

# REAL ESTATE INSURANCE

## PROPOSAL FORM

AMC Insurance understand the specialised risks associated with doing business in the Real Estate Industry. We work closely with insurers to tailor policies that protect our clients' businesses, while maintaining a competitive rate. Our team of brokers are committed to guiding clients through the insurance process by providing professional advice in easy-to-understand language. Let us help you get the most out of your insurance.

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# INSTRUCTIONS

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# IMPORTANT NOTICES

## PRIVACY ACT

We are committed to protecting your privacy in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles. We collect information about you to provide you with insurance products and a claims service. We only provide your personal information to underwriters (who may be located overseas), assessors, claims adjusters, legal advisers, and others appointed by your insurers to assist in providing relevant products and services, or as required or permitted by law. You may elect not to supply us with personal information; however, we may then not be able to provide you with insurance products and a claims service. For more information about our privacy practices including accessing or correcting your personal information, please make contact with us by phone or email.

## 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 the 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 a matter; that diminishes the risk to be undertaken by the insurer; that is common knowledge; that your insurer knows, or in the ordinary course of business, ought to know; as to which compliance with your duty is waived by the insurer. Anybody who is an insured under your policy must comply with the duty of disclosure. Make sure you explain the duty to any other parties to be insured you may apply on behalf of.

## **EXAMPLES OF MATTERS THAT SHOULD BE DISCLOSED ARE:**

Any claims/losses you have made (regardless of them being insured or not); cancellation, avoidance of, or a refusal to renew your insurance by an Insurer; any unusual feature of the Insured risk that may increase the likelihood of a claim.

## **NON DISCLOSURE AND MISREPRESENTATION**

If you fail to comply with your duty of disclosure, or make a misrepresentation, the insurer may be entitled to reduce its liability under the contract in respect to a claim or may cancel the contract. If your non-disclosure or misrepresentation is fraudulent, the insurer may also have the option of voiding the contract from its beginning.

## **UTMOST GOOD FAITH**

Insurance contracts are subject to the doctrine of Utmost Good Faith and this part of the Law. Utmost Good Faith must be strictly adhered to by both parties and if you fail to do so you may prejudice any claim.

## **HOLD HARMLESS AGREEMENTS, CONTRACTING OUT, WAIVER OF SUBROGATION**

Most insurance policies include a clause that allows the insurer, after they have paid a loss, the right to recover the dollars they have paid out from other parties that shared the responsibility for the loss. This is called the right of subrogation.

Some Insurer's allow particular contracts to include the requirement to waive the rights of subrogation as long as the Insurer has agreed this endorsement before a loss occurs. However, by agreeing to this, the Insured is limiting the ability of their insurance company to recover damages from a negligent party, putting their policy limits at higher risk. You may prejudice your rights of a claim if you make any agreement to waive the Insurer's right of subrogation without prior agreement from your insurer.

## **CLAIMS MADE POLICIES**

Some types of liability policies (e.g. Professional Indemnity, Directors & Officers Liability, Trustees Liability and Commercial Builders Structural Defects) are typically issued on a "Claims Made" basis. This means that (subject to the other terms of the policy) the policy only covers claims first made against you during the period of insurance.

Under section 40(3) of the Insurance Contracts Act, if your policy is a "claims made" policy, and if 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 before the period of insurance expires, the policy will cover (subject to the other terms of the policy) any subsequent claim against you that arises from those facts, therefore if that claim is not made until after the period of insurance has expired. In order to ensure that any entitlement to indemnity under the policy is protected, you must report all incidents that may give rise to a claim against you to the Insurers without delay after such incidents first come to your attention and prior to the expiration of the policy period.

If your policy is a "claims made" policy, and if it has a "retroactive date", it will not cover any claim that arises from any act, error, omission or conduct that occurred before that retroactive date.

## **RETROACTIVE DATE**

All professional indemnity policies are limited by a retroactive date. This means that the policy excludes cover for acts committed or alleged to have been committed prior to the retroactive date.

# PROPOSAL FORM

<b>INSURED NAME(S) &amp; TRADING NAME(S)</b>	
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<b>BUSINESS ADDRESS</b>	
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<b>SECONDARY LOCATIONS</b>	
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<b>POSTAL ADDRESS</b>	
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<b>CONTACT DETAILS</b>	Name
	Phone/Mobile
	Email
	Website

<b>DATE ESTABLISHED</b>	
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<b>ABN(S)</b>	
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<b>IS PREVIOUS BUSINESS COVER REQUIRED FOR ANY PREVIOUS BUSINESS OF A PRINCIPAL, DIRECTOR OR PARTNER?</b>	
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<b>IS THE INSURED BUSINESS FINANCIALLY, OR OTHERWISE CONNECTED, WITH ANY OTHER ENTITIES</b>	
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<b>PRINCIPAL/DIRECTOR</b>	Name/Qualifications/Date Appointed
	Name/Qualifications/Date Appointed
	Name/Qualifications/Date Appointed
	Name/Qualifications/Date Appointed

<b>PROFESSIONAL MEMBERSHIP(S)</b>	
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<b>PLEASE DESCRIBE THE FULL ACTIVITIES UNDERTAKEN BY THE INSURED</b>	
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<p><b>ARE THERE ANY PROPOSED CHANGES TO THE ACTIVITIES OR STRUCTURE PLANNED IN THE COMING YEAR</b></p>	
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<p><b>HAS THE INSURED(S) BEEN INVOLVED IN ANY MERGERS OR ACQUISITIONS IN THE LAST FIVE YEARS?</b></p>	
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<p><b>HAS THE NAME OF YOUR BUSINESS EVER CHANGED OR HAVE YOU EVER OPERATED YOUR BUSINESS UNDER A DIFFERENT CORPORATE ENTITY?</b> <i>(If 'Yes', please provide full additional information)</i></p>	
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<p><b>DOES ANY PRINCIPAL, PARTNER OR DIRECTOR HAVE A FINANCIAL INTEREST WITH ANY PROPERTY DEVELOPER TO WHOM YOU PROVIDE PROFESSIONAL SERVICES?</b> <i>(If 'Yes', please provide full additional information)</i></p>	
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<b>LIABILITIES</b>	Do you ensure that sub-contractors, contractors and/or labour hire have their own Public and Products Liability Insurance in place and request certificate of currencies as evidence?
	Do you assume any liability under contract or hold harmless other parties under contract?
	Do you engage any in-house legal counsel and/or external legal providers to review contractual agreements?
	Do you regularly complete & maintain a complaints/repairs register to record all reports you receive about problems with the properties you are managing? (If yes, please provide a copy of your complaints register.)

<b>STAFF NUMBERS</b>	Director(s)/Principal(s)/Partner(s)
	Sales Agents
	Property Managers
	Other Professional Staff
	Administrative/Clerical

<b>TURNOVER FROM ALL REAL ESTATE SERVICES</b>	Past Financial Year
	Current Financial Year
	Next Financial Year (Estimate)

<b>PAYROLL</b>	Total Payroll
	Payments to Consultants/Contractors
	Payments to Labour Hire Workers

<b>TURNOVER PER STATE</b>
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NSW	VIC	QLD	SA	WA	TAS	NT	ACT	Overseas

<b>DO YOU UNDERTAKE BUSINESS OUTSIDE AUSTRALIA?</b>	
<b>HAVE YOU BEEN LICENSED AND REGISTERED IN ALL STATES AND TERRITORIES IN WHICH YOU CONDUCT YOUR BUSINESS SINCE THE BUSINESS COMMENCEMENT DATE?</b>	
<b>IF VALUATIONS ARE INCLUDED, ARE THESE ALWAYS PERFORMED BY A LICENSED AND REGISTERED VALUER?</b> <i>(If 'No', please provide full details)</i>	

<b>SERVICES</b>
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PLEASE STATE THE PERCENTAGE OF FEE INCOME DERIVED FROM EACH OF THE FOLLOWING ACTIVITIES IN THE PAST FINANCIAL YEAR:	PERCENTAGE OF FEE INCOME
REAL ESTATE SALES	
PROPERTY MANAGEMENT – RESIDENTIAL	
PROPERTY MANAGEMENT – COMMERCIAL	
PROPERTY MANAGEMENT – SHOPPING CENTRES	
AUCTIONEERING	
GENERAL INSURANCE DISTRIBUTION	
BUYERS ADVOCATE	
BUSINESS BROKING	
MORTGAGE BROKING (i.e. delegated authority from a lending Institution)	
MORTGAGE ORIGINATOR	
OFF PLAN SALES – RESIDENTIAL	
OFF PLAN SALES – COMMERCIAL	
VALUATIONS	
PROPERTY DEVELOPMENT	
OTHERS**	
**PLEASE DESCRIBE OTHERS:	

<b>HAVE YOU EVER HAD AN INSURER:</b>	
	DECLINE AN APPLICATION?
	IMPOSE SPECIAL TERMS?
	DECLINE TO RENEW YOUR INSURANCE?
	CANCEL YOUR INSURANCE?
IF 'YES', PLEASE CONFIRM DETAILS	

<b>CLAIMS HISTORY</b>	
	Has there ever been a loss through the fraud or dishonesty of any person working for the business?
	Have any present or former principals, partners, directors or staff members, or any prior business of any of the present or former partners, principals or directors:
	Ever been subject to any claims for civil liability or breach of professional duty?
	Notified facts or circumstances to insurers that may give rise to such a claim?
Aware of any circumstances or incidents which could result in any claim being made?	

Been subject to disciplinary proceedings or actions for professional misconduct?
Been convicted of any criminal offence (other than minor traffic convictions)?
<b>IF 'YES', PLEASE CONFIRM DETAILS</b>

<b>DO YOU HAVE A CURRENT INSURANCE PROGRAM IN PLACE TO COVER THE ACTIVITIES FOR WHICH COVER IS REQUIRED</b>	
	Insurer(s)
	Policy Type(s)
	Limit(s)
	Excess
Expiry Date	

## DECLARATION

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

- I am/we are authorised by each of the Insured's to sign this proposal form
- The above statements are accurate, correct and complete
- No information pertinent to this proposal form has been withheld
- I/we have read the important notices which are in this proposal form and I/we understand the advice given in relation to the duty of disclosure
- I/we have conscientiously made all necessary and comprehensive enquiries in order to comply with the duty of disclosure
- I/we understand that no insurance is in place until such time as the insurer has confirmed acceptance of the proposed insurance
- I/we undertake to notify the insurer of any material alteration to these facts occurring prior to completion of the contract of insurance
- 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
- Except where indicated to the contrary, I/we understand that any statements made in this proposal form will be treated by the insurer as a statement made by all persons to be insured

I/we have read the Privacy Statement on this proposal form, and give permission to the use, disclosure and obtaining of personal information about the insured for the intention shown in the Privacy Statement.

SIGNATURE \_\_\_\_\_  
NAME \_\_\_\_\_  
POSITION \_\_\_\_\_  
DATE \_\_\_\_\_

Signing the form does not bind the practice or the insurers to complete the insurance.