

IMPORTANT INFORMATION

Please read this first

Professional Indemnity Insurance proposal form for Financial Planners

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

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

- ▼ that diminishes the risk to be undertaken by the insurer;
- ▼ that is of common knowledge;
- ▼ that your insurer knows or, in the ordinary course of his 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, refuse to pay the 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 and notified basis of coverage

The Professional Indemnity Insurance Policy is issued on a 'Claims made and Notified' basis.

This means that the Insuring Clause responds to:

- (a) claims first made against you during the policy period and notified to the insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- (b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that you may decide to notify, are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the expiry of the policy period. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, section 40(3) of the Insurance Contracts Act 1984 is set out below:
 "S40(3) Where the insured gave notice 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 the claim when made by reason only that it was made after the expiration of the period of the insurance cover provided by the contract."

When the policy period expires, no new notification of facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the policy period.

Retroactive date

You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed by you prior to the retroactive date, where one is specified in the policy terms offered to you.

Subrogation waiver

Our policy contains a provision that has the effect of excluding or limiting our liability in respect of a liability incurred solely by reason of the Insured entering into a deed or agreement excluding, limiting or delaying the legal rights of recovery against another.

Privacy statement

Vero is a member of the Suncorp Group.

The Privacy Act 1988 (Cth) requires us to inform you that:

Purpose of collection

Personal information is information about an identifiable individual and includes facts or an opinion about you which identifies you or by which your identity can be reasonably determined. The collection of your personal information is essential to enable us to conduct our business of offering and providing you with our range of financial products and services.

We collect personal information for the purposes of:

- ▼ identifying you when you do business with us;
- ▼ protecting your personal information from unauthorised access;
- ▼ establishing your requirements and providing the appropriate product or service including evaluating your application for insurance and any request for amendment to any insurance provided;
- ▼ setting up, issuing, administering and managing the insurance following acceptance of an application;
- ▼ assessing and investigating, and if covered, managing a claim made in relation to any insurance you have with us or other companies within the Suncorp Group; and
- ▼ understanding your needs and improving our financial products and services, including training and developing our staff and representatives.

Consequences if personal information is not provided

If we request personal information about you and you do not provide it, we may not be able to provide you with the insurance product you request, manage or pay any claim under an insurance policy or provide you with the full range of services we offer.

Disclosure

We use and disclose your personal information for the purposes we collected it.

We may also use and disclose your personal information for a secondary purpose related to the purpose for which we collected it, where you would reasonably expect us to use or disclose your personal information for that secondary purpose. In the case of sensitive information, any secondary purpose, use or disclosure will be directly related to the purpose of collection.

When necessary and in connection with purposes listed above, we may disclose your personal information to and/or collect your personal information from:

- ▼ other companies within the Suncorp group;
- ▼ where required or authorised under our relationship with our joint venture companies;
- ▼ information technology providers, including hardware and software vendors and consultants such as programmers;
- ▼ customer research organisations;
- ▼ intermediaries including your agent, adviser, a broker, a representative acting on your behalf, other Australian Financial Services Licensee or our authorised representatives and our agents;
- ▼ accounting or finance specialists;
- ▼ government, law enforcement or statutory bodies;
- ▼ other insurers, reinsurers, financial institutions, insurance and claims reference agencies, credit agencies, loss assessors, financiers or investigative service providers;
- ▼ hospitals, medical and health professionals;
- ▼ legal and other professional advisers;
- ▼ printers and mail service and delivery providers for the mailing of statements, insurance policy documents and marketing material;
- ▼ imaging and document management services.

Disclosure overseas

There are also instances where we may have to send your personal information overseas or collect personal information from overseas. These instances include:

- ▼ sending your personal information to companies in the Suncorp group;
- ▼ when you have asked us to do so;
- ▼ when we are authorised or required by law to do so;
- ▼ when we have outsourced a business activity or function to an overseas service provider with whom we have a contractual arrangement;
- ▼ certain electronic transactions; or
- ▼ when it is necessary in order to facilitate a transaction on your behalf.

We will only send your personal information overseas or collect personal information about you from overseas for the purposes in this statement and in compliance with the privacy regime.

Access

You can request access to the personal information we hold about you by contacting us.

In some circumstances, we are able to deny your request for access to personal information. If we deny your request for access, we will tell you why.

If accessing your personal information will take an extended period of time, we will inform you of the likely delay. For more detailed requests for access to personal information, for example, access to information held in archives, a fee may be charged to cover the associated cost of retrieval and supplying this information.

Marketing

We would like to use and disclose your personal information to keep you up to date with the range of products and services available from Suncorp. Generally, our companies in the Suncorp group will use and disclose your personal information for Suncorp's marketing purposes.

If you do not want us to use and disclose your personal information for the purpose of marketing products and services to you, you should contact us and tell us.

Contact

Please contact us to:

- ▼ change your mind at any time about receiving marketing material;
- ▼ request access to the personal information we hold about you; or
- ▼ obtain more information about our privacy practices by asking for a copy of our Privacy Policy;

Our Privacy Policy can also be found on our website at www.vero.com.au

General Insurance Code of Practice

Vero Insurance Limited (Vero) has adopted the General Insurance Code of Practice which has been developed by the Insurance Council of Australia. The Code is designed to promote good relations and good insurance practice between insurers, intermediaries and consumers.

The Code sets out what insurers must do when dealing with policyholders/the insured. Please contact Vero for more information about the Code, if required.

Our complaints handling procedures

Resolving your complaints

If you think we have let you down in any way, or our service is not what you expect (even if through one of our agents or representatives), please tell us so we can help. You can tell us by phone, in writing or in person.

Should you tell us in writing it will help to send us the full details of your complaint together with any supporting documents and an explanation of what you want us to do. If you would like to come in to talk to us face to face, please call and we will arrange an appointment for a meeting.

What we will do to resolve your complaint

When you first let us know about your complaint or concern the person trying to resolve your complaint will listen to you, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If you are not satisfied with this person's decision on your complaint, then it will be referred to the relevant Operational Manager, who will contact you within 5 working days.

Should you not be satisfied with the Operational Manager's decision, then it will be referred to the General Manager (or their delegate). We will send you our final decision within 15 working days from the date you first made your complaint.

What if you are not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However if you are not satisfied with our final decision there are external dispute remedies such as mediation, arbitration or legal action.

10. Total number of Principals and Staff	Last financial year	Current financial year	Estimated next financial year
(a) Principals	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b) Qualified professional staff (excluding Authorised Representatives)	<input type="text"/>	<input type="text"/>	<input type="text"/>
(c) Employed Authorised Representatives	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d) Non-employed Authorised Representatives (external)	<input type="text"/>	<input type="text"/>	<input type="text"/>

Please complete the Authorised Representatives Supplementary Questions

(e) Paraplanners	<input type="text"/>	<input type="text"/>	<input type="text"/>
(f) Administrative staff	<input type="text"/>	<input type="text"/>	<input type="text"/>
(g) Other staff	<input type="text"/>	<input type="text"/>	<input type="text"/>
(h) Total staff	<input type="text"/>	<input type="text"/>	<input type="text"/>

Do you require cover for authorised representatives noted in (d) above? No Yes

11. Has the business ever traded under any other name?

No Yes If yes, please provide details:

12. Has the Insured been involved in any mergers or acquisitions in the last five years?

No Yes If yes, please provide details:

13. Please indicate the percentage breakdown of your gross income (both fees and commissions) between the following activities:

	Fees	Commissions
(a) Financial Planning / Portfolio Management	<input type="text"/> %	<input type="text"/> %
(b) Life Insurance acting as AFS License Holder or Representative	<input type="text"/> %	<input type="text"/> %
(c) General Insurance Agency/Broking	<input type="text"/> %	<input type="text"/> %
(d) Superannuation Administration (refer to overall administration of self-managed or regulated super funds)	<input type="text"/> %	<input type="text"/> %
(e) Mortgage/Finance Broking/Origination	<input type="text"/> %	<input type="text"/> %
(f) Mezzanine Finance	<input type="text"/> %	<input type="text"/> %
(g) High Risk/High Return Investments (including but not limited to primary industry and agricultural managed investment scheme products, sub-ordinated debt, unlisted or unratred securities for which an Australian government accredited liquid market does not exist or for which units cannot ordinarily be redeemed at market value on demand, unsecured loans or under-funded property developments)	<input type="text"/> %	<input type="text"/> %
(h) Tax Effective Schemes	<input type="text"/> %	<input type="text"/> %

Please complete the Tax Effective Schemes Supplementary Questions

(i) Reverse Mortgages	<input type="text"/> %	<input type="text"/> %
(j) Other	<input type="text"/> %	<input type="text"/> %
Total	100%	100%

14. Are you involved in client portfolio management on a discretionary basis? No Yes

If yes, complete **the Managed Discretionary Accounts Supplementary Questions**.

15. Please provide the following breakdown of clients by size of investment portfolio

Client funds under management	Number of clients	Total funds under management
Up to \$100,000		\$
\$100,001 – \$250,000		\$
\$250,001 – \$500,000		\$
\$500,001 – \$1,000,000		\$
Over \$1,000,000		\$
Total		\$

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16. Please provide the date of your financial year end

17. (a) Please provide details of your gross income earned in the last financial year:

Gross income	Australia	Overseas
(i) Fees	\$	\$
(ii) Commissions (excl Trail)	\$	\$
(iii) Trail Commissions	\$	\$

(b) Please provide the following further details of your gross income:

Gross income	Australia	Overseas
(i) Actual gross income for preceding financial year	\$	\$
(ii) Estimated gross income for the next financial year	\$	\$

18. Please provide details of any work performed outside Australia and work for overseas clients (please attach a separate sheet if necessary)

19. Stamp Duty Declaration – Please provide a percentage breakdown of fees / turnover by location as follows

NSW	%	VIC	%	QLD	%	SA	%	WA	%
TAS	%	ACT	%	NT	%	Overseas	%	Total	100%

20. Does the Insured have any Professional Indemnity Insurance currently in force?

If yes, please state:

Name of Insurer		Limit of Indemnity	
Renewal Date	/ /	Excess	
Retroactive Date	/ /		

Section 2 – General details

1. Has any insurer, in respect of the risks to which this proposal relates, ever:

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

If yes to any of the above, please give details

Section 3 – Claims and circumstances

1. (a) Has any claim been made against the Insured or any principal, partner or director (either as a principal, partner or director of the Insured or of any previous business), consultant or employee in respect of the risks to which this proposal relates? No Yes
- (b) Has the Insured or any principal, partner, director, consultant or employee incurred any other loss or expense which might be within the terms of the Professional Indemnity cover? No Yes

If yes in either case, please provide the following details:

Date of claim or loss	Brief details of each claim or loss	Cost (if any) of claim paid or loss insured	Estimated outstanding loss
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

2. What action has been taken to prevent a recurrence of the situation which gave rise to each claim or loss?
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3. Is any principal, director, partner, consultant or employee, **after enquiry**, aware of any circumstances which might:
- (a) give rise to a claim against the Insured or his/her predecessors in business or any of the present or former partners, principals, directors, consultants or employees? No Yes
- (b) result in the Insured or his/her predecessors in business or any of the present or former partners, directors, consultants, employees or principals incurring any losses or expenses which might be within the terms of the Professional Indemnity cover? No Yes
- (c) otherwise affect the Insurer's consideration of this Insurance? No Yes

If yes to any, please give details, including maximum potential cost (by separate note if preferred)

It is agreed that if such facts, circumstances or situations exist, whether or not disclosed, any claim arising from them is excluded from this proposed insurance policy.

4. Has the Insured suffered any loss through fraud or dishonesty of any principal, partner, director or employee over the past five (5) years? No Yes If yes, what steps have been taken to strengthen the internal control environment?
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5. Are procedures in place to ensure segregation of duties, ie between payment approval and cheque signing? No Yes
6. Is a counter signature required on all cheques? No Yes
7. How often, and by whom, are the entries in the cashbook checked with the vouchers and reconciled with the bank statements?
8. Does the Applicant always require and obtain satisfactory references when engaging employees? No Yes
9. Does the Applicant have an Internal Audit Department or person responsible for a similar function? No Yes

- If yes,
- (a) How often is each department audited/reviewed?
- (b) Are spot audits carried out? No Yes
- (c) Please advise the name of the Applicant's external auditors

Section 4 – Risk management

- 1. Do you conduct a risk appraisal/needs analysis for all financial planning/portfolio management clients and present a written plan to clients for their agreement? No Yes
- 2. Do you provide all of your clients with a copy of a Financial Services Guide? No Yes
- 3. Do you conduct random audits on your clients existing portfolio? No Yes
- 4. How often do you conduct audits on your existing clients portfolio?
- 5. Who will be conducting audits on your clients portfolio?
- 6. Does a Paraplanner prepare your plans? No Yes
- 7. Do you always conduct a risk assessment of each client prior to giving advice?
Yes No If no, under what circumstances do you not do so?
- 8. Do you always review product recommendations and advice to ensure they are consistent with the clients profile, needs and instructions? No Yes
- 9. Does the Applicant envisage any substantial changes in its business activities, or are there any major new operations contemplated in the future?
No Yes If yes, please provide details:

Section 5 – Insurance

- 1. What Limit of Indemnity do you require Please note: a minimum of \$2,000,000 is required by ASIC
- 2. What deductible do you require
- 3. Preferred inception date of your policy

Section 6 – Authorised Representatives supplementary questions

Complete this section only if "Non-employed Authorised Representatives" are disclosed in Section 1, Q10 (d) above.

- 1. Please provide full details regarding the background checks conducted before engaging a non employed Authorised Representative. Do you request police checks and any prior professional indemnity claims experience details?
- 2. What qualifications and/or experience are non employed Authorised Representatives required to have?
- 3. What initial and ongoing training is required of non employed Authorised Representatives?

4. What procedures do you have in place for monitoring, reviewing and auditing the services and advice provided by your non employed Authorised Representatives?

Section 7 – Tax effective schemes supplementary questions

Complete this section only if "Tax Effective Schemes" are disclosed in Section 1, Q13 (h) above.

1. What is the maximum percentage of a client's investment portfolio that you recommend invested?

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2. Do you obtain your client's instructions in writing? No Yes

3. Do you undertake a full review of your client's needs and fully disclose the risks involved to the client? No Yes

Section 8 – Managed discretionary accounts supplementary questions

Complete this section only if Managed Discretionary Accounts are disclosed in Section 1, Q14 above.

1. Are the services limited or full service in accordance with the definition found in ASIC's letter of 5 November 2004?

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2. What is the split of percentages of gross fee income for each?

3. What is the percentage of overall funds under management for each?

4. What percentage of your clients are engaged under each of these agreement types?

5. Please provide full details regarding the procedures for analysing clients risk profile and suitability for discretionary accounts?

6. How are the risks disclosed to your clients and how do you obtain their acknowledgement of this in writing?

7. Please provide full details of the process and procedures in place to ensure agreements are not breached?

8. Do you resource your business adequately to ensure continual market analysis to protect clients portfolio's from downside risks and to take advantages of upside opportunities? Please provide full details.

9. Please provide a copy of your standard agreements.

Section 9 – Margin Lending

- 1. Do you provide your clients with a copy of the current product disclosure statement for each funding provider when recommending margin lending products? No Yes
- 2. What is the **maximum percentage** of your client's overall portfolio that you recommend they place via margin lending? %
- 3. Do you provide taxation advice to the client on the implications of margin lending? No Yes
If No, do you refer them to a Qualified Accountant? No Yes
- 4. Please attach a list of the Margin Lending facilities utilised by you.

Section 10 – Additional information and supporting documentation

The following documentation and support information is required with this Proposal Form:

- 1. A copy of the last Compliance Audit Report and a copy of managements written response.
Have all recommendations made in the above report been implemented? No Yes
If no, please provide reasons on a separate page.
- 2. A copy of the last two years Complaints Register.
- 3. Details of Procedures in place to select and approve investment products and services and ongoing monitoring of same.
Are these procedures always followed? No Yes
If no, please provide reasons on a separate page.
- 4. If a new AFS License Holder, a copy of your A5 Proof Document and a standard Statement of Advice.
Are the policies and procedures outlined in the documents described above always followed? No Yes
If no, please provide reasons on a separate page.
- 5. A copy of any promotional materials used.

Declaration

I/We the undersigned duly authorised person(s) declare that:

- (i) I am/we are authorised by each of the Insured to sign this Proposal Form; and
- (ii) the above statements are correct, true and complete; and
- (iii) no information material to this Proposal Form has been withheld; and
- (iv) I/we have read the **important facts** which you have put before me/us and I/we understand the advice given in relation to the **duty of disclosure**; and
- (v) I/we have diligently made all necessary and detailed enquiries in order to comply with the **duty of disclosure**; and
- (vi) I/we understand that no insurance is in force until such time as the insurer has confirmed acceptance of the proposed insurance; and
- (vii) I/we undertake to inform the insurer of any material alteration to these facts occurring before completion of the contract of insurance; and
- (viii) I/we acknowledge that the insurer relies on the information and representations in this Proposal Form and otherwise made by me/us in relation to this insurance; and
- (ix) except where indicated to the contrary, I/we understand that any statement made in this Proposal Form will be treated by the insurer as a statement made by all persons to be insured; and
- (x) I/we have read Vero's Privacy Statement on this Proposal Form, and consent to the use, disclosure and obtaining of person information about the Insured for the purposes shown in the Privacy Statement.

Signed

Name of Partner(s) or Director(s)

On Behalf of (Insert Name of Firm)

Date

How to contact APUA:
Address: Suite 101, 16 Hunter Street,
Hornsby NSW 2077
Telephone: (61) 02 9477 4779
Fax: (61) 02 9477 4778
Email: office@apua.com.au