

BusinessGuard[®]

*Architects and Engineers
Professional Liability Insurance
Proposal Form*

AIG[®] AIG Australia

AIG Australia Proposal Form

American Home Assurance Company ABN 67 007 483 267 AFSL No 230903 incorporated with limited liability in the USA, trading as AIG Australia, is a member company of American International Group, Inc. (AIG).

Sydney: Head Office: Citigroup Centre, Level 19, 2 Park Street, NSW 2000 (02) 9240 1711
Melbourne: 549 St. Kilda Road, VIC 3004 (03) 9522 4000
Brisbane: 10 Eagle Street, QLD 4000 (07) 3220 0700
Perth: 77 St. George's Terrace, WA 6000 (08) 9421 3300

Important Notice

Claims-Made and Notified Insurance

This policy is issued by American Home Assurance Company on a claims-made and notified basis. This means that the policy only covers Claims (as defined) first made against you during the Policy Period (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:

- made prior to or pending at the inception of this policy; or
- 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 option of avoiding the contract from its beginning.

Subrogation

This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.

Privacy Consent and Disclosure

AIG Australia is a wholly owned subsidiary of the American International Group (AIG). AIG Australia has adopted the National Privacy Principles. The National Privacy Principles apply to any personal information collected by AIG Australia.

Purpose of Collection

AIG Australia collects information necessary to underwrite and administer your insurance cover, to maintain and to improve customer service. You have a duty under the Insurance Contracts Act 1984 to disclose certain information. Failure to comply with your Duty of Disclosure or to provide certain information may result in AIG Australia either declining cover, cancelling your insurance cover or reducing the level of cover.

In the course of administering your Policy we may disclose your information to:

- another member of the AIG group of companies either in Australia or overseas;
- contractors or third party providers providing services related to the administration and sale of your Policy;
- banks and financial institutions for the purpose of processing your application and obtaining policy payments;
- in the event of a claim, assessors,

third party administrators, emergency providers, and medical providers.

We will only disclose your personal information to these parties for the primary purpose for which it was collected. In some circumstances AIG Australia is entitled to disclose your personal information to third parties without your authorisation such as law enforcement agencies or government authorities.

Access To Your Information

You may gain access to your personal information by submitting a written request to AIG Australia.

In some circumstances, AIG Australia may not permit access to your personal information. Circumstances where access may be denied include where it would compromise the privacy of other individuals, or where it would be unlawful.

AIG Australia has also established an internal dispute resolution process for handling customer complaints and an access and correction procedure. Both procedures are generally free of charge however we reserve the right to charge for access requests in limited circumstances.

If you feel you have a complaint about AIG Australia's Information Privacy Principles, require assistance in lodging a privacy complaint or you wish to gain access to the information, you may write to The Privacy Manager, AIG Australia, 549 St Kilda Road, Melbourne, or e-mail australia.privacy.manager@aig.com Your complaint will be reviewed and you will be provided with a written response. If it cannot be resolved, your complaint will be referred to AIG Australia's Internal Disputes Resolution Committee who will respond within 15 working days. In either case the matter will be reviewed by a person or persons with appropriate authority to deal with the complaint. Should your complaint not be resolved by AIG Australia's internal dispute resolution process, you may take your complaint to the Privacy Commissioner for review of the determination.

Details of Proposer

1. a) Firm Name _____
- b) Trading Name _____
- c) ABN _____
- d) Contact Person _____
- e) Dun and Bradstreet Number _____
- f) If you intend to claim an Input Tax Credit for the premium paid for this policy, please specify the percentage of the premium you will be claiming: _____ %
- g) How long has the firm continually carried on business? _____

Firm's main office

Street Address _____

Suburb _____ State _____ Postcode _____

Telephone _____ Facsimile _____

Website _____ Email Address _____

2. a) During the past 3 years has the:
 - i) Name of the Firm changed? Y N
 - ii) Firm acquired, merged or taken over any other firm(s), or been acquired, merged or taken over by any other firm(s)? Y N
- b) Is any acquisition, tender offer or merger pending or under consideration by the Firm? Y N
- c) Is the Firm aware of any proposal relating to its acquisition by another company? Y N

If "Yes" to any of the above, please provide full details (use a separate sheet of your letter headed paper if insufficient room below), including confirmation of the position relating to past liabilities assumed by either party/firm(s).

3. Please provide details of the current partners/principals/directors of the Firm:

Name of Partner/Principal/Director	Qualification(s)	Year Qualified	How many years as a Partner/Principal/Director	
			This Practice	Prev. Practice

Use a separate sheet of your letter headed paper if insufficient room above.

4. To what professional associations does the Firm belong? _____

5. Please provide details of current staff numbers:

- a) Partners/principals/directors _____
 - b) Other qualified/technical personnel _____
 - c) Administration & clerical personnel _____
- Total** _____

6. Is any Partner, Principal or Director of the Firm connected or associated (financially or otherwise) with any other practice or business? Y N

If "Yes", please give details of the nature of the connection/association (use a separate sheet of your letter headed paper if insufficient room below).

Details of the Business

7. Please provide the total amount of the Firm's gross income/fees for the following periods:

- a) Previous financial year \$ _____
- b) Current financial year \$ _____
- c) Coming financial year (estimate) \$ _____

8. a) Please categorise the business activities undertaken and state the percentage of gross income/fees for each activity:

<i>Business Discipline</i>	
Civil	%
Structural	%
Mechanical	%
Electrical	%
Chemical	%
Process/ Control Systems	%
Environmental	%
Geotechnical	%
Acoustic	%
Heating/ Ventilation/ Air Conditioning	%
Mining	%
Hydraulic	%
Marine	%
Project/ Construction Management	%
Surveying	%

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Architecture	%
Interior Design	%
Landscaping	%
Town Planning	%

Use a separate sheet of your letter headed paper if insufficient room above

- b) Please further categorise the business activities undertaken by contract type, and state the percentage of gross income/fees for each:

<i>Contract Type</i>	<i>% of Income/Fees</i>
Residential Buildings	%
Commercial Buildings	%
Industrial Buildings	%
Institutional Buildings	%
Modular Buildings	%
Fairground Structures	%
Mines	%
Oil and Gas Pipelines	%
Petrochemical plants/ refineries	%
Nuclear Facilities	%
Foundations/ Underpinning	%
Bridges/ Tunnels	%
Dams	%
Roads	%
Harbours/ Jetties	%
Sewerage plants	%
Waste disposal treatment	%
Pollution Control Systems Design	%
Pre-purchase inspections	%
Land surveying	%
Building surveying	%
Marine surveying	%
Quantity surveying	%

Use a separate sheet of your letter headed paper if insufficient room above

9. Does any one contract or client represent more than 50% of the Firm's gross annual income/fees? Y N

If "Yes", please give details of the name of the client and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).

10. Please provide a brief description of the Firm's five (5) largest clients or contracts during the last 3 years:

	<i>Client name & brief description of business activities</i>	<i>Income/fees</i>	<i>Contract Value</i>
a)		\$	\$
b)		\$	\$
c)		\$	\$
d)		\$	\$
e)		\$	\$

11. a) Are any of the Firm's business activities performed outside of Australia or provided to clients based outside of Australia? Y N

If "Yes", please give details of the name of the client(s), the country they are located within and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).

- b) Does the Firm have any subsidiary, assets or employees located within the USA or Canada? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

12. Is the Firm a member of a consortium, Joint Venture or have a financial interest in any other Firm? Y N

If "Yes", please provide details of the work involved, the approximate percentage of total fee income earned from the arrangement and how the liability is divided within the consortium/joint venture.

13. Has the Firm ever undertaken work in respect of which any potential civil liability is covered by a specific project insurance policy? Y N

If "Yes", please provide brief details of the project and the gross income/fees received for the Firm's work in relation to the project.

14. Does the Firm issue any brochures (or other promotional material), code of ethics, annual report or the like? Y N

If "Yes", please attach copies of each.

Risk Management Questions

15. Does the Firm have a formal evaluation and approval process, including involvement of the firm's principals, to engage new clients or accept new projects? Y N

If "No", please provide details of why not (use a separate sheet of your letter headed paper if insufficient room below).

16. Does the Firm always use standard written contracts with clients that clearly outline the scope of services provided and contain appropriate limitations of liability? Y N

17. If "No" to the above question, does the Firm always use internal or external legal counsel to review non-standard contracts with clients? Y N

If "No", to either of the two questions above, please provide additional details below (use a separate sheet of your letter headed paper if insufficient room below).

18. Does the Firm operate any quality assurance systems, or utilise risk management programs, or belong to a limitation of liability scheme? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

19. Does the Firm work on innovative designs? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

20. Do the Firm's principals, partners, directors and employees participate in continuing professional development (internal or external)? Y N

If "No", please provide details of why not (use a separate sheet of your letter headed paper if insufficient room below).

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21. Does the Firm maintain a register of complaints and circumstances that may lead to Claim? Y N

If "No", please provide details of why not (use a separate sheet of your letter headed paper if insufficient room below).

22. a) Does the Firm engage any consultants, agents or sub-contractors? Y N
b) If "Yes" to the above, does the Firm enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which the Firm may have against such consultants, sub-contractors or agents? Y N
c) If "Yes" to (a) does the Firm always insist and confirm that the consultants, sub-contractors or agents carry their own professional indemnity insurance? Y N

If "No" to (c), please give details of the type of business activities provided by the consultants, agents or sub-contractors and what percentage of business is sub-contracted out to consultants, agents or sub-contractors (use a separate sheet of your letter headed paper if insufficient room below).

23. Are you a sole proprietor/practitioner? Y N

If "Yes", what arrangements do you have to assist you during your temporary absence on business, leave, sickness, or unforeseen emergency?(use a separate sheet of your letter headed paper if insufficient room below).

Claims Information

24. After enquiry of the Partners/Principals/Directors and employees, has there been or is there now pending a claim against the Firm, it's predecessors in business or it's current or former Partners/ Principals/Directors or employees for a breach of professional duty? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

25. After enquiry of the Partners/Principals/Directors and employees is the Firm aware of any circumstance or incident which may give rise to a claim against the Firm or it's Partners/Principals/Directors or employees? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

26. After enquiry of the Partners/Principals/Directors and employees is the Firm aware of any prosecution or investigation (actual or pending) of the Firm or any Partner / Principal/Director or employees under any International, Commonwealth, State or Local statute, legislation, regulation or By Law? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

27. After enquiry of the Partners/Principals/Directors and employees, has the Firm or any Partner/Principal/Director or employee ever been subject to any disciplinary action, been fined or penalised, or been the subject of an inquiry investigating or alleging professional misconduct? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

Details of Insurance

28. As at today's date does the Firm have Professional Indemnity Insurance currently in force that has been paid for? Y N

If "Yes", please state

- a) Insurer _____
b) Indemnity Limit _____
c) Expiry Date / / _____
d) Retroactive Date _____

29. Has the Firm ever had any Insurer decline a proposal, imposed any special terms, cancelled or refused to renew a Professional Indemnity Insurance Policy? Y N

If "Yes", please give details (use a separate sheet of your letter headed paper if insufficient room below).

30. What limit(s) of liability does the Firm require quotations for?

\$1 million \$2 million \$5 million

\$10 million Other: _____

31. What self insured retention is the Firm prepared to carry?

\$1,000 \$2,000 \$5,000

\$10,000 Other: _____

Optional Extension for Environmental Consulting Services

32. a) Would you like a quotation for the Environmental Professional Services Optional Extension? Y N

b) If "Yes", Please state the percentage of gross income/fees derived from each of the following Environmental Consulting Services

Activity	% of Income/Fees
Decommissioning and Demolition	%
Remedial Investigations	%
Feasibility Studies	%
Remedial Design Plans and Specs	%
Observation and Inspection of Construction	%
Construction and Project Management	%
Real Estate Audits	%
Soil Testing or Analysis	%
Laboratory Testing or Analysis	%
Asbestos / Lead / Mould Abatement Design	%
Environmental Risk Assessments / Audits / Indoor Air Quality Assessments	%
Regulatory Consulting / Permitting	%
Waste Brokering / Recovery /Arranging	%
Health and Safety Training	%
Other (please explain)	%
Total	100%

Use a separate sheet of your letter headed paper if insufficient room above

c) Do you anticipate undertaking any professional services in the next 12 months that are not detailed in the answer to Question 32 b) above? Y N

d) Do the environmental professional services specified in Question 32 b) above differ in any material way from the Environmental Consulting Services undertaken by you in the past? Y N

If "Yes" please provide additional details.

Optional Extension for Employment Practices Liability

33. a) Would you like a quotation for Employment Practices Liability coverage? Y N
- b) If 'Yes' has any Claim arising from employment practices liability ever been made against the Insured or, after enquiry of the Partners/Principals/Directors, is the Firm aware of any circumstances which may give rise to a Claim against the Firm or any its Partners/Principals/Directors or employees? Y N

If "Yes", please supply the relevant details and advise what precautions have been taken to prevent a recurrence (use a separate sheet of your letter headed paper if insufficient room below).

Optional Extension for Fidelity

34. a) What Fidelity Cover sub-limit(s) do you require quotations for?
- \$50,000 \$250,000
- \$100,000 Cover not required

- b) As at today's date, does the Firm currently have any fidelity guarantee/crime insurance? Y N

If "Yes",

a) Insurer _____

b) Indemnity Limit _____

c) Expiry Date / / _____

d) Deductible _____

- c) Has the Firm ever sustained any loss through the fraud or dishonesty of any employee, or after enquiry of the Partners/Principals/Directors, is the Firm aware of any circumstances which may give rise to a loss against the Firm? Y N

If "Yes", please supply the relevant details and advise what precautions have been taken to prevent a recurrence (use a separate sheet of your letter headed paper if insufficient room below).

- d) Are monies, securities and/or negotiable instruments subject to control by a Partner, Principal or Director, or by at least two Employees? Y N
- e) Is bank reconciliation carried out by someone not authorised to deposit into or withdraw from the bank accounts? Y N
- f) When recruiting or promoting Employees to positions or trust involving handling of stock, money, financial or treasury functions, does the Firm undertake independent checks in their employment history? Y N

Stamp Duty Split

35. For the purpose of calculating Stamp Duty please state the number of current staff (including directors/partners, full/part time and casual employees) located in each state:

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas

Total of all employees above: _____

Declaration

Please Note: Signing the Declaration does not bind the proposer or the Insurer to complete this insurance.

I declare that I have made all necessary inquiries 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 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 receipt of the Important Notice and Privacy Consent and Disclosure information contained in this proposal and that I have read and understood the content of them.

I confirm that I am authorised by the proposing Firm (and its partners/principals/directors if applicable) to complete this proposal form and to accept the quotation terms for this insurance on behalf of the Firm (and its partners/principals/directors if applicable).

Name: _____

Title: _____

Signature: _____

Date: _____