



ASSOCIATION LIABILITY INSURANCE PROPOSAL

NOTICE TO THE PROPOSED INSURED

[Including notices under the Insurance Contracts Act]

Nova Underwriting Pty Ltd
ABN 42 127 786 123 / AFSL 324767

IMPORTANT – PLEASE READ THE FOLLOWING ADVICE BEFORE COMPLETING THIS PROPOSAL

1. 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 (ICA), 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 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 know 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.

COMMENT

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the insurer's consideration of your proposal.

2. CLAIMS MADE POLICY

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

- acts, errors or omissions actually or allegedly committed prior to the retroactive date of the policy [if such a date is specified].
- claims made after the expiry of the period of cover even though the act, error or omission giving rise to the claim may have been committed during the period of cover.
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy.
- claims made, threatened or intimated against you prior to the commencement of the period of cover.
- facts or circumstances of which you first became aware of prior to the period of cover, and which you knew or ought reasonably to have known, had the potential to give rise to a claim under this policy.
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

Where you give notice in writing to the insurer of any facts that might give rise to a claim made against you as soon as reasonably practical after you become aware of these facts but before expiry of its period of cover, you may have rights under Section 40[3] of the ICA to be covered for claims arising from those facts, even though the claim is made against you after the period of cover has expired. Any such rights arise under the ICA only, and not by medium of the policy.

3. AVERAGE PROVISION

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

4. SUBROGATION WAIVER

Our policy contains a provision that has the effect of excluding or limiting cover for a liability incurred as a result of you entering an agreement that impairs your legal rights against another party.

5. PRIVACY

We comply with the Privacy Act when dealing with your personal information. We need to collect personal information to deliver our services and products, and we may also need to pass that information to third parties such as our security, their reinsurers, agents, lawyers and other service providers. You can have access to, and if necessary, correct your personal information, by contacting our privacy officer. When you give us personal or sensitive information about other individuals, we rely on you to have made or make them aware that you will or may provide their information to us, the purposes we use it for, the types of third parties that we disclose it to and how they can access it. If it is sensitive information we rely on you to have obtained their consent on these matters. If you have not done either of these things, you must tell us before you provide the relevant information.

6. NOT A RENEWABLE POLICY

Any policy issued by us will terminate at a time and date specified in the policy. There is no right to automatic extension or renewal of the policy. If you wish to effect similar insurance for a subsequent period, it is necessary to complete a new proposal prior to the termination of the expiring policy so that we may consider whether or not to offer a replacement policy, and if so, on what terms.

7. GENERAL INSURANCE CODE OF PRACTICE

We have adopted the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry, including the manner in which complaints must be handled.

For further information about the Code, visit our website www.novaunderwriting.com.au or visit the Code website www.codeofpractice.com.au or contact our Compliance Manager. As part of our Code compliance obligations, we advise that the key factors affecting premiums are the nature and size of the risk, and the claims experience.

8. UTMOST GOOD FAITH

Every insurance contract is subject to the doctrine of utmost good faith which requires the contracting parties to act toward each other with the utmost good faith. Failure to do so on your part may prejudice any claim or the continuation of the insurance contract.

9. OUR POLICY

You should familiarise yourself with our standard policy wording before submitting this proposal to us. Obtain a copy from your broker, us or download from www.novaunderwriting.com.au

10. CHANGE OF RISK OR CIRCUMSTANCES

The terms of any policy issued by us are based upon and rely on the information provided to us. If any material change occurs to the information provided on or with this proposal prior to inception of the policy, you must tell us about these changes before the policy incept, as failure to do so could prejudice any claim and/or continuation of the policy.

IMPORTANT

- Please answer **ALL** questions fully. If there is insufficient space, please provide details on your own letterhead, and attach to this form.
- Where provided, tick the appropriate box to indicate your answer.

APPLICANT'S DETAILS

1. Name of Association:

2. Revenue last financial year:

\$

No of members

3. (a) Total assets last balance date:

(b) Website address:

4. Location:

5. Date established:

6. Please describe the activities and services provided by the Association:

CURRENT FINANCIAL POSITION OF THE ASSOCIATION

- | | | |
|--|-----|----|
| 7. Is the Association trading profitably? | Yes | No |
| 8. Is the Association solvent and able to meet its debts as and when they fall due? | Yes | No |
| 9. Are there any matters not disclosed in your latest annual report that could affect the ability of the Association to continue to trade as a going concern? | Yes | No |
| 10. Has there been any change in the financial position or capital structure for the Association since last balance date which materially affects the financial position of the Association? | Yes | No |
| 11. Has any event occurred, or any trend become evident, since last balance date, that materially affects the financial position or future viability of the Association? | Yes | No |
| 12. Are group tax payments in arrears? | Yes | No |

If you have answered "No" to questions 7 or 8, or "Yes" to questions 9-12, please attach details.

EMPLOYMENT PRACTICES DETAILS

13. Personnel numbers for past 3 years:

CATEGORY	20 _ _	20 _ _	20 _ _
Full time:			
Part time:			
Temporary:			
Contractors:			
TOTAL:			
Turnover rate:	%	%	%

14. Number of employees in following salary ranges:

\$0 - \$35,000

>\$35,000 - \$100,000

>\$100,000

15. Did the Association initiate any employment terminations in the past 3 years?

Yes

No

If "Yes", please advice reason for termination and employee's position in the Association:

16. Does the Association anticipate any employment terminations occurring in the next 18 months?

Yes

No

If "Yes", please provide details:

17. Are written workplace policies in place regarding opportunity, sexual harassment, discrimination, and the procedures to be followed before terminating employment?

Yes

No

If "No", please provide details:

SUPERANNUATION TRUSTEE'S DETAILS

18. Do any employees of the Association act as superannuation fund trustees?

Yes

No

If "Yes", please answer questions 19 to 24. If "No", please go to question 25.

19. Name of superannuation fund

20. Legal status of fund:

Accumulation

Defined Benefits

Industry

Other [specify]

21. Has the fund ever received a notice of non-compliance from any regulatory authority?

Yes

No

If "Yes", please provide details:

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22. Please provide the names of any investment manager, external administrator, actuary, auditor or other service provider used by the fund:

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23. Are the assets of the fund considered adequate to meet its future liabilities to its members?

Yes

No

If "No", please provide details:

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24. Please complete the following table in relation to the fund for the past 2 years:

	20 __	20 __
Total Assets:		
Total Members:		

FIDELITY DETAILS

25. Can any one person request or authorise expenditure, refunds AND sign cheques or return goods for the same transaction?

Yes

No

If "Yes", please provide details:

26. Can any one person request AND authorise a transfer of funds for the same transaction?

Yes

No

If "Yes", please provide details:

27. Are 2 signatures required on all cheques or fund transfers?

Yes

No

If "No", please provide details, including the name and title of the person involved and their limit of authority:

28. Are all bank accounts reconciled by someone not authorised to deposit or withdraw funds in/from that account?

Yes

No

If "No", please provide details:

29. Are all wages/salaries reconciled against personnel records on a monthly or quarterly basis for unusual or excessive payments?

Yes

No

If "No", please provide details:

30. Does the Association insist that all employees take at least 2 weeks of uninterrupted leave each year?

Yes

No

If “No”, please provide details of the leave policy of the Association:

31. Does the Association carry stock, raw materials or finished goods?

Yes

No

If “Yes”, please advise details of regular physical stocktakes or stock counts undertaken and reconciled against inventory records:

TAX AUDIT

32. Has the Association complied with all its statutory obligations and all requirements [including payment of any sum] of Australian legislation, which are [or may become] the subject of a tax audit?

Yes

No

If “No”, please provide details:

33. Has the Association in the past 3 years received any enquiry from, or been subject to a tax audit by, any Australian regulatory body, including the Australian Taxation Office?

Yes

No

If “Yes”, please provide details:

INSURANCE AND CLAIMS HISTORY

34. After making appropriate inquiries [including of all directors and senior officers of the Association], has the Association ever been refused this type of insurance, or had this or similar insurance cancelled, declined or special terms imposed? Yes No

If "Yes", please provide details:

35. After making appropriate inquiries [including of all directors and senior officers of the Association], has the Association, or any of its employees or directors, ever been the subject of any investigation, inquiry, prosecution, complaint, suit or other proceedings ? Yes No

If "Yes", please provide details:

36. After making appropriate inquiries [including of all directors and senior officers of the Association], has the Association ever suffered loss from dishonesty, theft, burglary, robbery, destruction of property or forgery losses caused by its employees or directors? Yes No

If "Yes", please provide details:

37. After making appropriate inquiries [including of all directors and senior officers of the Association], is the Association, or any of its employees or directors, aware of any facts or circumstances which might result in claims or prosecutions being made against them? Yes No

If "Yes", please provide details:

38. After making appropriate inquiries [including of all directors and senior officers of the Association], have any claims or prosecutions ever been made against the Association, or any of its employees or directors? Yes No

If "Yes", please provide details:

NOTE: THE PROPOSED INSURANCE WILL NOT COVER CLAIMS OR ACTIONS ARISING OUT OF ANY EXISTING MATTER, FACT OR CIRCUMSTANCE PERTAINING TO QUESTIONS 36 TO 38, REGARDLESS OF WHETHER SUCH MATTERS, FACTS OR CIRCUMSTANCES ARE DISCLOSED OR NOT.

INSURANCE REQUIREMENTS

39. Please indicate preferred limit(s) of cover sought for the following sections of cover:

- Directors or Officers, Association Reimbursement, Association Liability, Employment Practices Liability and Trustee Liability:

\$

\$

\$

- Fidelity Loss:

\$

\$

\$

- Tax Audit Expenses:

\$

\$

\$

- Pollution:

\$

\$

\$

- Pecuniary Penalties:

\$

\$

\$

40. Please indicate preferred excess:

\$

OTHER INFORMATION

41. Please provide a copy of the Association's:

- consolidated [preferably audited] financial statements and annual reports for the past 2 financial periods.
- latest interim financial statements if those financial statements are more than 9 months old.

42. For the purposes of determining stamp duty, please provide a breakdown of the Association's employees by state and overseas:

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Overseas
%	%	%	%	%	%	%	%	%

DECLARATION

The signatory declares:

- that the signatory is authorised to make this proposal on behalf of all persons and entities seeking insurance.
- that the signatory has read and understood the “Notice to the Proposed Insured” at the front of this proposal.
- that the information supplied in this proposal [and any attachments relating to it] is true and correct.
- that the signatory understands and acknowledges that Nova Underwriting Pty Ltd relies on the information contained in the proposal [and any attachments relating to it].
- The signatory understands and acknowledges that the proposal [and any attachments to it] and any other information supplied to Nova Underwriting Pty Ltd in support of this application for insurance shall form the basis of any contract of insurance subsequently effected.

Name of Signatory:

Position:

Signature:

Date:

Coverholder at **LLOYD'S**