

BUSINESS EXPENSE PROTECTION PROPOSAL – 06/08

Nova Underwriting Pty Ltd
ABN 42 127 786 823 / AFSL 324767

NOTICE TO PROPOSED INSURED

[Including notices pursuant to the Insurance Contracts Act]

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 [EG: 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. 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.

3. 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 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 practicable after you become aware of those facts but before the expiry of the 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.

4. 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.

5. 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.

6. PRIVACY

We comply with the Privacy Act when dealing with you 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.

7. 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's 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.

8. CHANGE OF RISK OR CIRCUMSTANCES

The terms of any policy issued by us are based 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 incepts, as failure to do so could prejudice any claim and/or continuation of the policy.

9. OUR POLICY

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

10. 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.

1. **Name of Business:**
.....
2. **Address (Head Office):**.....

Other locations:
.....
.....
3. **Telephone # :** **Fax # :**
4. **E-Mail Address:**
5. **Website Address:**
6. **Date of commencement of Business:**
7. **Details of other insurance held by the Business :**

TYPE	INSURER	PERIOD
Legal Expense		
Management Liability		
Director's & Officers		
Professional Indemnity		
Employment Practices Liability		

8. **Number of partners:**
9. **Number of employees:**
10. **Revenue last financial year:**
11. **Has any insurer proposed or held by the Business ever been declined, cancelled or renewal refused?**
Yes No
If "Yes", please provide full details :
12. **Are you aware of any official investigation, examination, inquiry, hearing or other proceedings ordered or commissioned by any official body or institution arising out of or in connection with the Business, any client or former client of the Business, or any matter in which the Business has provided professional services?**
Yes No
If "Yes", please provide full details:
13. **Are you aware of any dispute between the Business:**
 - (a) **and a supplier of goods or services to the Business, about such good and services, and/or**
 - (b) **a recipient of goods and services (other than fees in connection with the Business) from the Business, about such goods and services, and/or**
 - (c) **as landlord or tenant, and any other party as landlord or tenant**
Yes No
If "Yes", please provide full details:

14. Are you aware of any unpaid fees owed to the Business by a client or former client, which despite best endeavours of the Business, remain unpaid 90 days after payment was due?

Yes No

If "Yes", please provide full details:

15. Other than as disclosed in questions 13, 14 and 15, are you aware, after inquiry, of any circumstances which may give rise a to a claim which would fall within the scope of the proposed insurance?

Yes No

If "Yes", please provide full details:

16. Limit of Indemnity required:

17. Preferred excess:

DECLARATION:

I/We agree that the answers given in this proposal are true and correct and that I/We have not withheld any information likely to affect the acceptance of this proposal. I/We agree that this proposal, together with any other information supplied by you or by any intermediary acting for you , shall form the basis of the proposed insurance.

Signed:

Position:

Date: