



# PROFESSIONAL INDEMNITY PROPOSAL FORM ENGINEERS AND CONSTRUCTION PROFESSIONALS

## YOUR DUTY OF DISCLOSURE

You must tell us all information you know (or could reasonably be expected to know) which would influence the judgement of a prudent underwriter whether or not to accept your application, and if it is accepted, on what terms and at what cost.

**Examples of information you may need to disclose include:**

- anything that increases the risk of an insurance claim;
- any criminal record;
- if another insurer has cancelled or refused to renew insurance, or has imposed special terms;
- any insurance claim you have made in the past.

**Examples of information you do not need to disclose include:**

- anything that reduces the risk of an insurance claim;
- anything we say you do not need to tell us about;
- anything that is common knowledge;
- anything you have already told us, or that we should be expected to know in the ordinary course of our business.

These examples are a guide only. If you are not sure whether you need to disclose a particular piece of information, please ask.

**WHEN IN DOUBT – DISCLOSE. ALL INFORMATION WILL BE TREATED CONFIDENTIALLY.**

Answer all questions. Blanks and/or dashes, or answers ‘known to underwriters or brokers’ are not acceptable and will delay consideration of this proposal.

If there is insufficient room to complete a question, please attach a signed and dated addendum.

Any documents attached to the proposal form are part of this proposal.

Where appropriate, please tick the yes or no box which best indicates your reply.

## YOUR DETAILS

1. Name

Full legal name of each natural person and incorporated body to be insured as well as any unincorporated business or trading names (the person/s incorporated bodies, unincorporated business and/or trading names will be referred to in this document collectively as ‘you’).

(a) Date(s) of Commencement

_____	_____
_____	_____
_____	_____
_____	_____

(b) If you have practiced as a Principle for less than 5 years, please provide a resume of partners/directors prior experience.

2. Address

(a) Principal Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) Other Locations: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Principals’ previous business (incoming):

Name of Principal	Name of Principal's previous Business Practice	Date Principal left that business

4. Prior corporate entity:

Has the name of the person, firm or incorporated body detailed in answer to Question 1 been changed, or has any other business been purchased or has any acquisition, merger, amalgamation or consolidation of your business taken place?

No  Yes  Please detail changes in chronological order:

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5. Particulars of all Principals:

Name of Principal	Age	Qualifications	Years Practising as Principal		Name of Previous Business Practices
			Current Business Practices	Previous Business Practice	

6. Total number of:

(a)	Qualified staff – including Principals (please specify each professional discipline)	
(b)	Other technical staff	
(c)	Non-technical staff (including typists, receptionists, etc.)	
Total of all staff		

7. Are you a member in good standing of a professional association or society

No  Yes  Please provide full particulars (where you are an incorporated body or partnership, particulars must be given of each Principal or partner).

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INSURANCE HISTORY

8. (a) Are you currently insured for professional indemnity?

No  Yes  Please complete the table below for the last 3 years.

(b) If you are not, have you ever been insured for professional indemnity?

No  Yes  Please complete the table below for the last 3 years you were insured.

Name of Insurer	Period Insured	Sum Insured	Excess

9. Have you ever had an insurer:

- (a) Decline a proposal? No  Yes  Please provide details on your letterhead
- (b) Impose special terms? No  Yes  Please provide details on your letterhead
- (c) Decline to renew your insurance? No  Yes  Please provide details on your letterhead
- (d) Cancel your insurance? No  Yes  Please provide details on your letterhead

**YOUR PROFESSIONAL ACTIVITIES**

10. Nature of your Business

(a) State fully the nature of your business. (Please provide copies of any brochures or other documentation which may assist NZI Professional Risks in gaining a better appreciation of the risk being proposed): \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

11. Please express as a percentage of your gross professional fees stated in question 23(a), your revenue derived from the following fields of activity (If no actual fees, answer in relation to estimated fees).

	11.1 For professional services which are the responsibility of your firm/company		11.2 Of these professional services what % of 11.1 are sub-contracted or otherwise referred to consultants external to your firm/company?	
(a) Structural Engineering	(a)	%	(a)	%
(b) Mechanical Engineering (including Hydraulic Engineering)	(b)	%	(b)	%
(c) Electrical Engineering	(c)	%	(c)	%
(d) Civil Engineering	(d)	%	(d)	%
(e) Chemical Engineering	(e)	%	(e)	%
(f) Construction and Project Management	(f)	%	(f)	%
(g) Town Planning	(g)	%	(g)	%
(h) Surveying (i) Land	(h) (i)	%	(h) (i)	%
(ii) Quantity	(ii)	%	(ii)	%
(iii) Building	(iii)	%	(iii)	%
(i) Architecture	(i)	%	(i)	%
(j) Other (specify)	(j)	%	(j)	%

12. To enable NZI Professional Risks to better appreciate the type of work which your firm or company has been involved in, please state as an approximate percentage of your gross professional fees for the last year (or if none, your estimated fees for the current year) derived from the following types of work:

(a) Domestic Buildings (not inc. Flats/Townhouses)	%	(j) Dams	%
(b) Commercial Buildings (inc. Flats/Townhouses)	%	(k) Mines	%
(c) Institutional Buildings	%	(l) Oil and Pipelines	%
(d) Industrial Buildings	%	(m) Refineries	%
(e) High Rise Building – exceeding 3 floors and not otherwise classified	%	(n) Mechanical Plant and Bulk Handling Equipment	%
(f) Town Planning	%	(o) Fair and Exhibition Grounds	%
(g) Marine Surveys	%	(p) Subsurface Surveys, Ground and Soil Testing	%
(h) Bridges	%	(q) Land Reclamation Schemes	%
(i) Tunnels	%	(r) Other Activities	%

Do you foresee any substantial changes in the percentages provided in answer to Question 12 above occurring during the next 12 months?

No  Yes  *Please provide details.*

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**CLAIMS AND CIRCUMSTANCES**

13. Please answer the following questions after enquiry within your organisation.

(a) During the past 10 years has any claim been made, or has negligence been alleged, against you or any of the present or former Principals, or have there been any circumstances which may give rise to a claim against you or any of the present or former Principals?

No  Yes  *Please give details*

Year Notified	Insured With	Claimant	Nature of Problem	Amount Paid and/or Outstanding

(b) Are there any circumstances not already notified to insurers which may give rise to a claim against you or any prior corporate practice or any of the present or former Principals?

No  Yes  *Please give details*

Name of Practice and Principal	Claimant	Nature of Problem	Estimate

(c) Are there any claims against previous practices which have been identified in Question 4 of this Proposal, which may give rise to a claim against either a Principal or you?

No  Yes  *Please give details*

Name of Practice and Principal	Claimant	Nature of Problem	Amount Paid and/or Outstanding

(d) Has any Principal or staff member ever been subject to disciplinary proceedings for professional misconduct?

No  Yes  *Please give details*

Name of Practice & Principal Staff member	Claimant	Nature of Problem	Amount Paid and/or Outstanding

**JOINT VENTURES**

14. Are you or any Principal currently, and/or have you or any Principal ever been a member of any Joint Venture?

No  Yes  *Please provide the following information in respect of each such Joint Venture.*

(a) Please provide the description (name/parties) and nature of the Joint Venture project. Additional information may be requested depending on the nature, size and type of Joint Venture disclosed.

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OVERSEAS WORK (OUTSIDE NEW ZEALAND)

15. Have you ever undertaken, or are you likely to undertake, work overseas?

No  Yes  *Please provide the following details of such work.*

Country	Branch-Representative	Dates of Commencement and Closure	Annual Income	Type of Work

MISCELLANEOUS

16. For Sole Traders only: What arrangements do you have to cover the business or practice during your temporary absence while away on business, leave, sick, etc.?

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17. Does any one client (or group of companies) account for more than 20% of your income? If so, in respect of each such client, state the approximate percentage of your income derived from that client or group of companies. Also explain your relationship with that client and the nature of the work involved.

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18. Please give a brief description of the project, contract value, type of structure and fees derived from the five largest contracts undertaken by you during the last 5 years.

Brief Description	Location	Professional Role (i.e. Engineer, Surveyor etc.)	Contract Value	Total fees earned and/or total fees expected to be earned.
1.				
2.				
3.				
4.				
5.				

19. (a) Are written disclaimers included with advise given by you?

No  Yes  *Please provide an example.*

(b) Are verbal reports or advice always confirmed by you in writing?

No  Yes  *Please give details of approximate percentage of reports that have been given by you in the last 12 months as verbal reports only.* \_\_\_\_\_%

(c) Do you have in place a system for assessing potential clients?

No  Yes  *Please provide details.*

20. Are you or have you or any parent, subsidiary or other related entity either: (i) engaged in, or (ii) have or had a controlling share of an entity engaged in:

(a) actual construction, fabrication, erection or any form of works contracting?

No  Yes  *Please provide details.*

(b) real estate development?

No  Yes  *Please provide details.*

(c) the manufacture, sale or distribution of any product or process or patented production process?

No  Yes  *Please provide details.*

(i) names of the other entities involved, outlining their relationship to you.

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(ii) full details, including a description of the nature of the involvement in the relevant activity.

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21. Does the firm detailed in answer to Question 1:

(a) own, control or have a professional or commercial association with any other firm, corporation or company, or

(b) own or control any other entity.

No  Yes  *Please provide details.*

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**SPECIFIC PROJECT POLICIES**

22. Have you ever undertaken work which has been or is protected by a specific professional indemnity insurance policy for that project?

No  Yes  *Please provide details.*

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**FEE INCOME**

23. (a) Gross professional fees for the last 12 months.

*Include fees paid to sub-consultants appointed by you. Exclude fees collected for disbursement to consultants appointed by your client together with travelling, accommodation or similar expenses reimbursed by your clients*

New Zealand \$	Overseas \$
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(b) Estimated gross professional fees for the next 12 months.

*Include fees paid to sub consultants appointed by you. Exclude fees collected for disbursement to consultants appointed by your client together with travelling, accommodation or similar expenses reimbursed by your clients.*

New Zealand \$	Overseas \$
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RISK MANAGEMENT

24. (a) Do you have a documented Risk Management Programme (consistent with AS/NZS 4360:2004) which addresses your professional duty risk?

No  Yes  Please provide a copy.

(b) What date was that Programme implemented? \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(c) Is the Programme independently reviewed/monitored/audited?

No  Yes  Please provide details.

(d) When was that Programme last reviewed and updated to ensure that it complies with the current standards applying to your profession? \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

(e) What are the highlights of the Programme which you have implemented to reduce/manage risk related to breach of professional duty?

(f) Is there a principal/director/partner responsible for overseeing risk management within your practice?

No  Yes  Please provide details.

COVER REQUIRED

25. Please state:

(a) Amount of preferred Total Sum Insured	\$
(b) Amount of preferred excess. (N.B Your policy will be subject to a minimum excess.)	\$

26. Are you registered as a building practitioner under the Building Act 2004? No  Yes  Please provide details.

If yes, please state your full names or names of your employees or consultants who: are currently Registered Building Practitioners, or intend to apply to become Registered Building Practitioners during the period of insurance, or intend to cease to be a Registered Building Practitioner during the period of insurance.

Name	Date of Birth	Date First Red'd	Registration Status (i.e. Current, Proposed or Ceased)

RETROACTIVE COVER

27. Do you require retroactive cover?

Retroactive cover extends cover under the Policy to liability arising from work carried out prior to the inception of the Policy to which this Proposal relates. There will be no cover for claims arising from known claims and circumstances at Policy Inception

No  Yes  Please state date from which retroactive cover is required \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

OPTIONAL EXTENSIONS – EMPLOYMENT PRACTICES LIABILITY

28. Do you require Employment Practices Liability cover, subject to additional premium?

No  Yes  A further addendum will need to be completed. Please request a copy of this form.

DECLARATION

I/We hereby declare that:

The above statements are true, and I/we have disclosed all material facts and should any information given by me/us alter between the date of this Proposal form and the inception date of the insurance to which this Proposal relates I/we shall give immediate notice thereof.

I/We authorise NZI Professional Risks, a business division of IAG New Zealand Limited, to collect or disclose any personal information relating to this insurance to/from any other insurers or the Insurance Claims Register.

I/We also confirm that the undersigned is/are authorised to act for and on behalf of all persons who may be entitled to indemnity under any policy which may be issued pursuant to this Proposal form and I/we complete this Proposal form on their behalf.

To be signed by the Chairperson/President/Managing Partner/Managing Director/Principal of the association/partnership/company/practice/business.

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

It is important the signatory/signatories to the Declaration is/are fully aware of the scope of this insurance so that all questions can be answered. If in doubt, please contact your insurance broker since non-disclosure may affect an Insured's right of recover under the policy or lead it to being voided.

INSURANCE BROKERS DETAILS

Broker Name: \_\_\_\_\_ Account Number 

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Name: \_\_\_\_\_