

Valuers and Real Estate Professionals Professional Indemnity Insurance Proposal Form

AUSTINSURE

Important Information

Answering the questions

You must answer ALL questions in this proposal form.

Failure to answer all questions in this proposal form could delay consideration of this application for insurance. You must ensure you provide complete and correct answers to all questions in this proposal form.

If you are unsure whether any information is material to the insurer's consideration of this application, this information should be disclosed.

Supplementary Information

If there is insufficient space in this proposal form for you to provide a complete answer to a question you may also submit additional information in spreadsheet or report format.

Supporting Documentation

All Applicants are required to submit with this proposal form any pamphlets, flyers or similar documentation the Applicant provides to the public.

Meaning of terms

Please note in this proposal form:

"Applicant" means:

- any entity for which cover under the policy is required including any service, administrative or nominee companies and subsidiaries that you wish to be covered by this policy
- any individual for which cover under the policy is required including any director, principal, partner or employee of any entity to be insured by the policy; and
- any former director, principal, partner or employee of any entity to be insured by the policy

"Proposal Form" means this document and any supporting documentation submitted with this proposal form.

Notice

This is a proposal form for a claims made policy.

The policy will only respond to claims and/or circumstances which are first made against you and notified to Austinsure Ltd/the insurer(s) during the policy period. The policy will not provide cover for:

- Events that occurred prior to the retroactive date of the policy (if specified).
- Claims made after the expiry of the policy period (or extended reporting period if available) even though the Wrongful Act giving rise to the claim may have occurred during the policy period.
- Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form or any previous proposal form.
- Claims made, threatened or intimated prior to the commencement of the policy period.
- Facts or circumstances in your knowledge prior to the policy period which you knew had the potential to give rise to a claim under the policy.

This proposal forms the basis of any insurance contract entered into. Please complete it fully and carefully, remembering to sign the Declaration. If you do not have enough room, please attach additional sheets.

Duty of Disclosure

You have an ongoing duty to disclose all Material Facts and failure to do so could prejudice future claims. Material Facts are those which may influence a prudent insurer in deciding whether or not to insure you, on what terms, and at what premium.

Please return the completed form to:

Post
Austinsure Limited
P O Box 126,
Albany Village
North Shore 0755

Facsimile
+64 9 414 7187

Email
info@austinsure.co.nz

We look forward to providing you with our report and quotation.

PART A: GENERAL INFORMATION

This Part of the Professional Indemnity Proposal Form asks for general information in relation to the Applicant's business. All sections of Part A are compulsory and must be completed in full;

- Section 1 - Insurance Requirements
- Section 2 - Applicant Details
- Section 3 - Resources
- Section 4 - Insurance History

SECTION 1: INSURANCE REQUIREMENTS

1.1 LIMIT OF INDEMNITY (please limit to a maximum of 4 choices)

- NZ\$1 Million
 NZ\$2 Million
 NZ\$3 Million
 NZ\$5 Million
 NZ\$10 Million

Other (Please Specify)

1.2 REINSTATEMENT

Is a reinstatement of the limit of indemnity required? YES NO

1.3 EXCESS (please limit to a maximum of 4 choices)

- NZ\$ 5,000
 NZ\$ 7,500
 NZ\$ 10,000
 NZ\$ 20,000

Other (Please Specify)

SECTION 2: APPLICANT DETAILS

2.1 ENTITIES TO BE INSURED

Please complete the table below for each entity to be insured. (It is essential that the Applicant specifies the names of all entities including service, administrative or nominee companies and subsidiaries that the Applicant wishes to be covered by the policy).

ENTITY (Include Registered Name and ALL Trading Names)

INCORPORATED/
COMMENCEMENT DATE

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

2.2 CONTACT DETAILS

CONTACT PERSON

EMAIL

WEBSITE

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

PHONE

MOBILE

FAX

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

POSTAL ADDRESS

SUBURB

CITY

POSTCODE

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

2.3 GROSS INCOME/ FEES (New Zealand Dollars)

| | | PREVIOUS FINANCIAL YEAR END | CURRENT FINANCIAL YEAR END (estimate) | NEXT FINANCIAL YEAR END (projected) |
|--------------------------------|--------------------|--------------------------------|---|---|
| COUNTRY | <i>New Zealand</i> | \$ | \$ | \$ |
| COUNTRY | | \$ | \$ | \$ |
| COUNTRY | | \$ | \$ | \$ |
| TOTAL GROSS INCOME/FEES | | \$ | \$ | \$ |

SECTION 3: RESOURCES

3.1 STAFF

Please complete the table by indicating the number of employees, sub-contractors and consultants employed/engaged by the Applicant for each category below:

| | |
|---|--|
| PARTNERS, PRINCIPALS & DIRECTORS | |
| PROFESSIONALLY QUALIFIED EMPLOYEES | |
| OTHER EMPLOYEES | |
| SUB-CONTRACTORS & CONSULTANTS | |
| TOTAL NUMBER OF STAFF | |

3.2 PRINCIPALS, DIRECTORS AND PARTNERS

Please complete the table below for all principals, directors and partners.

| NAME | AG E | QUALIFICATIONS | DATE QUALIFIED | TOTAL YEARS EXPERIENCE |
|-------------|-----------------|-----------------------|---------------------------|-----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

3.3 ENGAGED SUB-CONTRACTORS AND CONSULTANTS

3.3a Does the Applicant engage consultants, sub-contractors or agents who provide professional services on their behalf?
 YES NO

3.3b If yes to 3.3a; Does the Applicant insist that their consultants, sub-contractors or agents carry their own Professional Indemnity Insurance? YES NO

3.3c SUB-CONTRACTORS AND CONSULTANTS

Please complete the table below for all Sub-Contractors and Consultants.

| NAME | AG E | QUALIFICATIONS | DATE QUALIFIED | TOTAL YEARS EXPERIENCE |
|-------------|-----------------|-----------------------|---------------------------|-----------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Please note; unless expressly agreed by the Insurer, sub-contractors, consultants and agents engaged by you are not personally indemnified under this policy.

SECTION 4: INSURANCE HISTORY

4.1 LATEST PROFESSIONAL INDEMNITY POLICY

BROKER

INSURER

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

INDEMNITY LIMIT

EXPIRY DATE

EXCESS

PREMIUM

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

4.2 PRIOR CLAIMS OR CIRCUMSTANCES

4.2a Has any partner, principal, director, employee, sub-contractor or consultant, ever been subject to disciplinary proceedings for professional misconduct?

NO YES If yes - please provide details below;

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

IMPORTANT NOTICE

When completing the table below, the amount indicated in **Amount Paid** should reflect any payments already made by the insurer to third parties, plus any legal costs and expenses incurred to date by the insurer. The amount indicated in **Estimated** should include amounts set aside by the insurer for possible future payments.

This information should be available directly from your insurer's claims department. Attach a separate sheet if necessary.

4.2b Have any claims ever been made against any firm or entity to be insured by this policy or any of their predecessors in business or any prior firm or entity of any of their present or former partners, principals, directors, employees, sub-contractors or consultants, or have circumstances been notified to insurers that may give rise to a claim, in respect of the risks to which this proposal relates?

NO YES If yes - complete the table below;

| | DATE NOTIFIED TO INSURER | NAME OF CLAIMANT OR POTENTIAL CLAIMANT | NAME OF INSURER | AMOUNT PAID TO DATE IN RESPECT OF CLAIM/LOSS | ESTIMATED INSURED OUTSTANDING RESERVE/LOSS |
|----------|--|--|-----------------|--|--|
| A | | | | \$ | \$ |
| | <i>Please provide a brief description of the claim/loss/notification</i> | | | | |
| B | | | | \$ | \$ |
| | <i>Please provide a brief description of the claim/loss/notification</i> | | | | |
| C | | | | \$ | \$ |
| | <i>Please provide a brief description of the claim/loss/notification</i> | | | | |

4.2c Is any partner, principal, director, employee, sub-contractor or consultant, after enquiry, aware of any circumstances which might give rise to a claim against any firm or entity to be insured by this policy or any prior firm or entity of any of their present or former partners, principals, directors, employees, consultants, or sub-contractors in respect of the risks to which this proposal relates (which is not referred to in Question 4.2b above)?

NO YES If yes - complete the table below;

| DATE NOTIFIED TO INSURER | NAME OF CLAIMANT OR POTENTIAL CLAIMANT | NAME OF INSURER | AMOUNT PAID TO DATE IN RESPECT OF CLAIM/LOSS | ESTIMATED INSURED OUTSTANDING RESERVE/LOSS |
|---|--|-----------------|--|--|
| | | | \$ | \$ |
| <p><i>PLEASE PROVIDE A BRIEF DESCRIPTION OF THE CLAIM/LOSS/NOTIFICATION</i></p> | | | | |

4.3 PREVIOUS INSURANCE APPLICATIONS

4.3a Has any insurer ever declined a proposal, refused renewal or terminated the Applicant's professional indemnity insurance cover?

NO YES If yes - please provide details including the reason(s) given by the insurer;

4.3b Has any insurer every imposed special terms or conditions on the Applicant's professional indemnity insurance policies?

NO YES If yes - please provide details including the reason(s) given by the insurer;

4.3c Has any insurer denied liability for a claim made or notified against the Applicant's previous professional indemnity insurance policies?

NO YES If yes - please provide details including the reason(s) given by the insurer;

PART B: PROFESSIONAL ACTIVITIES

This Part of the Professional Indemnity Proposal Form asks for specific information in relation to the Professional Activities undertaken by the Applicant.

Section 1 - Professional Activities
(compulsory)

Section 2 - Valuations Addendum
(to be completed if the Applicant has valued a property in excess of \$10,000,000 within the last 36 months)

Section 3 - Business Broking Addendum

SECTION 1: INSURANCE REQUIREMENTS

1.1 ACTIVITIES UNDERTAKEN

Complete the table by indicating the percentage of fees the Applicant would receive for each category listed below.

| VALUATION ACTIVITIES | | REAL ESTATE AGENT ACTIVITIES | |
|-----------------------------|---|---|---|
| Residential | % | Residential Sales | % |
| Commercial | % | Commercial Sales | % |
| Industrial | % | Rural Sales | % |
| Tourism | % | Auctioneering | % |
| Rural | % | Residential Property and Strata Management | % |
| Asset/GST | % | Commercial Property and Strata Management | |
| Insurance Valuations | % | - Excluding retail shopping centres | % |
| Strata Title | % | - Retail shopping centres with 10 shops or less | % |
| Municipal (rating purposes) | % | - Retail shopping centres with more than 10 shops | % |
| Plant & Equipment | % | Business Broking | % |
| Issuance of Prospectus | % | Project Management | % |
| Business Valuations | % | Stock & Station | % |
| Other | % | Other | % |

(The combined value of both columns must equal 100%)

TOTAL

| |
|---|
| % |
|---|

1.2 DETAILED DESCRIPTION OF ACTIVITIES

If the Applicant undertakes "project management", "stock and station", or "other" activities (as referred to in the table above), please provide a FULL description of these activities in the space provided below:

1.3 RISK MANAGEMENT

Do the directors, partners and qualified employees of the Applicant regularly attend continuing education programmes conducted by a franchise operator, the Real Estate Institute, an industry body or similar organisation?

NO YES

1.4 PROFESSIONAL MEMBERSHIPS

If the Applicant is a member of any other professional association/organisation/institute, please specify below?

ONLY COMPLETE PART 1.5 AND 1.6 BELOW IF; The Applicant undertakes Valuations.

1.5 MORTGAGE VALUATION WORK

1.5a Please state the percentage of valuations conducted for mortgage purposes %

1.5b Please provide a percentage breakdown of the following lender types for whom the Applicant conducts mortgage valuations:

| | |
|--|---|
| Banks/Building Societies/Credit Unions | % |
| Solicitor Lenders | % |
| Private Lenders | % |
| Other | % |
| TOTAL (Must equal 100%) | % |

1.5c Please provide names of the non-bank lenders for whom the Applicant's firm undertakes valuations;

1.6 VALUATION VALUES OF THE INSURED

Of the valuations conducted, please confirm;

1.6a The average value of all properties valued over the last 12 months \$

1.6b The maximum value of any property valued in the last 36 months \$

- Type (e.g. Residential, Commercial etc):

- Purpose (e.g. Mortgage, Asset, etc):

If any valuations conducted in the last 36 months exceeded \$10,000,000 the Applicant must also complete Section 2

ONLY COMPLETE PART 1.7 AND 1.8 BELOW IF; The Applicant undertakes Property Management.

1.7 PROPERTY MANAGEMENT

1.7a Please state the number of residential properties the Applicant manages.

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

1.7b Please state the number of commercial properties the Applicant manages.

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

1.7c If the Applicant manages any retail shopping centres, are there more than 10 shops managed in a centre?

NO YES If yes - please provide details in the space provided below;

| SHOPPING CENTRE NAME | LOCATION | TYPE OF SHOPS (E.g. Newsagent, jeweller, supermarket etc) | NUMBER OF SHOPS |
|----------------------|----------|--|-----------------|
| | | | |
| | | | |
| | | | |
| | | | |

1.8 RISK MANAGEMENT - Property Management

If you perform property management activities please complete the following questions.

1.8a Does the Applicant request and receive from each landlord whose property the Applicant manages evidence that the landlord holds public liability insurance with a sum insured of at least \$5,000,000.

NO YES

1.8b If yes to **1.8a**; Does the Applicant ensure that evidence of this insurance is provided on the renewal date of the landlord's policy each year?

NO YES

1.8c Does the Applicant ensure that it is given adequate authority from all landlords in order to undertake the necessary repairs to the landlord's properties to ensure tenants' "quiet enjoyment"?

NO YES

1.8d Does the Applicant use the standard property management and/or strata title management agreements as recommended by the Real Estate Institute in their state or territory?

NO YES

1.8e Does the Applicant maintain a complaints/repairs register to record all reports the Applicant receives about problems with the properties the Applicant is managing?

NO YES

SECTION 2: VALUATIONS ADDENDUM

ONLY COMPLETE SECTION 2 IF; in the last 36 months the Applicant has valued a property in excess of \$10,000,000. Please provide FULL details of ALL valuations in excess of \$10,000,000

[If you have completed more than two (2) valuations in excess of \$10,000,000 then please attach a spreadsheet detailing the valuations as per the questions below.]

| | | |
|---|--|--|
| VALUATION ONE | LOCATION OF PROPERTY | DATE OF VALUATION |
| | <input style="width: 100%;" type="text"/> | |
| | PURPOSE - Please provide FULL details of the purpose of the valuation (mortgage, Asset, SD etc) | |
| | <input style="width: 100%;" type="text"/> | |
| | DETAILS OF THE PROPERTY | |
| | <input style="width: 100%;" type="text"/> | |
| | VALUATION AMOUNT | ACTUAL SELLING PRICE (if the property was sold subsequent to the Applicant's valuation) |
| | \$ <input style="width: 90%;" type="text"/> | \$ <input style="width: 90%;" type="text"/> |
| | VALUATION VARIANCE - Where the property was sold subsequent to the Applicant carrying out the valuation; If the variation between the valuation and the selling price exceeded 15%, does the Applicant expect any difficulties to arise? If so, please provide details; | |
| | <input style="width: 100%;" type="text"/> | |
| VALUER | VALUER'S EXPERIENCE | |
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | |
| COMMENTS | | |
| <input style="width: 100%;" type="text"/> | | |

| | | |
|---|--|--|
| VALUATION TWO | LOCATION OF PROPERTY | DATE OF VALUATION |
| | <input style="width: 100%;" type="text"/> | |
| | PURPOSE - Please provide FULL details of the purpose of the valuation (mortgage, Asset, SD etc) | |
| | <input style="width: 100%;" type="text"/> | |
| | DETAILS OF THE PROPERTY | |
| | <input style="width: 100%;" type="text"/> | |
| | VALUATION AMOUNT | ACTUAL SELLING PRICE (if the property was sold subsequent to the Applicant's valuation) |
| | \$ <input style="width: 90%;" type="text"/> | \$ <input style="width: 90%;" type="text"/> |
| | VALUATION VARIANCE - Where the property was sold subsequent to the Applicant carrying out the valuation; If the variation between the valuation and the selling price exceeded 15%, does the Applicant expect any difficulties to arise? If so, please provide details; | |
| | <input style="width: 100%;" type="text"/> | |
| VALUER | VALUER'S EXPERIENCE | |
| <input style="width: 100%;" type="text"/> | <input style="width: 100%;" type="text"/> | |
| COMMENTS | | |
| <input style="width: 100%;" type="text"/> | | |

SECTION 3: BUSINESS BROKING ADDENDUM

ONLY COMPLETE SECTION 3 IF; the Applicant requires their policy to include cover for any business broking activity

3.1a BUSINESSES BROKED IN THE LAST 12 MONTHS

| | GOODWILL COMPONENT | FREEHOLD COMPONENT | SAV COMPONENT | OTHER | TOTAL |
|---------------------------|---------------------------|---------------------------|----------------------|--------------|--------------|
| Average Sale Price | \$ | \$ | \$ | \$ | \$ |
| Largest Sale Price | \$ | \$ | \$ | \$ | \$ |

3.1b Please provide FULL details of the largest business broked during the last 12 months;

3.2 Does the Applicant specialise in broking a particular type of business?

NO YES If yes; Please furnish details of types of businesses broked in which you specialise

3.3 When acting on behalf of the Vendor of a business does and has the Applicant always recommend in writing to the prospective purchaser(s) of such business that they carry out their own due diligence or secure their own, independent valuation(s)?

NO YES If no; Please provide a copy of any warranties and/or disclaimers used by the Applicant to protect their interests in relation to the sale of the business

PART C: DECLARATION

This Part of the Professional Indemnity Proposal Form requires the Applicant to declare that the Proposal Form has been completed by answering all of the required questions in full and in accordance with the Applicants duty of disclosure.

The Applicant must ensure that they have read and understood the duty of disclosure and if necessary revise the answers in the Proposal Form; then read, sign and date the declaration below.

DECLARATION

I/We hereby declare that:

I/We are authorised by each of the Applicants to complete and sign this Proposal Form.

I/We have read and understood the Important Information set out on page 1 of this Proposal Form including the duty of disclosure.

I/We have made detailed enquiries in order to comply with the duty of disclosure and the statements and information contained in the Proposal Form are true, correct and complete.

No material information or facts have been withheld or misstated in the Proposal Form.

I/We understand that the duty to disclose continues after I/We have completed this Proposal Form and signed this declaration until I/We have received written acceptance of the risk from the insurer. This includes the duty to disclose any alterations to the information and statements provided in the Proposal Form prior to the inception date of the policy.

I/We understand that until the insurer confirms acceptance of the risk, no insurance is in force.

I/We have read the privacy statement set out below and I/We agree that information about this insurance may be collected, used and disclosed as described in that statement. Where I/We have provided information about an individual such as an employee on this proposal form, I/ We have advised the individual of the fact and provided a copy of the privacy statement to the individual.

| | |
|----------------------|----------------------|
| SIGNATURE | |
| <input type="text"/> | <input type="text"/> |
| PRINT NAME | DATE |
| <input type="text"/> | |
| POSITION HELD | |

| | |
|----------------------|----------------------|
| SIGNATURE | |
| <input type="text"/> | <input type="text"/> |
| PRINT NAME | DATE |
| <input type="text"/> | |
| POSITION HELD | |

PRIVACY STATEMENT

Pursuant to the Privacy Act 1993 the following is brought to your attention:-

- a) This proposal enables Austinsure Limited to collect information about you.
- b) The information is collected to evaluate the insurance you seek.
- c) The intended recipient of the information is Austinsure Limited and interested underwriters.
- d) The information is being collected and held by Austinsure Limited.
- e) This proposal enables Austinsure Limited to distribute information to interested parties for the purpose of risk evaluation, underwriting or the noting of financial interests.
- f) You have rights of access to, and correction of, this information subject to the provisions of the Privacy Act 1993.

In addition, you consent to being entered into our marketing database and, for the purposes of the Unsolicited Electronic Messages Act 2007; you expressly consent to receiving email communications from us with regard to our business or the insurance industry. You may revoke such consent at any time, and we will remove you from our marketing database.