



# Real Estate Agents Professional Indemnity Insurance – Proposal Form

## Important Notice

### Signed Proposal Form Requirement – Online Quotation Submissions

It is a condition of this policy that the Insured shall provide to American Home Assurance Company a signed and dated hard copy of this proposal form within 14 days of the policy commencing. American Home Assurance Company will not be liable to make any payment under this policy unless it receives the signed and dated proposal form within the said 14 days. In the event of the Insured not providing a signed copy of the proposal form as provided in this clause American Home Assurance Company may cancel the policy in accordance with Section 60 of the Insurance Contracts Act.

### 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.

To the extent that the Continuity Condition set out in this policy does not apply, this policy does not cover Claims arising out of, based upon, attributable to or anyway connected with any:

- (a) actual or alleged facts that might give rise to a Claim which were known to the Insured prior to the commencement of the Policy Period;
- (b) actual or alleged facts which were notified or which can be notified under any policy in force prior to the commencement of the Policy Period;
- (c) pending or prior litigation, or litigation derived from the same or essentially the same facts as might be alleged in such pending or prior litigation, as at the commencement of the Policy Period.

For the purposes of this Exclusion the term *litigation* includes but is not limited to any civil, criminal, administrative or regulatory proceeding as well as any official investigation, examination, inquiry, arbitration or adjudication.

### 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.

## Details of the Proposer

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1. (a) Name of the Insured .....
- (b) Trading Name .....
- (c) Insured's ABN .....
- What percentage of the policy premium will be claimed as an input tax credit? .....
- (d) Insured's Dun & Bradstreet number: .....
- (e) Address of the Insured
- Street Address: .....
- Suburb: .....
- State: .....
- Postcode: .....
- (f) Email Address: .....
2. Are any of the directors/partners of the Insured a **current paid-up** member of any of the state Real Estate Institutes or the Real Estate Institute of Australia?  Yes  No
3. Are any of the directors/partners of the Insured **currently** licensed as a real estate agent?  Yes  No

## Details of the Business

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4. Please state Current Staff Numbers of the Insured as follows:
- (a) Directors/Partners .....
- (b) Employees ..... (include full-time, part-time and casual)
- (c) Total Current Staff .....
5. Please state the amount of Gross Income earned by the Insured in the last 12 months from the following activities:
- (a) Real Estate Sales .....  
(For Buyer/Seller/Residential/Commercial/Industrial)
- (b) Property or Strata Title Management – Residential ..... \$.....
- (c) Property or Strata Title Management – Industrial/Commercial ..... \$.....
- (d) Community Managing Agent ..... \$.....
- (e) Stock and Station Agent ..... \$.....
- (f) Land and Livestock Auctioneer ..... \$.....

(g) Total: \$.....

**Please note that this policy only provides cover for the activities referred to above. It does NOT provide cover for any other activities including but not limited to property valuation, business broking, insurance agency, mortgage or finance broking/origination.**

6. Is greater than 20% of the Gross Income declared in 5 (a) above derived from "off-the-plan" real estate sales?  Yes  No

## Claims Information

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**Please note that this policy does NOT cover known or prior claims or circumstances. Please see the Important Notice at the front of this proposal form for more information.**

7. Has any claim been made against the Insured or any of its directors, officers, partners, or employees during the last 5 years which has exceeded or could potentially exceed \$50,000 in total, including amounts for any damages, settlements, claimant's costs or defence costs?  Yes  No

If "Yes", please provide full details including the nature of the allegations, date of claim and any amounts paid out including damages, settlements, claimant's costs and defence costs.

8. Has the Insured or any of its directors/partners or employees ever been the subject of a disciplinary inquiry, proceeding or investigation alleging professional misconduct?  Yes  No

*If "Yes", please provide full details including dates, the nature of the allegations, and any amounts paid for defence costs or any fines or penalties imposed.*

## Risk Management Procedures

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9. Do the directors/partners and qualified employees of the Insured regularly attend continuing education programmes conducted by the Real Estate Institutes or similar organisations?  Yes  No

10. (a) Does the Insured provide Property Management and/or Strata Title Management services?  Yes  No

If "Yes",

- (b) Does the Insured use the standard Property Management and/or Strata Title Management agreements as recommended by the Real Estate Institutes or the Society of Auctioneers and Appraisers (SA) Inc?  Yes  No

- (c) Does the Insured maintain a Complaints/Repairs Register to record all reports it receives about problems with the properties the Insured is managing?  Yes  No

## Details of Insurance

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11. **As at today's date**, does the Insured have Professional Indemnity Insurance in force which has been paid for?  Yes  No
12. (a) Is this a proposal to renew an existing **AIG** Real Estate Agents Professional Indemnity Insurance Policy?  Yes  No
- (b) If "Yes", on what date did you first purchase this insurance from **AIG**? ...../...../.....
- (c) What is the Insured's existing AIG policy number? .....
13. (a) Is there a specific date upon which you want this policy to commence?  Yes  No
- (b) If "Yes", on what date? ...../...../.....
14. What Limit of Liability do you require?
- \$1,000,000       \$2,000,000       \$4,000,000       \$5,000,000

## Stamp Duty Split

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

NSW	VIC	QLD	SA	WA	TAS	ACT	NT

**ONCE YOU HAVE COMPLETED THE QUESTIONS ABOVE PLEASE SIGN AND DATE THE PROPOSAL AT THE DECLARATION BELOW. SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE.**

## **Declaration**

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We declare that we have made all necessary enquiries 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. We agree that should any of the information given by us alter between the date of this proposal and the commencement of the insurance to which this proposal relates, we will give immediate notice thereof to the insurer.

We acknowledge receipt of the "Important Notice" contained in this proposal and that we have read and understood the content of that notice.

**I confirm that I am authorised by the Insured to complete, sign and submit this proposal on behalf of the Insured.**

Name: .....

Title: .....

Signature: .....

Date: .....



American Home Assurance Company  
ABN 67 007 483 267  
(Incorporated with Limited Liability in the USA)  
A Member of American International Group, Inc.