

## Once completed:

Once completed, please sign and return together with any additional sheets and attachments to:

Frank Risk Management (Wellington) Limited  
PO BOX 10656  
The Terrace  
Wellington, 6143  
Telephone: (04) 333 0432  
Facsimile: (07) 839 3611  
Email: professions@frankrisk.co.nz

## Important notice:

### MATERIAL FACTS:

"You" (this means every person or entity to be insured under this insurance) are under a duty to disclose all material facts that could influence an insurer's decision to accept this insurance and, if so, on what terms. You need to disclose both facts known to you AND facts which you could have been reasonably expected to know about. If you are in any doubt as to whether a fact may be material, you should disclose it to ensure that any cover granted is not prejudiced.

### NON-DISCLOSURE/MIS-STATEMENT

If you fail to comply with your duty of disclosure, insurers may be entitled to avoid the contract altogether, and so decline to pay any claim.

### COMPLETION NOTES

- Please complete this Proposal Form in full
- If you answer YES to any question or have insufficient space to answer any question, please provide additional details on your own letterhead.
- Please remember to sign and date this form before returning it to Frank Risk Management.

## A Applicant details

1. Practice Name .....
2. (a) Address of Principal Office: .....  
.....  
Telephone number: ..... Email: .....  
Fax number: ..... Website: .....  
(b) Do you have any other branch offices for which you are seeking cover? YES ☐ NO ☐  
If Yes, please provide a schedule of these on your own letterhead.
3. Date of which the Practice was established:.....
4. Please supply details of all partners and consultants of the Practice

Names of partners, directors, consultants (Surname / First Name)	Age	Qualifications	Year Admitted	Year Joined THIS practice

5. Does any person named in answer to Question A4 require cover for work undertaken whilst partner in any other practice (other than a predecessor firm of this Practice)? YES ☐ NO ☐

If Yes, please provide details on a separate sheet including name of partner, name of previous firm(s), positions held and dates employed.  
Please also include details of any claims made against any previous practice(s) – refer to Question G3(a).

.....

.....

6. Please supply details of the staff numbers at the principal office and any branch offices:

	Principal Office	Branch Office(s)
Partners, Directors & Consultants		
Qualified Staff (by examination)		
Other Staff		

7. Are you a sole practitioner? YES ☐ NO ☐

If Yes, please describe what arrangements you have in place to cope with temporary absences (e.g. leave, sickness or unforeseen emergency): .....

.....

.....

## B Business details

1. (a) Has the name of the Practice ever changed? YES ☐ NO ☐

(b) Has any other Practice amalgamated or merged with you or have you purchased any other practice or business?

YES ☐ NO ☐

If Yes to (a) or (b) above, please provide full details:.....

.....

.....

2. Please detail the approximate percentage of fee income derived from the following activities:

Activity	% of Fees
Domestic Conveyancing	
Commercial Conveying	
Other Commercial work	
Estates & Trusts	
Matrimonial	
Employment Disputes	
Criminal Law	
Banking or Securities (including litigation)	
Taxation (including litigation)	
Insolvency (including litigation)	
Other Litigation	
Directors Fees	
Other Work (please specify)	
Total	

3. Does the Firm's practice extend to, or has it ever extended to, activities outside of New Zealand?

YES

NO

If Yes, provide details:.....  
.....

## C Risk management

1. Does the Practice have a formal risk management strategy

YES

NO

2. Before accepting a new instruction, are all new clients vetted by a Partner / Director or department head?

YES

NO

3. Does the Practice have a formal conflict search procedure in place when opening new files?

YES

NO

4. Does the Practice use:

(a) Engagement letters?

YES

NO

(b) Scope of Service letters?

YES

NO

(c) Letters of disengagement?

YES

NO

5. Does the Practice operate a firm wide diary system?

YES

NO

6. Does the Practice have any procedures to ensure compliance with the diary system?

YES

NO

7. Do any of the partners / directors have sole signing authority of any of the firms accounts ie general/trust?

YES

NO

If Yes, please give details of accounts, etc:.....  
.....  
.....  
.....

8. Are any employees allowed to sign cheques on their signature alone in respect of:

(a) The firms general account?

YES

NO

(b) The firms trust account?

YES

NO

9. Are any partners or employees allowed to transact a Fund Transfer with their signature alone?

YES

NO

If Yes, then please advise:.....  
.....

(a) What is the approximate annual value of fund transfers \$.....

(b) Please specify the method of instruction (i.e. written, electronic, computer, telephone, etc).....

(c) Can payment instructions be made to any account which has not been pre-agreed?

YES

NO

(d) Is the financial institution required to authenticate the instructions before payment is released?

YES

NO

(e) Please provide a brief description of the methods used to secure fund transfers (e.g. passwords encryption, code words, call back):  
.....

10. Does the Practice always require and obtain satisfactory references when engaging employees?

YES

NO

11. Are you a 'Reporting Entity' under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (and amendments thereto)? YES NO
- If 'Yes', do you comply with the requirements of this legislation? YES NO

#### D Financial details

1. What is your Financial Year End?.....
2. Please detail your gross income/fees (excluding GST) for the following:

	Previous Financial Year (Actual)	Current Financial Year (Estimate)
New Zealand	\$	\$
Overseas	\$	\$
<b>Total</b>	<b>\$</b>	<b>\$</b>

3. In the past 12 months has 50% or more of the Practice's fee income been derived from either a single client or a single contract? YES ☐ NO ☐

If Yes, please provide details:.....  
.....

#### E Coverage required

1. Please indicate the cover you require:

Tick if required	Cover	Limit of Indemnity
<input type="radio"/>	Professional Indemnity	\$
<input type="radio"/>	Dishonesty of Employees	Include in PI Limit
<input type="radio"/>	Dishonesty of Partners	Include in PI Limit
<input type="radio"/>	Cover of Outside Trusteeships	Include in PI Limit
<input type="radio"/>	Cover for Outside Directorships	Include in PI Limit
<input type="radio"/>	Public Liability Insurance	\$
<input type="radio"/>	Statutory Liability Insurance	\$
<input type="radio"/>	Employers Liability Insurance	\$

2. What excess or deductible is the Practice willing to carry? \$.....

3. If cover is required for Outside Trusteeships (positions held on behalf of the Partner only):

- (a) Does the Practice operate a Trustee Company? YES ☐ NO ☐

If yes, please state the name and company and the date it was established:.....  
.....

- (b) Please advise the total number of Trustee appointments held:.....

- (c) Have any claims been made against the Practice or have any circumstances ever occurred which would have resulted in a claim under the proposed insurance? YES ☐ NO ☐

If Yes, please provide details on a separate sheet.

- (d) Has any representative of the Practice ever been investigated, fined or disciplined whilst holding an appointment as a Trustee? YES ☐ NO ☐

4. If cover is required for Outside Directorships, please complete the supplementary questionnaire.

## F Nominee company

1. Do you lend money on behalf of clients or operate a Solicitor's Nominee Company? YES ☐ NO ☐
2. What is the total amount of moneys invested at the date of completing this proposal? \$.....
3. (a) How many mortgages or other loans are in default (whether interest or principal) at the time of completing this proposal?.....
- (b) Total value of mortgages on properties in default \$.....
- (c) What was the result of the last nominee company audit?.....

## G Previous history

1. Has any insurer:
- (a) Declined to insure or cancelled any insurance for the Practice or any predecessor firms? YES ☐ NO ☐
- (b) Imposed any special terms? YES ☐ NO ☐
- If Yes, then please provide details on a separate sheet.
2. During the last six years has your Practice or any predecessor Practice notified claims or circumstances to an insurer? YES ☐ NO ☐
3. Are you aware, **after full enquiry**:
- (a) of any claim(s) having been made in the last six years against any partner whilst in a previous practice(s)? YES ☐ NO ☐
- (b) of any circumstances, allegations, contentions or shortcomings, including any criticism of work even though regarded by you as unjustified, about any incident which has or may result in any claim being made against the practice or any partner or director, either past or present, whilst they were in the Practice, or in any previous practice(s), or any of the employees? YES ☐ NO ☐
- (c) of any circumstances, incidents or claims reported by you or any prior practice as a result of the dishonesty of any Partner, director or employee of the Practice? YES ☐ NO ☐
- (d) Of any partner, director or employee ever having been subject to disciplinary proceedings by any professional body? YES ☐ NO ☐

If you have answered Yes to any of Questions 2 or 3 (a), (b), (c) or (d) above, then please provide details on a separate sheet of your own letterhead including how the matter was resolved and the procedures / processes in place to avoid re-occurrence.

## H Future changes

1. Do you expect there to be any significant change to or in your Practice in the coming year? YES ☐ NO ☐
- If Yes, please provide details:.....
- .....
- .....
- .....

## I Declaration

I/We declare that the above statements and particulars are true, full enquiry having been made, and I/we have not omitted, suppressed or misstated any material facts which may be relevant to insurers' consideration of this proposal form and undertake to inform that Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed. I/we understand that the information I/we provide will be used in deciding the premium charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

**Signature:** .....

**Printed name:** .....

**Position:** .....

**Date:** .....

Pursuant to the PRIVACY ACT 1993 the following is brought to your attention.

- (a) This form collects personal information about employees and partners of your firm.
- (b) The information is collected to evaluate the submission to insurers
- (c) The intended recipient of the information is Frank Risk Management Professions and Insurers
- (d) The information is being collected and held by Frank Risk Management Professions and Insurers
- (e) The collection of this information is required pursuant to providing terms of your insurance cover.
- (f) You have rights of access to, and correction of this information, subject to the provisions of the Privacy Act 1993.

## Outside directorships supplementary questionnaire

Please complete this questionnaire if you wish to apply for cover for directorships held on outside boards in connection with the business of the Practice (**please note the policy will not provide cover for directorships held for personal reasons or not in connection with the business of the Practice**).

### Important notice:

This supplementary questionnaire forms a key part of your PI Proposal and it is important that all material facts continue to be fully, frankly and accurately disclosed.

**Please remember to sign and date this form.**

### A Applicant details

1. Practice Name .....

### B Outside directorship details

1. Please advise the total number of Directorship appointments held by partners or directors or employees of the firm:

Type of Company	Number of Companies
Public Companies	
Private Companies	
Not for Profit Companies	

2. Are any of the companies noted above domiciled outside of New Zealand? YES ☐ NO ☐

If Yes, please provide details below:

Name of Company	Country of Domicile

3. Have any claims been made against the Practice or have any circumstances ever occurred which would have resulted in a claim under the proposed insurance? YES ☐ NO ☐

If yes, please provide details on a separate sheet.

4. Has any representative of the Practice ever been investigated, fined or disciplined whilst holding an appointment as a Director? YES ☐ NO ☐

If Yes, please provide details on a separate sheet.

5. Please provide the following detail for all Outside Directorship appointments held in the course of the business of the Practice using the following headings:

Name of Partner, Director or Employee	Company Name	Nature of Business

Type of company (public/private/ non-profit)	Total Assets	Is the company solvent?	D&O Insurance in place?

If there is not sufficient space in the above table then please provide additional details on a separate sheet.

6. If there is any other information in your possession material to an estimation of the risk to be insured and/or information of any nature which the underwriters should be made aware of then, please provide full details on a separate sheet.

## C Declaration

I/we declare that all answers and statements in this supplementary questionnaire are correct and complete in every respect and there is no further information, outside of that supplied in the questionnaire or the Proposal Form, which may affect acceptance of this proposal.

Signature: .....

Printed name: .....

Position: .....

Date: .....