

Breeze Underwriting Financial Planners Professional Indemnity Proposal Form

IMPORTANT NOTICES

Please read these Important Notices before applying for this insurance.

The Cover

Professional Indemnity insurance is issued on a claims made basis. This means that the policy covers you for claims made against you and notified to the insurer during the period of insurance provided that you were not aware at any time prior to the start of the inception date of the cover, of circumstances that would have put a reasonable person in your position on notice that a claim may be made against you.

Usually no new claim notification can be made after the period of insurance has ended even though the event giving rise to the claim may have occurred during the period of insurance. Notification requirements are subject of Section 40 of the Insurance Contract Act 1984

Your policy will not insure you for any claims arising out of circumstances you were aware of at any time prior to the inception of the period of insurance.

Information

This application must be fully completed and you must report full details of all circumstances which have become known to you or that a claim arising from an event may be made against you. See your Duty of Disclosure below. If there is insufficient space on the application please use a separate signed and dated headed sheet of paper. Where available, brochures, standard contract conditions, agreements, letters of appointment should be provided.

Duty of Disclosure

Under the Insurance Contracts act 1984 (the Act), you have a duty of disclosure. You are required before you enter into, renew, vary extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

You don't need to tell us about any matter:

- that reduces the risk,
- is of common knowledge,
- that we already know, or ought to know in the ordinary course of our business as an insurer, or;
- we indicate we do not want to know.

If you do not tell us

If you do not comply with your Duty of Disclosure we may:

- reduce or refuse to pay a claim, or;
- cancel your Policy.

If your non-disclosure is fraudulent, we may also have the option of avoiding the Policy from its beginning.

Occurrence or Event Notification

During the period of insurance, if you become aware of any occurrence or event that may give rise to a claim and you during that period of insurance you have given written notice to the insurer of such occurrence or event, any claim made subsequent to that notification shall be deemed to be a claim made during the period of insurance.

Right of Recovery

Where another person or entity would be liable to compensate you for any loss or damage covered by this insurance but you have agreed with that person or entity at any time that you would not seek to recover that loss or damage, this insurance policy will not provide cover for such loss or damage.

Business Alteration

You must notify us within 7 days of any material alteration to the business that is the subject of this insurance. Material alterations are (but not limited to);

- the nature of the business;
- acquisition or merger with another business;
- an insured person or entity being declared bankrupt or entering receivership;
- cancellation or suspension of statutory registration or professional association membership.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. Breeze Underwriting has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it. You can obtain a copy of the Breeze Underwriting Privacy information brochure by contacting us at 1300 556 826 or from our website www.breezeuw.com.au

1. Broker Details

Broker Name			
Address			
Contact Name			
Phone		Email	

2. Proposer Details

Name of Licencee			
Trading Name			
AFS License Number		ABN	
Establishment Date			
Address			
City		State	
Postcode		Phone	
Period of Insurance	From:		To:
Email		Website	

3. Business Description

Please provide the approximate percentage of your income (fees and commissions) generated in the last completed financial year from the following activities:

Investments:	Fees/Commissions:
Financial Planning/Portfolio Management	%
Life Insurance acting as AFS Licensed Holder	%
Life Insurance acting as AFS Authorised Representatives	%
General Insurance Agency/Broking (please note this will be excluded)	%
Mortgage Originated/Mortgage Broking	%
Superannuation Administration i.e. the overall administration of a self-managed or regulated super fund	%
Accounting	%
Tax (Financial) Advice?	%
Other (Please provide full details)	%

4. Employee Information

Please state the following:

Total number of employees	
Total number of Principles, Partners, Directors	
Number of qualified employees	
Number of advisers including Principles	
Number of Paraplanners	

Please provide the following details for each of the Insured/s Principles, Partners or Directors:

Name	Age	Qualifications	Date Qualified	No. Years in this Practice

If previous Business Cover is required, please complete the following:

Name of Principal, Director or Partner requiring this cover	Date left previous business	Are you aware of any claims or circumstances against the previous business? If YES, please provide details

Please confirm that any previous business was the same as that being applied for under this insurance:

Yes

No

If No, please provide further details of your Professional Business while working at the previous firm.

5. Authorised Representatives

Do you have any additional non-employed Authorised Representatives under your current AFS License?

Yes

No

If YES, please provide total number:

Do you require cover in respect of the Previous Business activities of non-employed Authorised Representatives prior to the non-employed Authorised Representative joining your license?

(i.e. Are you seeking cover for the activities of an Authorised Representative)

Yes

No

If Yes - where previous business cover is required, do you ensure that the approved products and investment advice activities of the non-employed authorised representatives under the previous AFS Licences are similar to your current AFS Licence?

Yes

No

If the answer is yes to any of the above, please complete the rest of the questionnaire to include the activities of you Appointed Representatives

6. Joint Ventures

Do you require cover for any joint ventures?

Yes No

State the Names of Joint Ventures below. Please answer the remainder of the questionnaire including answers for Joint Ventures.

7. Claims Details

Has any Claim been made against the Company for professional negligence, error or omission in the last 10 years?

Yes No

If yes please provide full details, including dates and parties involved

(Continue on a separate sheet if necessary)

Is the Proposer aware, after enquiry of any circumstances or incident which may give rise to a Claim?

Yes No

If yes please provide full details including dates and parties involved.

Is the Firm or Authorised Representative(s) aware of any circumstance(s) which may result in a claim being made against the Firm, or against an Principal or Authorised Representative(s), or against any partnership or company of which any Principal or Authorised Representative(s) is/was a partner, director, CEO or Authorised Representative?

Yes No

If Yes, please provide details:

Has any person or entity seeking cover under this policy ever been investigated, disciplined, banned or disqualified by any regulatory governing body?

Yes No

If Yes, please provide details:

8. Risk Management		
Are you a member of the FPA or AFA? (check for yes)	FPA	AFA
Have you had a File Audit in the last 12 months?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If yes, have you implemented recommended procedures?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If not, please provide details		

Do you have a compliance committee?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i) Is it outsourced?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
ii) Have you set this up within the regulatory guidelines?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you engage in Responsible manager training?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have standards of record keeping and file management that are consistently followed throughout your Firm?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
How regularly do you carry out a review of clients requirements? Please give detail		

Do you keep a log of complaints?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i) Do you have procedures to monitor them?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
ii) What do you do to keep your employees up to date with lessons learned ?		

Do you attend industry conferences and/or Professional Development Days?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If so, do you disseminate relevant information to your employees after these events?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you have an investment committee?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
i) If this is outsourced, please give detail.		

9. Remuneration

TOTAL GROSS INCOME (INCLUDING FEES AND COMMISSION RATE)

Last Financial Year	
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Full Annual Estimate for Current Year	
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TOTAL FUM/FUA

Last Financial Year	
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Full Annual Estimate	
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Annual In-force Risk Premium	
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In respect of fees / gross income for the last financial year, please provide a break down by State:

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

10. Business Activities

Please provide the approximate percentage of your income (fees and commissions) generated in the last completed financial year from the following activities.

INVESTMENT	FEES/COMMISSIONS
1. Financial Planning/Portfolio Management	%
2. Life Insurance acting as AFS Licensed Holder	%
3. Life Insurance acting as AFS Authorised Representative	%
4. General Insurance Agency/Broking (please note this will be excluded)	%
5. Mortgage Originating/Mortgage Broking	%
6. Superannuation Administration (i.e. the overall administration of a self-managed or regulated super fund)	%
7. Accounting	%
8. Tax (Financial) Advice?	%
9. Other (Please provide full details)	%

10. Business Activities (Continued)

Please advise the allocation of the clients' investments across all Licences combined according to the following breakdown:

INVESTMENT	CLIENTS' INVESTMENTS	PERCENTAGE
a. Australian equities on a DIRECT basis	\$	%
b. Australian equities via Managed Funds	\$	%
c. Overseas equities on a DIRECT basis	\$	%
d. Overseas equities via Managed Funds	\$	%
e. Fixed interest securities and / or cash	\$	%
f. Property Trusts on a DIRECT basis	\$	%
g. Property Trusts via Managed Funds	\$	%
h. Hedge Funds	\$	%
i. Derivatives (other than hedge funds)	\$	%
j. Registered Managed Investment Schemes	\$	%
k. Unregistered Managed Investment Schemes	\$	%
l. Other (Please provide full details)	\$	%
Total Funds Under Advice / Management	\$	100 %

Has the above allocation of client's investment varied significantly in the past 3 years?

 Yes

 No

If Yes, please provide full details

Please refer to the above allocation table; other than investments in (a) - (e), do you ever recommend that clients have 15% of their total FUM/FUMA in any one investment type?

 Yes

 No

Please provide reconciliation of the financial planning clients across all Licenses combines, as shown in the table below:

FUNDS UNDER ADVICE / MANAGEMENT	NUMBER OF FINANCIAL PLANNING CLIENTS
Up to \$100,000	
\$100,001 - \$250,000	
\$250,001 - \$500,000	
\$500,001 - \$1,000,000	
\$1,000,001 +	
TOTAL	

10. Business Activities (Continued)

Please list the top 10 investment products (in order) the produced the most income in the last Financial Year period:

	PRODUCT NAME	TOTAL INCOME EARNED \$
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		

Have you ever in the past, or do you contemplate in the future, recommending the following types of investment product in this Financial year:

INVESTMENT PRODUCTS	RESPONSE		CLIENTS (APPROX)	FUA
1. Tax effective schemes (with or without ATO Product ruling)	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
2. Hedge Funds	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
3. Unlisted Securities (for which a liquid market does not exist or for which or for which units cannot be redeemed on demand)	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
4. Overseas Securities (other than as part of a diversified portfolio in a managed fund)	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
5. Investments in a single underlying asset or debt instrument	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
6. Direct Property	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
7. Direct Shares	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
8. Any other product or service from an entity which you are associated (financially or otherwise)	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
9. Any other product or service that you would consider potentially high risk or speculative	<input type="checkbox"/> Yes	<input type="checkbox"/> No		
10. Hybrid Securities	<input type="checkbox"/> Yes	<input type="checkbox"/> No		

Please refer to “Business Activities” at the start of section 7 (page 7). If you have answered yes to investment 1 (Financial Planning/Portfolio Management), please answer the following questions:

Did you obtain EXTERNAL advice and / or view external analyst reports regarding investing into shares?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you ensure the investments are spread across more than 5 industries?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

10. Business Activities (Continued)

If you advise on margin lending please answer the following questions:

Please advise the total number of clients that have margin lending	
Please advise the total value of all margin loans outstanding	\$
Do you provide your clients with a copy of the current PDS for each funding provider when recommending margin lending products?	<input type="checkbox"/> Yes <input type="checkbox"/> No
What is the MAXIMUM LVR when you set up a margin facility?	%
Do you provide your clients with adequate details regarding the investment, interest rate and margin call risks associated with margin lending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you recommend that your clients seek independent tax advice regarding the tax implications of margin lending?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If you do not then do you refer them to a qualified accountant?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Please attach a list of Margin Lending Facilities utilised by you in your Approved Products List.

Are you involved in client portfolio management on a discretionary basis (MDA)?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please provide the following:	
Total number of clients that has MDA's	
Total funds under management in respect of MDA's	

Please provide a copy of the standard MDA client agreement

Please detail your client profile into:	Wholesale	%	Retail	%
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Has the approved Product List changed from last year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes please provide details.	

Do you fully disclose all charges applicable to the client in exiting an investment product or superannuation fund?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If No, please provide details below:	

11. Insurance Details

Current Insurance Details

Current Insurer			
Current Limit		Retroactive Date	
Expiring Base Premium		Current Excess	

Limit of Indemnity Required (please tick)

<input type="checkbox"/>	\$2,000,000 (minimum)
<input type="checkbox"/>	\$5,000,000
<input type="checkbox"/>	\$10,000,000
<input type="checkbox"/>	Other

12. Signature and Declaration

By completing and signing this application form, you declare that:

1. The disclosed information in this application is true and accurate in every respect and no information has been withheld which is likely to affect our decision about accepting this insurance;
2. If there is more than one insured and all have not signed this application, you have for and on their behalf;
3. You acknowledge we reserve the right to decline any application;
4. You acknowledge that if the applicant acquires, merges with or absorbs another practice or entity during the period of insurance, the insurer will require full details and may charge an additional premium;
5. You acknowledge that a signature on this application form does not provide insurance cover until the application is accepted in writing by the insurer.

Signature (Principal, Partner or Director)	
Date	
Applicant's Title	

Supplementary Proposal Form

Financial Planners Professional Liability Insurance – Authorised Representative

(Please duplicate for each AR who is required to be covered)

Important Notice

Claims-Made & Notified Insurance

This policy is issued on a claims-made and notified basis. This means that the policy only covers claims (as defined) and notified to the insurer in writing during the Policy Period. The policy does not provide cover for any Claims made against you during the Policy Period if at any time prior to the commencement of the Policy Period you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you give notice in writing to the insurer of facts that might give rise to a Claim against you as soon as is reasonably practicable after you become aware of those facts but during the Policy Period, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it is made after the Policy Period has expired.

This policy contains a “Prior Claims/Circumstances”

Exclusion for loss in connection with any claim:

- (i) made prior to or pending at the inception of this policy; or
- (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim.

This policy does not provide cover for Claims arising from any Wrongful Acts which take place before the Retroactive Date.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty 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 the insurance and, if so, upon 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.

However, your duty of disclosure does not require you to disclose matters:

- that diminish the risk to be undertaken by the insurer;
- that are of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure is waived by the insurer.

Your duty of disclosure continues after the proposal form has been completed up until the Policy Period commences.

Consequences of 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 opinion of avoiding the contract from its beginning.

1. Details of the Proposer

Authorised Representative Name:

Principal Licensed Securities Dealer or Australian Financial Services Licensee on whose behalf you act as an authorised representative

Address:

Website address:

Email:

2. Professional qualifications and memberships

Briefly describe any qualifications and/or experience relevant to this application

Please list any professional associations of which you are a current financial member

3. Claims information

In the last 10 years has there have there been any professional indemnity claims made against you?

Yes

No

If Yes, please provide full details using a separate attachment including dates, the nature of the allegations and any amounts paid out by you or your insurer including settlements, claimant's costs and defence costs.

Have you ever been the subject of a disciplinary inquiry, proceeding or investigation alleging professional misconduct?

Yes

No

If Yes, please provide full details using a separate attachment including dates, the nature of the allegations and any amounts paid for any compensation, defence costs, fines or penalties.

Are you aware of any facts which might give rise to a professional indemnity claim being made against you?

Yes

No

If Yes, please provide full details using a separate attachment.

4. Proposal Form Declaration

I declare that I have made all necessary inquires into the accuracy of the responses given in this proposal and confirm that the statements and particulars given in this proposal are true and complete and that no material facts have ever been omitted, misstated or suppressed. I agree that should any of the information given by me alter between the date of this proposal and the inception date of the insurance to which this proposal relates, I will give immediate notice thereof to the insurer.

I acknowledge that I have read and understood the **Important Notice** contained in this proposal.

I warrant that I am authorised by the proposing Insured to complete this proposal form and to accept the quotation terms for this insurance on behalf of the Insured.

Name:

Title:

Signature:

Date

