales you are required by law to have current Workers Compensation insurance. Trans-West can offer a range of Workers Compensation related services – contact us for details.

IF YOU HAVE QUESTIONS ABOUT THIS QUOTATION CONTACT :

***TRANSWEST INSURANCE BROKERS
02 9601 7166***



Real Estate Agents Professional Indemnity Insurance – Proposal Form

Important Notice

Claims-Made and Notified Insurance

This policy is issued by American Home Assurance Company on a **claims-made and notified** basis. This means that the policy only covers Claims (as defined) first made against you during the Policy Period (as defined) and notified to the insurer in writing during the Policy Period. The policy does not provide cover for any Claims made against you during the Policy Period if at any time prior to the commencement of the Policy Period you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you give notice in writing to the insurer of facts that might give rise to a Claim against you as soon as is reasonably practicable after you become aware of those facts but during the Policy Period, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it is made after the Policy Period has expired.

To the extent that the Continuity Condition set out in this policy does not apply, this policy does not cover Claims arising out of, based upon, attributable to or anyway connected with any:

- (a) actual or alleged facts that might give rise to a Claim which were known to the Insured prior to the commencement of the Policy Period;
- (b) actual or alleged facts which were notified or which can be notified under any policy in force prior to the commencement of the Policy Period;
- (c) pending or prior litigation, or litigation derived from the same or essentially the same facts as might be alleged in such pending or prior litigation, as at the commencement of the Policy Period.

For the purposes of this Exclusion the term *litigation* includes but is not limited to any civil, criminal, administrative or regulatory proceeding as well as any official investigation, examination, inquiry, arbitration or adjudication.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty 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 the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

However, your duty of disclosure does not require you to disclose matters:

- that diminish the risk to be undertaken by the insurer;
- that are of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure is waived by the insurer.

Your duty of disclosure continues after the proposal form has been completed up until the Policy Period commences.

Consequences of Non-Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce its 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.

Details of the Proposer

1. (a) Name of the Insured
- (b) Trading Name
- (c) Insured's ABN
- What percentage of the policy premium will be claimed as an input tax credit?
- (d) Insured's Dun & Bradstreet number:
- (e) Address of the Insured
- Street Address:
- Suburb:
- State:
- Postcode:
- (f) Email Address:
2. Are any of the directors/partners of the Insured a **current paid-up** member of the Real Estate Institute of Australia? Yes No
3. Are any of the directors/partners of the Insured **currently** licensed as a real estate agent? Yes No

Details of the Business

4. Please state Current Staff Numbers of the Insured as follows:
- (a) Directors/Partners
- (b) Employees (include full-time, part-time and casual)
- (c) Total Current Staff
5. Please state the amount of Gross Income earned by the Insured in the last 12 months from the following activities:
- (a) Real Estate Sales (For Buyer/Seller/Residential/Commercial/Industrial) \$.....
- (b) Property or Strata Title Management – Residential \$.....
- (c) Property or Strata Title Management – Industrial/Commercial \$.....
- (d) Community Managing Agent \$.....
- (e) Stock and Station Agent \$.....
- (f) Land and Livestock Auctioneer \$.....

(g) Total: \$.....

Please note that this policy only provides cover for the activities referred to above. It does NOT provide cover for any other activities including but not limited to property valuation, business broking, insurance agency, mortgage or finance broking/origination.

6. Does the Insured sell "off-the-plan" residential property in buildings of 4 Storey's or more?
 Yes No

Claims Information

Please note that this policy does NOT cover known or prior claims or circumstances. Please see the Important Notice at the front of this proposal form for more information.

7. Has any claim been made against the Insured or any of its directors, officers, partners, or employees during the last 5 years? (including amounts for any damages, settlements, claimant's costs or defence costs) Yes No

If "Yes", please provide full details including the nature of the allegations, date of claim and any amounts paid out including damages, settlements, claimant's costs and defence costs.

8. Has the Insured or any of its directors/partners or employees ever been the subject of a disciplinary inquiry, proceeding or investigation alleging professional misconduct? Yes No

If "Yes", please provide full details including dates, the nature of the allegations, and any amounts paid for defence costs or any fines or penalties imposed.

Risk Management Procedures

9. Do the directors/partners and qualified employees of the Insured regularly attend continuing education programmes conducted by the Real Estate Institutes or similar organisations? Yes No

10. (a) Does the Insured provide 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

Details of Insurance

11. **As at today's date**, does the Insured have Professional Indemnity Insurance in force which has been paid for? Yes No
12. (a) Is this a proposal to renew an existing **AIG** Real Estate Agents Professional Indemnity Insurance Policy? Yes No
- (b) If "Yes", on what date did you first purchase this insurance from **AIG**?/...../.....
- (c) What is the Insured's existing AIG policy number?
13. (a) Is there a specific date upon which you want this policy to commence? Yes No
- (b) If "Yes", on what date?/...../.....
14. (a) What Limit of Liability do you require?
- \$1,000,000 \$2,000,000 \$4,000,000 \$5,000,000
- (b) Do you require One Reinstatement of the Limit of Liability? Yes No

Stamp Duty Split

15. For the purpose of calculating Stamp Duty please state the number of current staff (including directors/partners, full-time, part-time and casual employees) located in each State.

NSW	VIC	QLD	SA	WA	TAS	ACT	NT

ONCE YOU HAVE COMPLETED THE QUESTIONS ABOVE PLEASE SIGN AND DATE THE PROPOSAL AT THE DECLARATION BELOW. SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE.

Declaration

We declare that we have made all necessary enquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars given in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. We agree that should any of the information given by us alter between the date of this proposal and the commencement of the insurance to which this proposal relates, we will give immediate notice thereof to the insurer.

We acknowledge receipt of the "Important Notice" contained in this proposal and that we have read and understood the content of that notice.

I confirm that I am authorised by the Insured to complete, sign and submit this proposal on behalf of the Insured.

Name:

Title:

Signature:

Date:



American Home Assurance Company
ABN 67 007 483 267
(Incorporated with Limited Liability in the USA)
A Member of American International Group, Inc.