

It is a requirement of the Insurance Contracts Act 1984 and the Corporations Act 2001 that the following notices 1, 2, 3, 4, 5 and 6 be brought to your attention before you complete this proposal form.

## 1. Disclosure of relevant facts

### Your 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, that 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 a common knowledge
- that your Insurer knows or, in the ordinary course of its business, ought to know
- as to which compliance with your duty is waived by the Insurer.

### 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 its contract from the beginning.

*The requirement of full and frank disclosure of anything which may be material to the risk for which you see cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the Insurer's consideration of your proposal.*

## 2. Claims made and notified policy

This proposal is for a "claims made and notified" policy of insurance. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. This policy does not provide cover in relation to:

- events that occurred prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of cover;
- facts or circumstances which you first became aware of prior to the period of cover, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy;
- Claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

However, where you give notice in writing to the insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover.

*Upon expiry of the policy no further claims can be made thereunder and the need to maintain insurance or arrangement of Run-Off cover is essential.*

You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

## 3. Broker acting as agent of insurer

In effecting this contract of insurance, the broker will be acting under an authority given to it by the Insurer and the broker will be effecting the contract as agent of the Insurer and not the Insured.

## 4. Claims notification

If you become aware of a claim or of circumstances that could give rise to a claim in the future, you should notify us in writing immediately, so that we can notify your insurer on your behalf. If you become aware of a claim or of circumstances and you do not notify them during the policy period, you could be left uninsured or facing a reduced payout from your insurer in respect of that claim or any future related claim.

## 5. Average provision

This policy provides that if a payment in excess of the limit of indemnity available under this policy has to be made to dispose of a claim, the insurer's liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount of indemnity available under this policy bears to the amount paid to dispose of the claim. Any surplus will be deducted from claim payments.

## 6. Subrogation agreements

Where another person would be liable to compensate you for any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, the insurer will not cover you under the policy for any such loss or damage.

## Aon's privacy statement

Aon has always valued the privacy of personal information. When we collect, use, disclose or handle personal information, we will be bound by the Privacy Act 1988.

If you would like a copy of our Privacy policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or email your Aon contact or access our website

– [www.aon.com.au](http://www.aon.com.au)

## CGU Insurance Limited's privacy statement

The Privacy Act 1988 (as amended) now applies and requires us to inform you that:

**Purpose of collection** CGU Insurance Limited ("your insurer") collects personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) for the purposes of: providing insurance services to you, including to evaluate your application, to evaluate any request for a change to any insurance provided; to provide, administer and manage the insurance services following acceptance of an application; to investigate and, if covered, manage claims made in relation to any insurance you have with your insurer or other members of the CGU Insurance Limited Group.

The personal information collected can be used or disclosed by your insurer for a secondary purpose related to those purposes listed above, but only if you would reasonably expect them to use or disclose the information for this secondary purpose. However, for sensitive information, the secondary purpose must be directly related to the purposes listed above.

**Disclosure** Your insurer may disclose your personal information, when necessary and in connection with the purposes listed above to: other members of the CGU Insurance Limited Group, Aon Risk Services Australia Limited, Government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, mailing houses, claims reference providers, other service providers, hospitals, medical and health professionals, legal and other professional advisers.

**Consequences if information is not provided** If you do not provide your insurer with the information they need they will be unable to consider your application for insurance cover and/or administer your policy and/or manage any claim under your policy.

**Access** You can request access to the personal information by contacting your insurer at the address shown.

CGU Insurance Limited ABN 27 004 478 371

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## Answers to your most common questions on Professional Indemnity, Directors' & Officers' Liability, Employment Practices Liability and Association Liability Insurance

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**Q. What is Association Liability Insurance?**

**A.** The policy is a combination of Professional Indemnity, Directors' & Officers' Liability Insurance and Employment Practices Liability, designed to meet the needs of "not-for-profit" associations.

Each section of this policy will cover your own legal defense costs as well as compensation and legal costs payable to the claimant (i.e. a third party) following an allegation of a "wrongful act" by you in the course of your professional duty.

About each section:

### **Professional Indemnity**

This section provides protection to the association, office bearers and employees, for claims that arise from any advice they give to third parties and members.

#### **Office Bearers**

This section provides personal protection to all office bearers for claims that arise from wrongful acts, committed whilst representing their association.

### **Entity Insurance**

This section provides protection to the Association itself where the Association becomes legally liable for claims made directly against the entity. This is a key area of coverage for all associations.

### **Employment Practices**

This section provides cover for any loss the Association is legally liable to pay arising from any Employment Practices claims. Subject to conditions.

### **Fidelity**

This section provides protection for loss of money (limit \$100,000) due to dishonesty of an office bearer in the conduct of the Association's professional duty. Subject to conditions.

### **Taxation Investigation**

This section provides cover for the Association for tax audit costs. Subject to conditions.

**Q. What is a "Claims Made and Notified" policy?**

**A.** These policies are arranged on a "claims made and notified" basis. Under a "claims made and notified" policy, any new claim or potential claim that is made against you must be lodged under the current policy, not the policy in place when the mistake was initially made.

For example: If you let your policy expire on 31 October 2008 and do not effect a new policy, and 6 weeks later a claim is made against you for the work performed by you prior to 31 October 2008 (or at any time in the past), you will have no current policy to respond to that claim. All cover under each year's policy ceases absolutely on the expiry date.

Each new policy should have unlimited retroactive cover which will mean that once you have effected a new policy, any of the past work performed by you will be protected by that new policy, should a claim arise against you.

It is vitally important therefore that any new claim or complaint that comes to your attention is properly notified to your current insurer during the current policy (and definitely before it expires).

**Q. What level of Sum Insured should I select?**

**A.** It is recommended that you ensure that the level of indemnity carried sufficiently reflects the potential exposure of the type and level of your activities.

Consider also that the claim/circumstances advised to Insurers during the currency of the 2013/14 policy will be subject to that limit of indemnity, even though matters might be settled some time later and any settlements will reflect damages and costs at the later time.

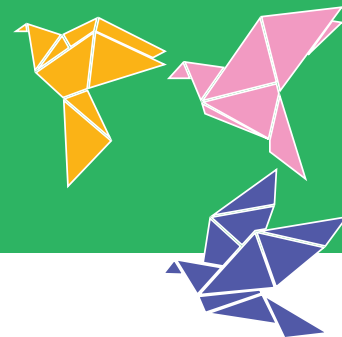
**Q. What is the Excess on the policy?**

**A.** Unlike all other Association policies there is NO excess under this policy for Professional Indemnity, Directors' & Officers' Liability and Employment Practices Liability Insurance sections.

**Q. What is Entity Cover?**

**A.** This section of the policy covers a claim made against the Entity which is not covered under a standard Directors' & Officers' policy. A Directors' & Officers' policy only covers personal liability of the Directors and Office Bearers.

This policy covers the Entity, Directors and Office Bearers for legal fees and any claims for damages



**Q. When do I notify a claim/potential claim?**

**A.** As soon as you:

- are aware of a problem which involves a loss or potential loss to a client, regardless of whether or not the client knows yet
- receive a verbal complaint which cannot be easily solved and without expense
- receive a client letter threatening legal action
- receive a solicitor's letter threatening legal action
- Receive a Writ / Summons / Subpoena / legal court document.

**Q. What are the conditions applying to Fidelity cover?**

**A.** The automatic cover is only provided if:

1. The Association keeps an account in the name of the Association and this is audited annually by a qualified independent accountant.
2. All cheques are authorised by two signatures.
3. The Association takes all reasonable precautions to prevent any loss.

**Q. What is a "Wrongful Act" under the policy?**

**A.** A "Wrongful Act" is defined as:

"Any actual or alleged breach of duty, breach of trust, neglect, error, omission, misstatement, misleading statement, other act wrongly committed or wrongly attempted by any Insured Person, individually or otherwise, in the course of his/her duties to the Association."

As you can see from the definition above, the cover provided is very broad.

**Q. Can we include Public/Products Liability cover?**

**A.** Yes, but the policy will exclude the following areas of activity:

1. Organisers of fairs, festivals, fetes or sporting events.
2. Child care facilities, community centres and counselling facilities.
3. Participation exclusion.

**Q. Can we include Voluntary Workers Personal Accident cover?**

**A.** Yes. The policy covers all volunteers (office bearers/committee members) whilst attending meetings/functions on behalf of the Association.

**Q. What Extensions to the policy are included?**

**A.** The following extensions are automatically covered by this policy:

- Defamation
- Trade Practices and Related Legislation
- Continuous Cover
- Extended Reporting Period
- One Automatic Reinstatement of Professional Indemnity Insurance Limit of Indemnity
- Advance Payment of Defense Costs
- Employment Practices Liability
- Trusteeship (excess of any other Trustee Policy)
- Spousal Liability
- Occupational Health & Safety
- Outside Directorships
- Pollution Expenses
- Court Attendance Witness Expenses
- Breach of Confidentiality
- Loss of Documents
- Dishonesty of Office Bearers
- Fidelity (\$100,000)
- Attendance at Enquiries
- Breach of Copyright
- Legal Representation Costs
- Automatic Run-off Liability for Office Bearers
- Joint Venture
- Committees



## Affiliated Clubs Insurance Nomination Form

It is important that you read and complete every section of the form.  
Contact our friendly Clubs & Societies Team should you require any assistance in  
completing this form.

Club Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Position: \_\_\_\_\_

Contact Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Is the club/society involved in any:

*Please circle*

- |  |          |
|--|----------|
| a) Legal, financial or environmental advice                              | Yes / No |
| b) Medical treatment, medical advice, scientific or medical research     | Yes / No |
| c) Professional services that are provided on a "fee for services" basis | Yes / No |

Has your club registered all assets with USASA using the assets register form?

*(found here: [usasa.sa.edu.au/Forms/clubassets](http://usasa.sa.edu.au/Forms/clubassets))*

Yes / No / Don't have assets

Are the Office Bearers/Committee Members aware of any circumstance that may result  
in an insurance claim?

*(Please only circle 'yes' if an incident has occurred)*

Yes / No

Signed: \_\_\_\_\_

Date: \_\_\_\_\_