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## *Insurance Proposal for Applicants for Membership*

This Proposal Form constitutes a part of the Professional Indemnity Insurance or other Liability Insurance Contracts and is for completion either by new applicants for membership or firms who are members but are not currently insured through the NZACS Scheme.

If there is insufficient space to complete any answer, please answer on your letterhead and append to the proposal form

### 1. Details of Your Practice

Name of Practice:

Mailing Address:

Post Code:

Phone:

Fax:

E-Mail Address:

Website:

Contact Person:

Commencement date

(of this or any preceding practice)

If your practice has any subsidiaries or service companies which are to be included with your practice as joint insured parties, please give full details including functions of the companies below.

**Name of Company/Entity**

**Activities**

<b><u>Name of Company/Entity</u></b>	<b><u>Activities</u></b>

**2. Other Offices**

Location	Address	Phone	Fax	Contact Person

**3. Mergers**

During the past five years, has the name of the practice been changed, or has any other business been purchased, or any merger or consolidation taken place?

If yes, please give full details.

Yes  No

**4. Principals**

Please provide the following details in respect of Principals:

Name	Date Of Birth	Qualifications & date	NZIA Member Yes/No	How long as a Principal of this practice	How long as a Principal of any previous practice

**5. "Run Off" Cover**

Please list any Principals who have retired or left or are deceased for whom "Run Off" cover is required:

Name of Former Principals	Date of Retirement or Resignation or Death	Contact Address

**6. Previous Consulting Businesses**

Do you require coverage in respect of any previous business including this practice before incorporation?

Yes  No

If yes, please give full details

## 7. Number of Principals and Staff

	Architectural	Other Professions (Please state)	Totals
Principals			
Reg. Professional Staff			
Graduate Professional Staff			
Under Graduates			
Qualified Technicians			
Clerical Staff			
Others (Please State)			
	<b>Total</b>		

## 8. Percentage of Total Work

Please provide an estimate breakdown of the fee income earned and retained by your practice from each of the following disciplines:

Architecture	<input style="width: 50px;" type="text" value="%"/>	Building Services Engineering	<input style="width: 50px;" type="text" value="%"/>
Interior Architecture	<input style="width: 50px;" type="text" value="%"/>	Inspection Reports	<input style="width: 50px;" type="text" value="%"/>
Town Planning	<input style="width: 50px;" type="text" value="%"/>	Valuations	<input style="width: 50px;" type="text" value="%"/>
Quantity Surveying	<input style="width: 50px;" type="text" value="%"/>	Other Work not listed above (please state type of work)	
Structural Engineering	<input style="width: 50px;" type="text" value="%"/>		<input style="width: 50px;" type="text" value="%"/>
			<input style="width: 50px;" type="text" value="%"/>
		<b>Total:</b>	<input style="width: 50px;" type="text" value="100%"/>

Do you expect any substantial change in the percentages given above in the forthcoming year?

If yes, please give full details

Yes  No

## 9. Other Associations and Commercial Affiliations

(a) Is the practice or any Principal connected with your practice (financially or otherwise) engaged in any business of construction, manufacture, erection, supply of services, goods or equipment or any other form of contracting?

Yes  No

(b) Does your practice itself engage in the activities described in (a) above or is your practice engaged in any design and build consortium or similar business venture (other than professional services)?

Yes  No

If any answer above is yes, please give details.

## 10. Joint Ventures

Is your practice or any Principal a member of a joint venture, consortium or similar enterprise?

Yes  No

If yes, and if a separate cover is not in existence for such, please give details.

**Special Note:** *The coverage provided will exclude any work which your practice carries out as the member of a joint venture or consortium unless the joint venture or consortium is specifically declared to and accepted by the Insurer.*

*Cover is only available to your practice (and you carry your own excess) and not to any other members of the joint venture or consortium.*

## 11. Overseas Activities

Has your practice ever undertaken any work whatsoever or does your practice undertake any work whatsoever where the "end product" of such work is constructed or used beyond New Zealand?

Yes  No

If yes, please list the countries concerned and give brief details of the contracts and their size.

## 12. Membership Status

Is the practice currently a member of NZACS?

Yes  No

If no, has the practice applied for or is intending to apply for membership?

Yes  No

### 13. Previous Insurance

Is the practice currently insured for professional liabilities through any Insurer? Yes  No

If no, has it ever been insured? Yes  No

### 14. Details of Previous Insurance

Amount of Cover  Excess

When lapsed  Last Annual Premium

Name of Insurer or Broker

### 15. Insurer History

Has any Insurer for your practice or for any Principal:

(a) Declined a proposal for Professional Indemnity insurance? Yes  No

(b) Required an increased premium or imposed special terms? Yes  No

(c) Declined to renew or cancelled the insurance? Yes  No

If yes, please give details.

### 16. Notifications History

Has your practice, or any principal in a previous practice, notified a Liability claim against any Insurer over the past five years?

Yes  No

If yes, please give details

### 17. New Notifications

Apart from the matters referred to under Question 16, are you aware of:

(a) Any error or omission that has occurred in your practice or any previous practice which has **not** been reported to the Insurer? Yes  No

(b) A dispute between third parties concerning work with which your practice was involved, which **may** give rise to a claim? Yes  No

(c) Any dispute between any third party and any other party, such as a sub-consultant, where your practice may become involved in a claim? Yes  No

(d) Any third party intimation that your practice **might be** held liable in part or in whole for any loss? Yes  No

If yes to any of these questions, please give details.

**18. Companion Liability Covers – Sections B - F**

Have any claims for the type of insurance you have requested under any of the **Sections B to F** of this Proposal ever been made against your practice or have any circumstances ever occurred which would have resulted in a claim under the proposed insurance had the coverage been in force?

If Yes, please provide details below.

After enquiry, are you aware of any circumstances that could give rise to a claim against your practice?

If Yes, please provide full details below.

**19. Infringement Notices & Fines – Companion Liability Covers – Sections B - G**

Has any Notice been served on the practice to comply with any Acts that would be covered by the type of insurance you have requested under any of the **Sections B to G** of this Proposal or has any fine been imposed upon the practice for a breach of any such Acts?

If Yes, please provide full details below.

## 20. Fee Income

Please state the "Fee Income" earned during the last completed financial year and give an estimate of the "Fee Income" for the next financial year.

<i>Country</i>	<b>Last Completed Financial Year</b>	<b>Next Financial Year (Estimate)</b>
New Zealand	\$	\$
Australia	\$	\$
Asia and the Pacific Islands	\$	\$
United Kingdom & Europe	\$	\$
USA / Canada	\$	\$
Other (Specify)	\$	\$
<b>Totals</b>	<b>\$</b>	<b>\$</b>

# Section A - Professional Indemnity Insurance

## A1. Limit of Indemnity

Please indicate the basic limit of indemnity you require:

<input type="checkbox"/> \$250,000	<input type="checkbox"/> \$300,000	<input type="checkbox"/> \$400,000
<input type="checkbox"/> \$500,000	<input type="checkbox"/> \$750,000	<input type="checkbox"/> \$1,000,000

**Notes:** Higher or alternative limits will be quoted upon application. Please indicate any higher or alternative limits for which you require a quotation below.

<input type="checkbox"/> \$	<input type="checkbox"/> \$
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## A2. Extensions

Do you require the following extensions to the insurance?

- (a) Loss of Documents (Property Damage) - (Limited to a sum of 20% of the limit of indemnity selected, up to a maximum sum of \$100,000 any one claim and in the aggregate for all claims) Yes  No
- (b) Employees Fidelity (Limited to a maximum of \$250,000 any one claim and for all claims during the period of insurance) Yes  No
- (c) Dishonesty of Principals/Directors (Limited to a maximum of the limit of indemnity any one claim and for all claims during the period of insurance) Yes  No

**Note:** Extensions for Defamation, Employees Dishonesty and Quasi-Judicial Representation Costs are automatically provided within the basic indemnity limit.

## A3. Excess

Would your practice be willing to carry a greater amount of excess in respect of each claim than the standard amount fixed by the Insurers? Yes  No

If yes, please state the amount of the excess required:

<input type="checkbox"/> \$10,000	<input type="checkbox"/> \$15,000	Other (Please state amount) <input type="checkbox"/> \$
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**Notes:** (i) The standard excess for members is 3% of fee income for the past completed financial year subject to a minimum of \$4,000 and a maximum of \$10,000.

(ii) This is provided that where your practice does not have written confirmation of the contract for professional services in relation to the subject of any claim, the excess shall be automatically increased by 50%. (Nominated excesses above \$10,000 will not be adjusted by this provision).

(iii) It is possible for more than one claim to arise on any project. Each claim will be subject to a separate excess.

## Sections B to G - Optional Companion Liability Covers

**Please now complete** each of the following **Sections B to G** if you require a quotation for any of them. If you **do not** require any of these covers, then to complete this proposal form please go directly to the **Declaration to be signed on the final page**

### Section B - Statutory Liability Insurance – Optional

(Legal defence costs, certain fines and penalties under various statutes – but excluding fines and penalties imposed for breach of the Health & Safety in Employment Act 1992 and Amendments - Claims Made & Notified Basis of Insurance)

#### **B1. Limit of Indemnity**

Please indicate the limit of indemnity you require:

<input type="checkbox"/> \$250,000 Minimum	<input type="checkbox"/> \$500,000
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#### **B2. Excess**

<input type="checkbox"/> \$500 Minimum	<input type="checkbox"/> \$1,000	<input type="checkbox"/> \$5,000
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#### **B3. Acts Included**

Any Act of the New Zealand Parliament or any amendment to or re-enactment including the statutory regulations of such Acts, *other than certain Acts as may be excluded under the Policy.*

**Please note** that within the exclusions, amongst others, are:

- those Acts enforced by any revenue collecting authority
- Acts that are against public policy and are uninsurable
- any fines, penalties or infringement fees imposed under the Health & Safety in Employment Act 1992.

#### **B4. Special Legal Defence Extension**

The coverage also extends to provide for additional legal defence costs up to **\$50,000** any one claim and in the aggregate for all claims during the period of insurance if a Partner, Director or Employee is wrongly sued or charged with certain types of work related criminal offences, other than offences or circumstances that are excluded under the policy.

Please quote Yes  No

## **Section C - Employers Liability – Optional**

**(Personal Injuries Caused to Employees that are not covered under the provisions of the current Accident Compensation Legislation - Claims Made & Notified Basis of Insurance)**

### **C1. Limit of Indemnity**

Please indicate the limit of indemnity you require:

**\$250,000 Minimum**

**\$500,000**

### **C2. Excess**

Please indicate the amount of the Excess applying to each and every claim as selected by you.

**\$500 Minimum**

**\$1,000**

**\$5,000**

**Please quote**

**Yes**

**No**

## **Section D - Employment Practices Liability – Optional**

**(Coverage for claims made against Employers by current, former or prospective Employees for breaches of their Employment Contracts and breaches of certain provisions of the Human Rights Act 1993 and Privacy Act 1993 - Claims Made & Notified Basis of Insurance).**

**(Legal costs incurred in the defence of Injunctions or Applications for Reinstatement brought against Employers by current, former or prospective Employees).**

### **D1. Limit of Indemnity**

Please indicate the limit of indemnity you require:

**\$250,000 Minimum**

**\$500,000**

### **D2. Excess**

Please indicate the amount of the Excess applying to each and every claim as selected by you.

**\$2,500 Minimum**

**\$5,000**

**Please quote**

**Yes**

**No**



## **Section G – Internet Liability Insurance - Optional**

**(Claims by Third Parties alleging wrongful acts whilst using the Internet)**

### **G1. Limit of Liability**

Please indicate the limit of indemnity you require:

**\$250,000**

**\$500,000**

### **G2. Excess**

The excess applying to each and every claim:

**\$1,000**

**Please quote**

Yes

No

**IMPORTANT NOTICE TO ALL PROPOSERS - RATINGS INFORMATION COMPLIANCE  
WITH STATUTORY REQUIREMENTS**

The Insurance Companies (Ratings and Inspections) Act 1994 requires us to provide you with information about your Insurers.

Your insurance will be placed with Insurers whose Ratings in terms of the Insurance Companies (Ratings and Inspections) Act 1994 will be advised to you prior to your acceptance of the insurance(s).

**INSURANCE LAW REFORM ACT 1977  
Misstatements in Contracts of Insurance**

By the terms of this Act a policy may be avoided if any statement made in the proposal or other document in completion, reinstatement or renewal is substantially incorrect and material.

**DEFINITIONS:**

- (1) SUBSTANTIALLY INCORRECT**  
A statement is substantially incorrect if the difference between what is stated and what is correct would be considered material by a prudent insurer.
- (2) MATERIAL**  
A statement is material if that statement would have influenced the judgement of a prudent Insurer in setting the premium or determining acceptance or continuation of the risk upon substantially the same terms.

**Declaration**

I/We declare that the statements and particulars in this proposal are true and I/We have not mis-stated or suppressed any material facts. I/We agree that this proposal, together with any other information supplied by me/us shall form the basis of any Contract(s) of Insurance effected thereon. I/We undertake to inform the insurers of any material alteration to these facts whether occurring before or after completion of the Contract(s) of Insurance.

Signing this Proposal Form does not bind the Proposer to complete the Insurance.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20

For and on Behalf of the Practice:

Signature of Principal or Partner or Director \_\_\_\_\_