

PROFESSIONAL LIABILITY PROPOSAL FOR MEMBERS of NZACS



Website: www.nzacs.co.nz | Email nzacs@aon.co.nz

This Proposal Form constitutes a part of the Professional Indemnity Insurance or other Liability Insurance Contracts as may be arranged by NZACS on your behalf. If any of the details provided for your firm are incorrect, please amend. If there is insufficient space to complete any answer, please answer on your letterhead and append to the proposal form.

SECTION A: PROFESSIONAL INDEMNITY

1. Details of Your Practice

| | | | |
|------------------------------------------------------------------|--------------------------------------|----------------------------------|------------------------------|
| Please indicate whether you are a new or renewal member of NZACS | | RENEWAL <input type="checkbox"/> | NEW <input type="checkbox"/> |
| Member Number | (please provide if a renewal member) | | |
| Name of Practice | | | |
| Mailing Address | | | |
| Post Code | | | |
| Phone Number | +64 | Mobile | Fax +64 |
| Email Address | | | |
| Website | www. | | |
| Contact Person | | | |

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 |
|--------------------------|------------|
| | |
| | |

2. 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 give full details below; YES NO

3. Principals

Please provide details of the Principals, please use a separate sheet if you run out of room below;

| Name | Email | DOB | Qualifications & Date | Association Member | | How Long as a Principal of | |
|------|-------|-----|-----------------------|--------------------------|--------------------------|----------------------------|----------------------|
| | | | | NZIA | ADNZ | THIS practice | PREVIOUS practice(s) |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> | | |
| | | | | <input type="checkbox"/> | <input type="checkbox"/> | | |

4. Run Off Cover

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

| Name of Retired / Deceased Former Partners or Director | Date of Retirement, Resignation or Death | Contact / Forwarding Address |
|--------------------------------------------------------|------------------------------------------|------------------------------|
| | | |
| | | |
| | | |

5. Previous Consulting Business

Do you require coverage in respect of any previous business including this practice before incorporation? IF YES please give full details below;

YES

NO

Note: Cover may be limited by the policy retroactive date.

6. Number of Principals and Staff

| | Architectural | Other Professions (please state) | TOTALS |
|-------------------------------|---------------|----------------------------------|--------|
| Principals | | | |
| Registered Professional Staff | | | |
| Graduate Professional Staff | | | |
| Under Graduates | | | |
| Qualified Technicians | | | |
| Clerical Staff | | | |
| Others (please state) | | | |
| TOTAL | | | |

Note: The policy does not extend cover to contract personnel unless such personnel are employed exclusively by your firm. It is suggested that an independent contractor make their own Professional Indemnity insurance arrangements.

7. Fee Income

Please state the "Fee Income" earned during the last completed financial year and give an estimate of your Practice's "Fee Income" for the next financial year. For the definition of "Fee Income", please refer to the summary provided below whilst completing the table.

Note:

Fee Income is defined as gross fees including all money for which accounts have been rendered by the practice, i.e. fees received plus sundry debtors less opening debtors, but excluding:

- Disbursements made on behalf of a client and itemised on invoice sent to clients
- Payments made to consultants who are insured through this Company or through the CEAS, or through the Land Professionals Mutual Society Inc.
- Mileage, travelling and accommodation expenses which have been separately invoiced.
- Director's fees from companies not connected with the practice of architects.
- It should be noted that bad debts may not be deducted from fee income. Experience shows that a poor payer can be more likely to make an allegation of negligence than a good payer.

| Country | Last Completed Financial Year | Next Financial Year (Estimate) |
|-------------|-------------------------------|--------------------------------|
| New Zealand | \$ | \$ |
| Australia | \$ | \$ |

| | | |
|------------------------------|----|----|
| Asia and the Pacific Islands | \$ | \$ |
| United Kingdom & Europe | \$ | \$ |
| USA / Canada* | \$ | \$ |
| Other (Specify Where) | \$ | \$ |
| TOTAL | \$ | \$ |

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 – Residential | % | Building Services Engineering | % |
| Architecture – Commercial | % | Inspection Reports | % |
| Architecture – Schools* | % | Valuations | % |
| Town Planning | % | Structural Engineering | % |
| Quantity Surveying | % | | |
| Other Work not listed above (please advise) | | | % |
| TOTAL | | | 100 % |

Note: A ‘School’ means an institution providing primary and/or secondary education

Do you expect 20% or more of your fee income earned in the next 12 months to come from work related to the Canterbury earthquake rebuild work? If **YES** please give full details below; YES NO

Supplementary Questionnaire - Schools Design Work

If you have inserted a percentage under **Architecture – Schools** above, please also advise whether your practice has in the last 10 years;

| | | |
|--------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| a. Recommend the use of any cladding products? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| b. Was contracted to provide construction management or observation practices? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| c. Issued practical completion certificates? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| What approximate percentage of your fee income relates to MOE State (Non Private) Schools? | | % |

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 <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 <input type="checkbox"/> | NO <input type="checkbox"/> |

If any answer above is **YES** please give full details below;

10. Largest Contracts

Please state the five largest contracts you have undertaken over the last five years

| Year | Contract | Value | Fees |
|------|----------|-------|------|
|------|----------|-------|------|

| | | | |
|--|--|----|----|
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |
| | | \$ | \$ |

11. Joint Ventures

Is your Practice or any Principal a member of a joint venture, consortium or similar enterprise? YES NO

If YES and if separate cover does not exist for such, please give details below;

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.

12. Other Consultants

- a. Do you arrange for consultants or sub consultants to do part of the work on a project that, in accordance with New Zealand Professional Practice, is your professional responsibility? YES NO
- b. If YES, do you request them to carry their own Professional Indemnity insurance cover? YES NO

13. 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 countries concerned and give brief details of the contracts and their size below;

14. 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 to any of the above please give full details below;

15. Notifications History

Please give details below of any notifications by your firm, or any Principal in a previous firm during the past 5 years to NZACS or to any Insurer. Please continue on a separate sheet of paper if required.

| Notification No. | Date | Claimant / Matter | Status |
|------------------|------|-------------------|--------|
| | | | |
| | | | |
| | | | |
| | | | |

| | | | |
|--|--|--|--|
| | | | |
| | | | |
| | | | |

16. New Notifications

Apart from matters referred to under Question 15 above, are you aware of;

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| a. Any error or omission that has occurred in your Practice or any previous Practice which has <u>not</u> been reported to the Insurer? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| b. A dispute between third parties concerning work which your Practice was involved, which <u>may</u> give rise to a claim? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 <input type="checkbox"/> | NO <input type="checkbox"/> |
| d. Any third party intimation that your Practice <u>might be</u> held liable in part or in whole for any loss? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

If **YES** to any of the above please give full details below;

17. Limit, Excess and Extension Options

a. **Limit of Indemnity** - Please indicate the level you require below;

| | | | | | |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------------|
| \$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 <input type="checkbox"/> |
| Other Please Advise | \$ | | \$ | | |

b. **Excess** - Would your Practice be willing to carry a higher excess?
 Standard is 3% of your fee income for the last financial year subject to a minimum excess of \$4,000 and maximum of \$10,000

| | | | | | |
|-----------------------------------|-----------------------------------|-------|----|-------|----|
| \$10,000 <input type="checkbox"/> | \$15,000 <input type="checkbox"/> | Other | \$ | Other | \$ |
|-----------------------------------|-----------------------------------|-------|----|-------|----|

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

c. **Optional Extensions** – Do you require any of the optional extensions to the insurance;

| | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Employees Fidelity (Limited to a maximum of \$250,000 any one claim and for all claims during the period of insurance) | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| 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 <input type="checkbox"/> | NO <input type="checkbox"/> |

Note: Extensions for Defamation, Employees Dishonesty, Loss of Documents and Quasi-Judicial Representation Costs are automatically included within the basic indemnity limit.

SECTION B: OPTIONAL COMPANION LIABILITY INSURANCE COVERS

Please now complete each of the following Sections B to G if you require continuance of existing Companion Liability covers or require a quotation.

If you **do not** require any of these covers, please go directly to Section C at the end of the proposal.

Companion Policies include in addition to the indemnity limit Legal defence costs up to 20% of the Limit of Indemnity subject to a minimum \$100,000.

1. STATUTORY LIABILITY

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.

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.

Renewal Required or YES NO

Please quote for new policy YES NO

a. **Limit of Indemnity** – Please indicate the level you require;

\$250,000 (minimum) \$500,000 Other please advise \$

b. **Excess** – Please indicate the level you require;

\$500 (minimum) \$1,000 \$5,000

2. EMPLOYERS LIABILITY

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

Renewal Required or YES NO

Please quote for new policy YES NO

a. **Limit of Indemnity** – Please indicate the level you require;

\$250,000 (minimum) \$500,000 Other please advise \$

b. **Excess** – Please indicate the level you require;

\$500 (minimum) \$1,000 \$5,000

3. EMPLOYMENT PRACTICES LIABILITY

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

Renewal Required or YES NO

Please quote for new policy YES NO

a. **Limit of Indemnity** – Please indicate the level you require;

| | | | |
|----------------------------------------------|------------------------------------|---------------------|----|
| \$250,000 <input type="checkbox"/> (minimum) | \$500,000 <input type="checkbox"/> | Other please advise | \$ |
|----------------------------------------------|------------------------------------|---------------------|----|

b. **Excess** – Please indicate the level you require;

| | |
|--------------------------------------------|----------------------------------|
| \$2,500 <input type="checkbox"/> (minimum) | \$5,000 <input type="checkbox"/> |
|--------------------------------------------|----------------------------------|

4. DIRECTORS' & OFFICERS LIABILITY

Claims made against the Insured Practice or any of the Partners, Directors or Employees, arising out of any Directors' or Officers' appointments held on behalf of the Practice. The Limit of Indemnity is equal to your Professional Indemnity Limit and carries an excess of \$1,000 each and every claim.

| | | |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Renewal Required <u>or</u> | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Please quote for new policy | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Do you require cover as directors or officers of an outside company? (Appointments held at the request of the Practice) | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

Note: The policy is not intended to cover Public Company Appointments

If **YES** to Outside Company Positions - please list below, appointments you hold on behalf of your practice

| Name of Company | Person Appointed by Practice |
|-----------------|------------------------------|
| | |
| | |
| | |
| | |
| | |

5. GENERAL (PUBLIC) LIABILITY

Claims by third parties alleging physical damage to property or bodily injury not covered by current Accident Compensation Legislation Plus Defence costs. The excess if \$500 each and every claim

| | | |
|-----------------------------|------------------------------|-----------------------------|
| Renewal Required <u>or</u> | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| Please quote for new policy | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

a. **Limit of Indemnity** – Please indicate the level you require;

| | | | |
|------------------------------------------------|--------------------------------------|---------------------|----|
| \$1,000,000 <input type="checkbox"/> (minimum) | \$2,000,000 <input type="checkbox"/> | Other please advise | \$ |
|------------------------------------------------|--------------------------------------|---------------------|----|

6. CLAIMS NOTIFICATIONS – SECTION B 1 TO 5

| | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Have any claims for the types of insurance you have requested under Sections 1 to 5 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? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|

If **YES** to any of the above please give full details below;

| | | |
|----------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| After enquiry, are you aware of any circumstances that could give rise to a claim against your practice? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|----------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|

If **YES** to any of the above please give full details below;

7. INFRINGEMENT NOTICES & FINES – SECTION B 1 TO 5

| | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| 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 1 to 5 of this proposal or has any fine been imposed upon the practice for a breach of any such Acts? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|

If **YES** to any of the above please give full details below;

8. CYBER LIABILITY

Covering the Firm for First Party Loss and Third Party Claims in connection with Data Protection and Privacy Risks

| | | |
|----------------------------|------------------------------|-----------------------------|
| Renewal Required <u>or</u> | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|----------------------------|------------------------------|-----------------------------|

| | | |
|-----------------------------|------------------------------|-----------------------------|
| Please quote for new policy | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
|-----------------------------|------------------------------|-----------------------------|

Limit of Indemnity – Please indicate the level you require;

| | | | |
|----------------------------------------------|--------------------------------------|---------------------|----|
| \$500,000 <input type="checkbox"/> (minimum) | \$1,000,000 <input type="checkbox"/> | Other please advise | \$ |
|----------------------------------------------|--------------------------------------|---------------------|----|

Please answer the following questions;

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|
| a. We <u>do have</u> security software controls to protect our computer systems, e.g. anti-virus protection, firewalls, etc. | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> |
| b. We <u>do have</u> access controls in place (e.g. passwords) for employees and other users to deny access to sensitive data on computer systems | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> |
| c. We <u>do have</u> security controls in place to prohibit unauthorised access to our computer systems | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> |
| d. We <u>do have</u> backup and recovery procedures for all data and IT systems | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> |

If 'correct' how often are such protection and procedures updated?

| | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------------|----------------------------------|--------------------------------|
| | Daily <input type="checkbox"/> | Weekly <input type="checkbox"/> | Monthly <input type="checkbox"/> | Other <input type="checkbox"/> |
| e. We <u>do not</u> have any domiciled operations or derive revenue from USA, Canada, UK, Europe or Australia | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |
| f. We <u>do not</u> have business operations that would be classified as: Financial Institution, Medical/Health, Call Centre, Telemarketing, Data Processing (Outsourcing), Internet Service, Telecommunications, Social Networking, Credit Bureaus, Payment Processing, Gaming, Cloud Provider | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |
| g. We <u>do not</u> collect, and/or processes and/or store credit card information | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |
| h. We <u>are not</u> required to be PCI-DSS compliant | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |
| i. We <u>have not</u> sustained any single loss or losses, or suffered from any prior cyber breaches, including but not limited to data loss, network intrusion, hack attack (including telephone hacking), and any fines, in the last three years, for which this proposed insurance may respond to | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |
| j. We <u>do not</u> have any knowledge of any act, omission, fact, event or circumstance which might give rise to a loss under this proposed insurance after full enquiry of any of its directors, officers and employees | CORRECT <input type="checkbox"/> | INCORRECT <input type="checkbox"/> | | |

Note: If you have answered "INCORRECT" to any of the above, please provide full details on a separate page.

SECTION C: IMPORTANT NOTICES TO ALL PROPOSERS AND DECLARATION

RATINGS INFORMATION COMPLIANCE WITH STATUTORY REQUIREMENTS

The Insurance (Prudential Supervision) Act 2010 requires us to provide you with information about your Insurers. The ratings will be advised to you prior to 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 misstated 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 affected 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 Firm

Signature of Principal or Partner or Director _____