



Woodina
Underwriting Agency

**Professional Indemnity
Proposal Form**

Financial Planners

Email: proposals@woodina.com.au

Website: www.woodina.com.au

Notice to Insured

(Pursuant to the provisions of the Insurance Contracts Act 1984)

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 which 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, on what terms.

You have this duty until we agree to insure you.

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

Your duty however does not require disclosure of a 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 as an insurer, 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 its beginning.

Claims Made Policy

This policy is a claims made policy of insurance. This means that the policy covers you for claims made against you and notified to the Insurer during the period of insurance. The Policy does not provide cover in relation to:

- events that occurred prior to the retroactive date, if any, specified in the Policy;
- claims notified or arising out of circumstances notified under any previous policy (whether made or issued by the Insurer or any other insurer);
- claims made against you prior to commencement of the period of insurance;
- claims arising out of claims and circumstances noted on the proposal form for the current period of insurance or on any previous proposal form;
- subject to what is said in the next paragraph, claims made after expiry of the period of insurance even though the event giving rise to the claim may have occurred during the period of insurance.

However, where you give notice in writing to the Insurer of facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before expiry of the period of insurance, the policy will, subject to its terms and conditions, cover you notwithstanding that a claim is only made after expiry of the period of insurance.

Average Provision

The Insurer provides that if a payment in excess of the limit of indemnity available under the policy has to be made to dispose of the claim, the liability of the Insurer for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim.

Surrender of Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all of any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after inception of the policy that you would not seek to recover any loss or damage from that person, you are not covered under the policy for any such loss or damage unless the agreement of the Insurer is obtained beforehand.

Please complete all questions fully. If there is insufficient space provided to answer, please provide details on your letterhead.

Section 1 Your Details

1.1 Please provide the full legal name of all entities to be insured under the Policy: (It is important you include all service, administration, or nominee companies)

.....

1.2 Trading Name:

1.3 Your ABN:

1.4 Date Established:

1.5 Your Contact Details

Address:

.....

Telephone Number:

Email:

Website:

1.6 Principals/Partners/Directors:

Name	Qualification	Date Qualified	Years as a Principal	
			This Practice	Previous Practice

1.7 Are you a current financial member in good standing of a Professional Association? Yes No

If yes, please provide details of the Associations to which you belong:

.....

1.8 Staff Numbers:

Principals/Partners/Directors:

Professional Qualified Staff:
 (Not included in Principals/Partners/Directors)

Administrative Staff:

Other Staff:

Total Staff:

Section 2 Your Business

- 2.1 Has the name of your business ever changed? Yes No
- 2.2 Have you ever amalgamated or merged with another business? Yes No
- 2.3 Have you purchased any other business or practice? Yes No

If you have answered Yes to any of Questions 2.1, 2.2, or 2.3 please provide full details:

- 2.4 Does any Principal, Partner or Director of the Insured detailed in answer to question 1.1 of this proposal have any connection or association (financially or otherwise) with any other business or practice? Yes No

If yes, please provide details:

2.5 Please provide a precise description of your business activities:

- 2.6 Have there been any substantial changes in your business activities in the past 12 months? Yes No
- 2.7 Do you anticipate any substantial changes in your business activities in the next 12 months? Yes No

If you have answered Yes to Questions 2.6 or 2.7 please provide full details:

- 2.8 Do you engage sub-contractors? Yes No
 If yes, do you insist they carry their own Professional Indemnity Insurance? Yes No
- 2.9 Are verbal reports always confirmed in writing? Yes No
 If no, please advise how these reports are substantiated:

- 2.10 Do you perform work outside of Australia, or work for clients located overseas? Yes No
 If yes, please provide details:

For Sole Proprietors ONLY (otherwise please proceed to Question 2.12)

- 2.11 Please provide details of the arrangements you have in place to assist you during temporary absences.

Break-up of Activities:

- 2.12 Please categorise the activities detailed in answer to Question 2.5 and advise the approximate percentage of your fee income derived from:

Activity	% of Fee Income
Financial Planning/ General Advice	%
Investment Advice/ Selection	%
Client Portfolio Administration and Reporting	%
Life Insurance	%
Personal Insurance	%
General Insurance	%
Mortgage Broking*	%
Finance Broking*	%
Accounts Preparation/ Bookkeeping	%
Tax Returns	%
Tax Advice	%
SMSF Establishment & Administration	%

SMSF Audit	%
Public Offer Superannuation	%
Total:	100%

*If you have added values in either of these rows, please complete the Finance/ Mortgage Brokers Addendum which attaches to the end of this proposal form.

2.13 Please provide a brief description of the five largest clients by fee income in the past five (5) years.

Role	Location (State)	Brief Description	Contract Amount	Amount Earned
1.			\$	\$
2.			\$	\$
3.			\$	\$
4.			\$	\$
5.			\$	\$

Break-up of Investments:

2.14 Please advise allocation of client investments across all licenses combined:

Investment	Client Investment	Percentage %
Australian Equities on a Direct Basis	\$	%
Australian Equities via Managed Funds	\$	%
Overseas Equities on a Direct Basis	\$	%
Overseas Equities via Managed Funds	\$	%
Fixed Interest Securities and/or Cash	\$	%
Property Trusts on a Direct Basis	\$	%
Property Trusts via Managed Funds	\$	%
Hedge Funds	\$	%
Derivatives (other than Hedge Funds)	\$	%
Registered Managed Investment Schemes	\$	%

Unregistered Managed Investment Schemes	\$	%
Other (Please provide details)	\$	%
Total Funds Under Advice/ Management:	\$	100%

2.15 Has the above allocation of client investments varied significantly in the past three (3) years? Yes No

If yes, please provide details:

.....

2.16 Other than the investments above, do you recommend that clients spend 15% of their total FUM/ FUA in any one investment case? Yes No

If yes, please provide details:

.....

2.17 If your clients invest in Australian equities on a Direct basis, do you obtain External advice and/ or view external analyst reports regarding investing into these shares? Yes No

2.18 Do you ensure the investments are spread across more than 5 industries? Yes No

2.19 Please provide a reconciliation of the financial planning client accounts across all Licenses combined, as shown in the table below:

Funds under Advice/ Management	Number of FP clients	Total Invested or Managed	Total Fee or Commission Income
Up to \$100,000		\$	\$
\$100,001-\$250,000		\$	\$
\$250,001-\$500,000		\$	\$
\$500,001-\$1,000,000		\$	\$
\$1,000,000+		\$	\$
Total		\$	\$

2.20 Please list the top five (5) investment products that produced the most income in the last Financial Year:

Product Name	Total Income Earned
1.	\$
2.	\$
3.	\$

4.	\$
5.	\$
Total	\$

2.21 Have you ever in the past, or do you contemplate in the future, recommending the following types of investment products? If no, leave fields blank.

Investment Product	Approximate Number of Clients	Funds under Advice
Tax Effective Schemes (with or without ATO Product Ruling)		\$
Hedge Funds		\$
Unlisted Securities (for which a liquid market does not exist or for which units cannot be redeemed on demand)		\$
Overseas Securities (other than as part of a diversified portfolio in a managed fund)		\$
Investments in a single underlying asset or debt instrument		\$
Direct Property		\$
Direct Shares		\$
Any other product or service from an entity which you are associated (financially or otherwise)		\$
Any other product or service that you would consider potentially high risk or speculative		\$
Hybrid Securities		\$
Total		\$

Section 3 Your Risk Management

- | | | | |
|------|--|-------|--------|
| 3.1 | Has the Approved Product List changed from last year?
If yes, please provide details:
.....
..... | Yes | No |
| 3.2 | Do you fully disclose all charges applicable to the client in exiting in an investment product or superannuation fund?

If no, please provide details:
.....
..... | Yes | No |
| 3.3 | Do you have a Risk Management program? | Yes | No |
| 3.4 | Do you conduct a needs analysis for all financial planning/ portfolio management of clients and always provide them with a Statement of Advice? | Yes | No |
| 3.5 | Do you disclose the credit risk to your clients at all times when recommending an Investment Product? | Yes | No |
| 3.6 | Do you provide all your clients with a copy of a Financial Services Guide? | Yes | No |
| 3.7 | Do you have a cooling off period for your clients when agreeing an investment strategy recommended by you? | Yes | No |
| 3.8 | Does a Para Planner prepare your plans? | Yes | No |
| 3.9 | Do you always ensure all of your clients sign an agreement/ acceptance for any significant advice given? | Yes | No |
| 3.10 | Has there been or is there any ASIC-imposed actions or restraints against the Licensed Dealer or any of their past or current Authorised Representatives? | Yes | No |
| 3.11 | When was your last compliance audit?

Were any issues identified in your last compliance audit?
If yes, please provide details:
.....
..... | | Yes No |
| | Are there any outstanding issues or actions required per the audit results?
If yes, please provide details:
.....
..... | Yes | No |

Section 4 Your Financial Details

4.1 Please advise the total gross professional fees for:

	Australia	Overseas
Previous 12 months	\$	\$
Current 12 months	\$	\$
Estimate for next 12 months	\$	\$

4.2 Please provide the approximate percentage of your activities (based on fee income) applicable to each State or Territory:

NSW	VIC	QLD	SA	NT	WA	ACT	TAS	O / S	Total
%	%	%	%	%	%	%	%	%	100%

4.3 Are the total assets of your company greater than \$5,000,000? Yes No

The two following questions are ONLY to be answered if you generate income in NSW.

4.4 Are you a Capital Gains Tax small business entity (within the meaning of section 152-10 1AA) of the Income Tax Assessment Act 1997 (Cth)? Yes No

4.5 Are you a small business individual, partnership, company and/or trust which is carrying on a business, and the business has an aggregated turnover of less than \$2,000,000? (Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you). Yes No

Section 5 Your Claims History

5.1 After enquiry, have any claims for negligence or breach of professional duty been made against your business or practice or any of its predecessors in business or any prior business or practice or any of its present or former Principals, Partners or Directors or has any fact or circumstance been notified to the insurers that has the potential to give rise to such a claim? Yes No

If yes, please provide full details:

Date Notified	Name of Claimant	Brief Description of Matter	Quantum	Status
			\$	
			\$	

			\$	
--	--	--	----	--

5.2 After enquiry, are any of the Principals, Partners or Directors aware of any fact or circumstance which has the potential to give rise to a claim against your business or practice or any business or practice of any of their present or former Principals, Partners or Directors which is not referred to in Question 5.1 above? If yes, please provide full details: Yes No

Date first became aware of matter	Name of potential Claimant	Brief Description of Matter	Quantum
			\$
			\$
			\$

5.3 Has any Principal, Partner or Director or staff member ever been subject to disciplinary proceedings for professional misconduct? Yes No

If yes, please provide details:

.....

5.4 After enquiry, are any Principals, Partners or Directors or staff members aware of any enquiry, professional disciplinary proceedings or similar process connected to your business which they, or any other member may be required to attend? If yes, please provide details: Yes No

.....

Section 6 Your Insurance History

6.1 Do you currently hold any Professional Indemnity Insurance? Yes No
 If yes, please provide the following information:

Name of Insurer

Expiry Date/...../.....

Limit of Indemnity \$.....

Deductible \$.....

Retroactive Date/...../.....

Premium \$.....

6.2 Has the firm, any partner, principal, or director ever been refused this type of insurance, had special terms imposed, had a policy cancelled or had an application for renewal declined? Yes No

If yes, please provide details:

.....

Section 7 Your Insurance Request

7.1 Limit of Indemnity Options:

Please note: one auto reinstatement is applied for all limits as required by ASIC RG126.

- \$2,500,000
 \$3,000,000
 \$4,000,000
 \$5,000,000
 Other: \$

7.2 Preferred Deductible Options:

- \$10,000
 \$20,000
 \$50,000

7.3 Do you require:

- a) An additional reinstatement of the aggregate limit of indemnity: Yes No
 b) Fidelity: Yes No
 c) Partners Previous Business: Yes No

7.4 If you require Fidelity cover please complete the following questions:

- a) Do you always obtain satisfactory references before hiring employees? Yes No
 b) Do you require more than one member of staff to sign cheques, handle cash of transferable documents? Yes No
 c) Is Bank reconciliation conducted by someone not authorized to deposit into or withdraw from bank accounts? Yes No

If the answer to any of Question 7.4 is No, please provide further details:

.....

7.5. If you require Partners Previous Business cover please advise:

Names of Principal / Partner / Director	Name of Previous Practice	Period Practicing as a Principal / Partner / Director

7.6 Please attach and confirm attachment of the following documentation to this proposal to support your application:

- | | | |
|--|-----|----|
| 1. A copy of the Complaints Register for the last three (3) years. | Yes | No |
| 2. A copy of the current Approved Products list. | Yes | No |
| 3. A copy of a current Statement of Advice (SOA). | Yes | No |
| 4. A copy of the current Financial Services Guide (FSG). | Yes | No |
| 5. If license is new, a copy of the AS Proof Document. | Yes | No |
| 6. A copy of the last Compliance Audit Report. | Yes | No |

Privacy

Woodina Underwriting Agency Pty Ltd is committed to protecting the privacy of the personal information you provide us. Woodina collects, uses and retains your personal information in accordance with the National Privacy Principles.

We need to collect the personal information on the applicable proposal form to consider your application for insurance and to determine the premium (if your application is accepted) when you are applying for, changing or renewing an insurance policy with us. This information will also be used if you lodge a claim under your policy. We may also need to request additional information from you in connection with your application or a claim.

If you do not provide us with this information, or any additional information we request, we may not be able to process your application or offer you insurance cover or respond to any claim.

We may disclose the personal information we collect:

- To our relevant employees involved in delivering our services;
- If your insurance broker collects this form from you, to that broker;
- To facilitators such as legal firms, professional experts such as accountants, actuaries, engineers and technology experts;
- To the insurance companies with whom we transact business;
- To the Lloyd's Syndicates we represent (which are located in the United Kingdom);
- To insurance reference bordereau or credit reference bordereau;
- To reinsurers or reinsurance brokers (which may include reinsurers located outside of Australia).

Where we do disclose the information as above the recipient may hold the information in accordance with its own privacy statement / policies. Those may include, by way of example, disclosing the information to and storage of that information by its associated entities which may be located overseas. Full details can be found on the recipient's website. However, we can also provide a copy to you on request.

We may also be required to provide your personal information to others for purposes of public safety and law enforcement and if required by law or by a law enforcement body to do so.

You may request access to your personal information, and where necessary, correct any errors in this information (some restrictions and costs may apply).

By completing and returning the proposal form and/or providing us with any additional information in connection with your application, you agree to us using and disclosing your information as set out above. This consent to the use and disclosure of your personal information remains valid unless you alter or revoke it by giving us written notice.

From time to time, we may use your personal information to send you details of new insurance products or other insurance related information that may be of interest to you. If you do not wish to receive such information, please contact our General Manager or Operations Manager on (07) 3222 9400.

If you would like to access a copy of your personal information or you wish to correct or update your personal information, please also contact us on (07) 3222 9400 or email info@woodina.com.au.

Declaration

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgment and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Proposer:

Signed on behalf of all Principals / Partners / Directors:

.....
.....
.....
.....

Dated:/...../.....

Finance/ Mortgage Brokers Addendum

Only complete the Finance/ Mortgage Brokers Addendum if you provide Finance/ Mortgage Broking services.

Please complete all questions fully. If there is insufficient space provided to answer, please provide details on your letterhead.

Section 1 Activities Breakdown

1.1 Please detail all professional services provided and an approximate fee income:

Activity	% of Fee Income
Mortgage Broking	%
Finance Broking	%
Mortgage Origination	%
Mortgage Aggregate/ Sub-Aggregation	%
Mortgage Management	%
Mortgage Introduction/ Referral	%
Debt Reduction Services	%
Arranging Deposit Bonds	%
Other (Please specify):	%
Total	100%

1.2 Please detail the breakdown of your source of funds for borrowers:

Source of Funds	% of Income
Banks	%
Non-Banking Financial Institutions (Credit Union/ Building Societies)	%
Solicitor Funds/ Pooled Mortgage Investments/ Private Funds	%
Other (Please specify):	%
Total	100%

1.3 Please detail the breakdown of your activities in the following areas:

Activity	% of Breakdown
Residential/ Investment Property Loans	%
Commercial Property Loans	%
Chattel Finance/ Plant and Equipment Loans	%
Business Loans	%
Vehicle Financing/ Personal Loans	%
Reverse Mortgages	%
Other (Please specify):	%
Total	100%

Section 2 Your Business

2.1 Provide the amount of the largest loan arranged or to be arranged for a client: \$.....

2.2 List the top five (5) lending institutions with which the Insured is accredited:

	Role	Location (State)	Brief Description	Contract Amount	Amount Earned
1.				\$	\$
2.				\$	\$
3.				\$	\$
4.				\$	\$
5.				\$	\$

2.3 Does the Insured hold a delegated lending authority on behalf of any financial institution or credit provider? Yes No

If yes, please detail which institution or provider:

.....

2.4 Please estimate what percentage of the Insured's loan portfolio is represented by low doc loans, margin lending, non-conforming loans, or reverse mortgages:%

2.5 Please estimate what percentage of loans in the Insured's portfolio have a loan value ratio (LVR) greater than 80%:%

2.6 Has the Insured ever acquired a loan portfolio? Yes No

Please provide details as follows, either below or by adding the relevant document with this addendum:

Portfolio Options	Details
List of loans acquired	(Can be attached)
List of loans currently in default or arrears	(Can be attached)
Trailing Commissions
Number of loans for which credit serviceability checks have been conducted

- 2.7 Please advise what percentage of your outstanding loan portfolio as below:
- a. Number of loans more than 90 days in arrears:
 - b. Where trail commissions have been suspended:

Declaration

I/We declare and warrant that all the statements and particulars here given are true and that no information whatever has been withheld which might influence a prudent Insurer's judgment and the acceptance of this Proposal. Should the above particulars alter in any way, I/We will advise Insurers as soon as possible.

I/We understand that failure to disclose any material facts which would be likely to influence the acceptance and assessment of the Proposal may result in Insurers refusing to provide indemnity or voiding the policy in every respect.

I/We hereby agree that this Declaration shall be the basis of the contract between me/us and Insurers.

Name of Signatory:

Signed on behalf of all Principals / Partners / Directors:
.....
.....

Dated:/...../.....