

# FINANCIAL PLANNERS PROFESSIONAL INDEMNITY INSURANCE

# PROPOSAL FORM

## 1. NAME OF FIRM TO BE INSURED

(please include full names of all entities to be insured)

<b>NAME</b>	<b>ABN</b>	<b>AFSL NO</b>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>

## 2. ADDRESS OF FIRM

Address	Postcode
<hr/>	<hr/>
Phone ( )	Email
<hr/>	<hr/>
Other Locations	Website
<hr/>	<hr/>

## 3. THE FIRM

Date firm was established 

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Have any amalgamations or acquisitions taken place in the last six years?  Yes  No

If Yes, please provide details 

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## 4. DETAILS OF THE PRINCIPAL(S) OF THE FIRM

NAME	AGE	QUALIFICATIONS	DATE QUALIFIED	HOW LONG PRACTICING AS PARTNER/DIRECTOR	
				THIS FIRM	PREVIOUS FIRM
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

<b>NUMBER OF STAFF</b>	Directors	Qualified	Administrative
<hr/>	<hr/>	<hr/>	<hr/>
	Other		
<hr/>	<hr/>	<hr/>	<hr/>

<b>NUMBER OF AUTHORISED REPRESENTATIVES (A.Rs'.):</b>	<b>NUMBER OF EMPLOYED A.Rs':</b>
<hr/>	<hr/>
<b>NUMBER OF CARS:</b>	<b>NUMBER OF NON EMPLOYED A.Rs':</b>
<hr/>	<hr/>

## 5. PROFESSIONAL MEMBERSHIPS

a) Please list the Professional Body/s or Association/s of which the Insured is a Member and/or holds a practising certificate for:

b) Has the Insured ever been disqualified, expelled or deregistered by a Professional Body/Association or Regulator?

## 6. NATURE OF YOUR BUSINESS

Please provide detail of the precise nature of your business.

Please provide copies of any brochures which may assist the insurer to better understand your business.

Attached

## 7. ACTIVITIES BREAKDOWN

Please detail the approximate percentage of your income to the following areas:

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	%
Total must equal 100%	

## 8. INVESTMENTS

a) Please advise the allocation of the clients investment across all licenses combined according to the following breakdown:

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	\$	%
Public Offer Superannuation	\$	%
Hedge Funds	\$	%
Derivatives (other than Hedge Funds)	\$	%
Registered Managed Investment Schemes	\$	%
Unregistered Managed Investment Schemes	\$	%
Tax Effective Schemes (with or without ATO Product Ruling)	\$	%
Unlisted Securities (for which a liquid market does not exist or for which units can not be redeemed on demand)	\$	%
Investments in single underlying asset or debt instrument	\$	%
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	\$	%
Other, please provide details	\$	%
<b>Total Funds Under Advice/Management</b>	<b>\$</b>	<b>%</b>

b) Has the above allocation of clients investments varied significantly in the past 3 years?  Yes  No

If Yes, please provide full details

c) Does the Insured have a financial or beneficial interest in any investment product/s?  Yes  No

## 9. MARGIN LENDING

If you advise on Margin Lending, please answer the following questions:

- i. Please advise the number of clients that have Margin Lending
- ii. Please advise the total value of all margin loans outstanding \$
- iii. Do you provide your clients with a copy of the current PDS for each Funding provider when recommending Margin Lending products?  Yes  No
- iv. What is the maximum LVR when you set a margin facility? %
- v. Do you provide your clients with adequate details regarding the investment, interest rate and margin call risks associated with margin lending?  Yes  No
- vi. Do you recommend that your clients seek independent tax advice regarding the implications of margin lending?  Yes  No
- If No, do you refer them to a qualified accountant?  Yes  No

**Please attach a list of Margin Lending facilities utilised by you in your Approved Products List**

## 10. MANAGED DISCRETIONARY ACCOUNTS

Are you involved in client portfolio management on a Discretionary basis (MDA)?  Yes  No

If Yes, please provide the following information:

- Total Number of clients that have MDA's
- Total funds under management in respect of MDA's

Please provide a copy of the standard MDA client agreement

- Do you use an independent MDA service provider?  Yes  No

If Yes, please provide details and a copy of the contract

## 11. GENERAL INFORMATION

a) Please check Yes or No as applicable:

i. Has any director or officer or Financial Planner ever been bankrupt, deregistered or expelled by the FPA or disqualified from being a Company Director?  Yes  No

If Yes, please provide details

ii. Is more than 50% of your client base derived from a single company, or group of clients?  Yes  No

If Yes, please provide details

iii. How do you ensure that your A.Rs' and Corporate A.Rs' do not act outside of the authority your AFSL has granted?

Please provide comment:

iv. Do you ensure that all the Directors and Employees of the CAR's under your AFSL are provided with written authority to provide advice?  Yes  No

Please provide comment:

v. (a). For those A.Rs' specifically involved in recommending & advising on Self-Managed Super Funds (SMSF) has training been put in place to ensure that the advice regarding these investment vehicles complies with the standards of The Financial Planning Association of Australia and The SMSF Association of Australia?

Please provide comment:

(b). What is the minimum monetary threshold required before advising clients to commence or remain in an SMSF arrangement?

Please provide comment:

(c). Do you or your A.Rs' recommend single asset property investment &/or recommend &/or facilitate Limited Recourse Borrowing Arrangements for SMSF clients?  Yes  No

If Yes, please provide comment:

vi. Have you or an A.R of your AFSL introduced or provided advice in connection with any investment in collapsed or frozen funds, mezzanine finance, capital notes, collapsed agri products or tax advantage schemes?  Yes  No

If you have provided advice in connection with these products, please provide details:

vii. (a). Has your business been stressed tested for cyber / privacy efficacy and security?  Yes  No

(b). If staff are using laptops/computers to access work files systems, emails etc, have You ensured that they have up to date antivirus software and are files backed up regularly? Yes  No

(c). Have You implemented any additional controls to mitigate any other possible fraud or dishonesty? Yes  No

If "No", please provide comment

viii. Where You receive an instruction to transfer money, credit, securities or other funds or property of value do you always:

(a). authenticate the validity of the instruction via a call back to the client on record? Yes  No

(b). confirm the validity of any bank account into which the proceeds of any transaction are to be paid? Yes  No

ix. If you were previously an A.R of another AFSL have you agreed to indemnify the AFSL for any claims or matters arising from the services provided whilst an AR of the dealer group? Yes  No

If "Yes" you have given an indemnity, please provide details.

b) Please provide the following client profile details:

#### ACCOUNT BANDS

(based on amount invested or managed on behalf of clients)

NUMBER OF CLIENT ACCOUNT

TOTAL AMOUNT INVESTED OR MANAGED

TOTAL FEE OR COMMISSION INCOME

Up to \$250k		\$	\$
More than \$250k, Up to \$1mil		\$	\$
More than \$1mil, Up to \$5mil		\$	\$
More than \$5mil		\$	\$
TOTAL		\$	\$

If you are unable to provide the above client profile, please provide any other details of your client base that will assist us to understand your business.

c) Do you or have you or any parent, subsidiary or other related entity engaged in real estate sales or development, actual construction, fabrication, erection or any form of works contracting?  Yes  No

If Yes please provide detail below;

i. names of the other entities involved, outlining their relationship to you

ii. full details including a description of the nature of the involvement in the relevant activity

## 12. TRAINING AND RISK MANAGEMENT

Please attach:

• Details of your training and development program	Attached <input type="checkbox"/>
• Details of your program for regular reviews and internal licensing/assessment of your A.R	Attached <input type="checkbox"/>
• Most recent external audit report and remedial actions taken on key concerns	Attached <input type="checkbox"/>
• Your latest complaints register	Attached <input type="checkbox"/>
• Your switching/replacement policy guidelines	Attached <input type="checkbox"/>
• A current copy of your Approved Products List	Attached
• A current copy of your SOA	Attached
• A current copy of your FSG	Attached
• If a new license, a copy of the A5 Proof Document	Attached

## 13. CLAIMS AND CIRCUMSTANCES

Please answer the following questions after enquiry with your organisation.

- a) Has any claim been made, or has negligence been alleged, against you or any of the present or former Principals, or have any circumstances been notified to insurers which may result in a claim being made?  Yes  No

If Yes, please provide details

- b) Are there any circumstances not already notified to insurers which may give rise to a claim against you or any prior corporate practice or any of the present or former Principals?  Yes  No

If Yes, please provide details

- c) Are there any claims against previous practices which may give rise to a claim against either a Principal or You?  Yes  No

If Yes, please provide details

- d) Are there any Registered Complaints you consider could potentially lead to a claim?  Yes  No

If Yes, please provide details

## 14. OVERSEAS WORK (OUTSIDE AUSTRALIA AND NEW ZEALAND)

Have you performed work, or do you intend to, perform work overseas?  Yes  No

If Yes, please provide details

## 15. INCOME

	AUSTRALIA	OVERSEAS
Actual gross fees for the past 12 months	\$ _____	\$ _____
Actual gross fees for the previous 12 months	\$ _____	\$ _____
Estimated gross fees for the next 12 months	\$ _____	\$ _____

Please provide a percentage breakdown of fees by location:

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

## 16. DETAILS OF EXISTING COVER

Does the Practice carry or has the Practice ever carried Professional Indemnity Insurance?  Yes  No

If Yes, please provide details:

Name of Insurer \_\_\_\_\_

Expiry Date of Policy \_\_\_\_\_

Limit of Indemnity \$ \_\_\_\_\_

Deductible \$ \_\_\_\_\_

Expiring Premium \$ \_\_\_\_\_

## 17. LIMIT AND DEDUCTIBLE

What limit of indemnity do you require?

\$2,000,000  \$3,000,000  \$4,000,000  \$5,000,000  Other \$ \_\_\_\_\_

What is your preferred Deductible?

\$10,000  \$15,000  \$20,000  \$50,000  Other \$ \_\_\_\_\_

The information you provide in this document and through any other documentation, either directly or through your insurance broker, will be relied upon by the insurer to decide whether or not to accept your insurance as proposed and if so, on what terms.

Every question must be answered fully, truthfully and accurately. If space is insufficient for your answer, please use additional sheets, sign and date each one and attach them to this document.

If you do not understand or if you have any questions regarding any matter in this document, including the Important Notices, please contact us or your insurance broker before signing the Declaration at the end of this document.

Unless we have confirmed in writing that temporary cover has been arranged, no insurance is in force until the risk proposed has been accepted in writing by us and you have paid or agreed to pay the premium.

## YOUR DUTY OF DISCLOSURE

This Policy is subject to the Insurance Contracts Act 1984 (Act). Under that Act You have a Duty of Disclosure.

Before You take out insurance with Us, You have a duty to tell Us of everything that You know, or could reasonably be expected to know, may affect Our decision to insure You and on what terms. If You are not sure whether something is relevant You should inform Us anyway.

You have the same duty to inform Us of those matters before You renew, extend, vary, or reinstate Your contract of insurance. The duty applies until the Policy is entered into, or where relevant, renewed, extended, varied or reinstated (Relevant Time).

If anything changes between when the answers are provided to Us or disclosures are made and the Relevant Time, You need to tell Us.

Your duty however does not require disclosure of matters that:

- reduce the risk;
- are common knowledge;
- We know or, in the ordinary course of Our business, ought to know; or
- We have indicated We do not want to know.

If You do not comply with Your duty of disclosure, We may be entitled to:

- reduce Our liability for any claim;
- cancel the contract;
- refuse to pay the claim; or
- avoid the contract from its beginning, if Your non-disclosure was fraudulent.

## CLAIMS MADE POLICY

This proposal is for a Claims Made Policy. This means that the policy only responds to:

- Claims first made against you and notified to the Insurer during the policy period arising from events after any retroactive date on the policy, and
- Events of which you first become aware during the policy period that could give rise to a future claim provided that you notify the Insurer during the policy period of the circumstances of such events and they arose after any retroactive date on the policy.

When the policy expires, no claims can be made on the policy even though the event giving rise to the claim may have occurred during the policy period.

## PRIVACY

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles (APPs), which will ensure the privacy and security of your personal information.

The information provided in this document and any other documents provided to us will be dealt with in accordance with our Privacy Policy. By executing this document you consent to collection, use and disclosure of your personal information in accordance with our Privacy Policy. If you do not provide the personal information requested or consent to its use and disclosure in accordance with our Privacy Policy, your application for insurance may not be accepted, we may not be able to administer your services/products, or you may be in breach of your duty of disclosure.

Our Privacy Policy explains how we collect, use, disclose and handle your personal information including transfer overseas and provision to necessary third parties as well as your rights to access and correct your personal information and make a complaint for any breach of the APPs.

A copy of our Privacy Policy is located on our website at [www.sura.com.au](http://www.sura.com.au)  
Please access and read this policy.

If you have any queries about how we handle your personal information or would prefer to have a copy of our Privacy Policy mailed to you, please ask us.

If you wish to access your file please ask us.

## NOT A RENEWABLE CONTRACT

Most Professional Indemnity Insurances are not renewable contracts so the Policy will terminate on the expiry date indicated. If you therefore require a subsequent Policy, you will need to complete and submit a new proposal form for assessment prior to the termination of the current policy.

## AGENT OF INSURERS

In arranging this insurance, SURA Professional Risks Pty Ltd is acting under an authority given to it by insurers, and is acting as the agent of the insurer and not as your agent.

## GENERAL INSURANCE CODE OF PRACTICE

We proudly support the General Insurance Code of Practice.

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

For further information on the Code, please visit [www.codeofpractice.com.au](http://www.codeofpractice.com.au) or alternatively You can request a brochure on the Code from Us.



# DECLARATION AND AGREEMENT

Has any Insurer, in respect of risks to which this proposal relates, ever:

- a) Declined a proposal, refused a renewal or terminated insurance?  Yes  No
- b) Required an increased premium or imposed special conditions?  Yes  No
- c) Declined an insurance claim by the Insured or reduced its liability to pay an insurance claim in full (other than by application of excess)?  Yes  No

If Yes to a), b), or c) please give details:

This Declaration must be signed by the intending insured as the Proposer(s). If the intending insured is a Company, Partnership or other business venture or involves more than one person or entity, then the person signing this declaration must be authorised to sign on behalf of all persons / entities identified as the intending insured(s).

Before completing this document, I/We have read and understood the information herein, including the Important Notices.

I/We agree that this Proposal Form together with any other information supplied by me/us shall form the basis of any Contract of Insurance effected. I/We undertake to inform the insurer of any material alteration to this information occurring before the proposed insurance commences.

I/We declare that the statements and particulars contained within this Proposal Form are true and that I/We have not mis-stated or suppressed any material facts.

I/We understand that the insurer is relying on information supplied herein to decide whether or not to accept or reject this risk and that no material information has been knowingly withheld.

I/We acknowledge that by submitting this completed Proposal Form (with any other information) I/We consent that the insurer may use and disclose my/our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. This consent remains valid until I/We alter or revoke it by written notice. I/We also undertake to advise any changes to my/our personal information.

**NAME OF FIRM:**

\_\_\_\_\_

**SIGNATURE:**

\_\_\_\_\_

(This Proposal is to be signed by a Principal, Partner or Director of the Proposed Insured)

**TITLE OF SIGNATORY:**

\_\_\_\_\_

**FULL NAME:**

\_\_\_\_\_

**DATE:**

\_\_\_\_\_

# NSW SMALL BUSINESS STAMP DUTY EXEMPTION DECLARATION

## WHAT IS THE SMALL BUSINESS EXEMPTION?

From 1 January 2018, small businesses will be exempt from paying NSW stamp duty on certain types of insurance.

## WHAT IS A SMALL BUSINESS?

Revenue NSW has stated that: "You are a small business if you are an individual, partnership, company or trust that is carrying on a business, and the business has an aggregated turnover of less than \$2 million. Aggregated turnover is your annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you."

## WHICH INSURANCE TYPES WILL THE EXEMPTION APPLY TO?

This exemption can be applied for small businesses with one of the following insurance types:

- Commercial vehicle insurance
- Professional indemnity insurance
- Product and public liability insurance

## HOW DO I APPLY FOR THE EXEMPTION?

To receive the exemption, please complete the below declaration declaring that you/ your client are a small business. Email the completed declaration to your underwriter / broker.

If the Declaration is not received by the date that the relevant insurance is effected or renewed, the exemption will not be applied and stamp duty will be payable.

Please note:

- The declaration covers all policies issued to You during the financial year in which the cover is effected or renewed, a new declaration is required on an annual basis.
- If you are uncertain whether you classify as a small business, please speak to your financial adviser.
- SURA on behalf of insurers will place reliance on your declaration in charging the applicable insurance duty.
- False declarations may result in penalties up to of \$11,000 by Revenue NSW plus the insurance duty not paid and penal interest on that balance.
- Revenue NSW may also be able to clarify your queries relating to the law and your obligations.

## NSW SMALL BUSINESS STAMP DUTY EXEMPTION DECLARATION

This declaration only covers policies for the financial year in which the cover is effected or renewed.

I hereby declare that I am a Capital Gains Tax small business entity (within the meaning of section 152-10 (1AA) of the Income Tax Assessment Act 1997 of the Commonwealth). I am 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 million\*.

**SIGNATURE:**

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**NAME (PRINT):**

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**OFFICE HELD:**

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**DATE:**

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**NAME OF INSURED:**

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**ABN OF INSURED:**

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**MOBILE PHONE:**

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**EMAIL:**

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\* 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.

\* A fraudulent declaration may invalidate your insurance contract.