

**Professional Indemnity Insurance Proposal Form
for Construction Projects**

Important Notice

Claims Made Insurance

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

- acts, errors or omissions that occurred prior to the retroactive date (if one is specified) in the policy;
- any claim made, threatened or intimated against you prior to the commencement of the policy period;
- any claim or fact that might give rise to a claim, reported or which can be reported to an insurer under any insurance policy entered into before the commencement of the policy period;
- any claim or fact that might give rise to a claim, noted in this proposal or any previous proposal;
- any claim arising out of any fact you are aware of before the commencement of the policy period;
- any claim made against you after the expiry of the policy period.

However, the effect of Section 40(3) of the Insurance Contracts Act 1984 (Cth) is that where you become aware, and notify us in writing as soon as is reasonably practicable after first becoming aware but within the policy period, of any facts which might give rise to a claim against you, any claim which does arise out of such facts shall be deemed to have been made during the policy period, notwithstanding that the claim was made against you after the expiry of the policy period.

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 (Cth), 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, 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 matter:

- that diminishes the risk to be undertaken by the insurer;
- that is 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 is waived by the insurer.

Non Disclosure

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce their 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.

Privacy Notice

Liberty Specialty Markets is a trading name of Liberty Mutual Insurance Company, Australia Branch (ABN 61 086 083 605) incorporated in Massachusetts, USA (the liability of members is limited) (**Liberty**). It is a member of Boston-based Liberty Mutual Group. Liberty Australia's head office contact details are:

Address: Locked Bag 18, Royal Exchange NSW 1225, Australia
Phone: +61 2 8298 5800

Liberty is bound by the Privacy Act 1988 (Cth) and its associated Australian Privacy Principles when it collects and handles your personal information.

Liberty collects personal information, including from insurance brokers, in order to provide its services and products, manage claims and for purposes ancillary to its business. Liberty passes it to third parties involved in this process such as Liberty's related companies, reinsurers, agents, loss adjusters and other service providers. We may store your information with third party cloud or other types of networked or electronic storage providers. Third parties may be located locally or overseas in the United States, Canada, United Kingdom, Singapore, Hong Kong and Malaysia. Your information may be transferred to countries without comparable privacy laws if it is reasonably necessary to provide you with the products or services you seek from Liberty. If you do not provide the personal information Liberty or other relevant third parties require to offer you specific products or services, Liberty may not be able to provide the appropriate type or level of service.

If you wish to gain access to or correct your personal information, make a privacy complaint, or if you have any query about how Liberty collects or handles your personal information please write to Liberty's Privacy Officer at the address above or by emailing: privacy.officer.ap@libertyglobalgroup.com. To obtain a copy of Liberty's Privacy Policy go to Liberty's website (www.libertyspecialtymarkets.com.au) or request a copy from Liberty's Privacy Officer.

When you give Liberty personal or sensitive information about other individuals, Liberty relies on you to provide its Privacy Notice to them. If you have not done this, you must tell Liberty before you provide the relevant data.

Professional Indemnity Insurance

Important: Please answer all questions fully. All questions will be deemed to be answered in respect of all entities & persons to be insured under this policy. If the space provided is insufficient please include attachments on your company letterhead.

Details of the Proposer

1. Name of the **Main Proposer**

ABN

2. Address of the principal office (please provide a street address only)

Street

City

State

Country

Postcode

3. Please state the role of the Main Proposer in the project (e.g. prime engineering consultant or contractor) and summarise the professional services it will provide.

4. Has the contract been awarded? Yes No

If "yes", when was it awarded?

5. Please state the name of other parties applying for this insurance (**Other Proposers**) and the professional services they will perform.

Name	Professional Services	Contract Awarded	
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<hr/>		Yes <input type="checkbox"/>	No <input type="checkbox"/>

Professional Indemnity Insurance

Please Note: The Main Proposer referred to in Q1 and the Other Proposers referred to in Q5 are collectively referred to in this proposal form as the “Proposers”. Where a question refers to “Proposers” it should be answered on behalf of **ALL** Proposers.

6. Please state the name of the principal / funding agency / developer (if different from any of the above).

7. Do any parties named in answer to Q5 have a financial shareholding in the principal or vice versa? Yes No

If “Yes”, please provide details.

8. Will any of the parties to be covered under this insurance operate from offices within territories under the legal jurisdiction of the USA or Canada? Yes No

If “Yes”, please provide details.

9. Have any of the parties to be covered under this insurance been established for less than 5 years? Yes No

If “Yes”, please provide details.

Details of the Project

10. Please state the name & location of the project.

Professional Indemnity Insurance

11. Please provide a detailed description of the project and **attach** a scope of works which details the responsibilities of the Proposers and the sub-contractors.

12. Which legal jurisdiction should govern the operation of this insurance (e.g. Commonwealth of Australia)?

13. Please state the project design standards to be utilised for the project (eg: AS2114).

14. What quality assurance programs are in place for the project? Is the Main Proposer accredited to a recognised quality assurance standard such as ISO to ensure they have operating practices which strive for minimum / zero failure?

15. Please state the basic form(s) of contract under which the various professional responsibilities (and construction responsibilities in the case of design & construct) will be performed?

Lump sum design and construction	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cost plus design and construction	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Pure alliance	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Hybrid alliance	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Public private partnership (PPP)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Consultancy only	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other (please specify)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Professional Indemnity Insurance

Please be aware: With effect from 1 January 2018, unless Liberty or its agents receive a Small Business Declaration from you, at the time of entering into the contract of insurance, Liberty will charge stamp duty on risks that 1) occur within or partly within NSW or 2) cover NSW property.

16. What is the estimated gross project value? \$ _____

17. What are the estimated gross professional fees including project management fees, (actual or 'notional' and net of reimbursement expenses)? \$ _____

Please Note: In the case of a design & construct project structure, the estimated gross project value should include the value of all work to be executed, all goods and materials to be supplied, and all gross professional fees (actual or notional) associated with the professional services (including project management) to be performed. Gross professional fees should include fees paid through to sub-consultants.

18. Please provide by **attachment** a detailed breakdown of the estimated total project value for the entire project or the part of the project for which this insurance is intended.

19. Please provide a summary of the expected time schedule for the project by **attaching** a defined time-line for each aspect of the project (project bar chart / timeline schedule).

20. Is there a requirement under contract (or by the government) for Professional Indemnity Insurance to continue in force beyond completion of the contractual maintenance period? Yes No

If "Yes", what further period is required?

21. What is the anticipated start and end date for:	Start Date	End Date
a) the design / feasibility phase		
b) the construction phase		
c) the estimated completion date		

22. What policy period is required?

23. Please **attach** a copy of the contract between the Main Proposer and the principal.

Nature of Work

24. Please summarise the approximate split of project value by nature of work involved:

Feasibility studies / reports	_____	%
Environment studies	_____	%
Land fill / land fill reclamation	_____	%
Telecommunications (land-based)	_____	%
Power transmission / distribution (land-based)	_____	%
Industrialised system buildings	_____	%
Heating & ventilating / air conditioning / refrigeration services	_____	%
Airports (terminals and all airside work)	_____	%
Sports stadium / associated facilities	_____	%
Other building works	_____	%
Civil Works	_____	%
- Piling and foundation work	_____	%
- Highways	_____	%
- Water / sewerage / waste-water / agricultural resource development	_____	%
- Bridges & over-passes of more than 250m crossing span	_____	%
- Cut & cover tunnelling, culverts, underpasses	_____	%
- Submersed tunnelling	_____	%
- Bored tunnelling less than 250m bored length	_____	%
- Shaft sinking	_____	%
- Railways	_____	%
- Harbours / jetties / other sea defences	_____	%
Outfall sewer	_____	%
Other off-shore pipelines	_____	%
On-shore pipelines (as part of individual installations)	_____	%
On-shore pipelines (other than as part of individual installations)	_____	%
Dams / reservoirs	_____	%
Hydro-electric Installations	_____	%
Other power generation works (thermal / thermal co-generation / waste-to-Energy)	_____	%
Cooling towers / silos	_____	%
Chemical & petrol-chemical plant	_____	%
Conveying / crushing / screening / milling plant	_____	%
Solvent extraction & leaching equipment	_____	%
Other process plant	_____	%
Other (please specify, if necessary by attachment)	_____	%
Total must be	_____	100%

Professional Indemnity Insurance

25. Please confirm which of the following professional services are required to be performed in connection with the project.

Administering retention fund	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Agreeing clearing, forwarding and customs dues	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Approval of detailed drawings	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Arranging site insurance	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Authorising progress payments	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cash flow forecasts	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Certifying final completion	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Certifying final payment	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Co-ordination / expediting	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Cost estimates	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Design criteria	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Drafting contract conditions	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Feasibility studies	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Flow sheets	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Geotechnical services	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Inspection of installation work	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Issuing variation orders	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Measurement	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Quality control & assurance	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Quantity estimates	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Setting contractual claims	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Supervision of commissioning	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Tender adjudication	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Working drawings	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other (please specify, if necessary by attachment)	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Please Note: Irrespective of whether contracts are signed under a design & construct project structure, this insurance does not provide cover for claims arising out of the activities which under a traditional form of contract would be the responsibility of the building contractor.

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26. Please categorise all the professional services to be performed in connection with the project.

Activity	Total gross fees of the Proposers, including any amount sub-contracted	Fees sub-contracted to parties not insured under this policy
a) Civil	\$	\$
b) Structural	\$	\$
c) Soil & foundation	\$	\$
d) Mechanical	\$	\$
e) Heating & ventilation	\$	\$
f) Architectural	\$	\$
g) Quantity surveying	\$	\$
h) Project / construction management	\$	\$
i) Project co-ordination	\$	\$
j) Other – please specify	\$	\$
Total	\$	\$

27. Please state whether any of the Proposers will engage independent sub-contractors for the provision of any professional services.

Yes No

a) If “Yes”, is this insurance intended to cover the liability of such sub-contractors?

Yes No

b) If the answer to Q27a) is “Yes”, please list the sub-contractors and detail the activities they will perform.

28. If the answer to Q27a) is “No”, will the Proposers:

a) waive any rights of subrogation they have against such sub-contractors?

Yes No

b) ensure such sub-contractors have Professional Indemnity insurance for not less than the amount of cover requested by this proposal for this insurance?

Yes No

c) ensure such sub-contractors actually satisfy this contractual obligation?

Yes No

Professional Indemnity Insurance

29. Please provide by **attachment** any further information which will assist Liberty in understanding the project, the contractual liabilities and any of the professional services being performed.

30. Please complete **Schedule A** "Other Insurance Addendum".

31. Have the Proposers limited their liability in the contract? Yes No

If "Yes", how have the Proposers limited their liability?

32. Have the Proposers accepted liability for consequential losses? Yes No

If "Yes", in what circumstances?

33. Have the Proposers agreed to hold harmless any third party for claims arising out of its services? Yes No

If "Yes", please provide details.

34. Have the Proposers limited another parties' liability? (including clients, subcontractors and joint venture partners). Yes No

If "Yes", in what circumstances and what are the limitation amounts?

Professional Indemnity Insurance

35. Have the Proposers agreed to contract out of proportionate liability legislation? e.g. Civil Liability Act. Yes No

If "Yes", please provide details.

36. Are any contracts for professional services being novated to the Proposers? Yes No

If "Yes", please provide details.

37. Are there any aspects of the project (or part of the project) for which this insurance is intended which:

- a) comprise or include prototype or innovative construction techniques, designs or materials? Yes No

If "Yes", please provide details.

- b) are unusual with regard to the performance, quality, durability or tolerance required? Yes No

If "Yes", please provide details.

Professional Indemnity Insurance

- c) the Proposers are unfamiliar with and / or which do not fall within the scope of work with which the Proposers are thoroughly experienced? Yes No

If "Yes", please provide details.

- d) the Proposers consider should be drawn to the Liberty's attention. Yes No

If "Yes", please provide details.

38. What familiarity do the Proposers have with the geographical location where the project is being constructed?

39. Has the Proposer experienced any difficulties with cash flow, given consideration to potential insolvency or administration, or is there any reason to believe that the Proposer may experience financial distress during the term of the policy period? Yes No

If "Yes", please provide details.

Claims History

Please Note: It is critical that you make appropriate enquires of all persons and entities intending to be insured under this insurance before you answer Questions 39-41.

40. Has any partner, director or employee of the Proposers ever been subject to any inquiry or disciplinary proceedings? Yes No

If "Yes", please provide details.

41. Has a professional liability claim ever been made against any of the Proposers (or any previous company name used by the Proposers), or any past or present partner, director or employee of the Proposers in relation to this project, a project of this nature and scope of works? Yes No

If "Yes", please provide details including nature of the allegations, claimant, current status, amounts paid and reserve amounts.

42. Are any of the Proposers, or any past or present partner/principal/director or employee of the Proposers aware of any facts which might give rise to a claim covered under this policy in relation to this project, a project of this nature and scope of works? Yes No

If "Yes", please provide details.

Insurance History

43. Does the Main Proposer currently hold professional indemnity insurance? Yes No

If "Yes", please advise the following:

Insurer _____

Policy Period _____

Policy Limit _____

44. Has any insurer ever:

a) refused to provide terms or offer renewal terms to any of the Proposers? Yes No

b) imposed special terms or conditions on any insurance held by any Proposer? Yes No

c) avoided or cancelled insurance held by any of the Proposers? Yes No

If "Yes", please provide details.

Limit of Liability

45. Please state the limit of indemnity required. \$ _____

Please Note: This limit will be in the aggregate for all claims during the policy period. The limit of indemnity will include costs and expenses incurred in the defence and settlement of any claim.

46. Please state the excess that the Proposers are willing to self-insure in respect of each and every claim. \$ _____

Please Note: Liberty may require an excess higher than the one requested. This excess will apply to the costs and expenses incurred in the defence and settlement of any claim.

Optional Extensions

Please Note: If you request any of these extensions, Liberty is not obliged to offer them. If Liberty decides to offer any of these extensions it may charge an additional premium. The below are descriptions of the cover only. To fully understand the cover provided by these extensions you must read the relevant clause in the policy wording and/or seek advice from your insurance adviser.

47. Contractual Liability

Would you like the policy to be extended to provide cover for claims under an indemnity and/or hold harmless term of a client contract (to the extent that such civil liability results from your performance of professional services)?

Yes No

48. Loss Mitigation & Rectification

Would you like the policy to be extended to pay for the reasonable direct costs and expenses you incur in taking action to rectify or mitigate the effects of any act or omission that would otherwise result in a claim covered under the policy?

Yes No

49. Novated Contracts

Would you like the policy to be extended to provide cover for liabilities you have assumed by reason of novation?

Yes No

50. Principals Indemnity

Would you like the policy to be extended to cover the principal in respect of claims made against it by third parties not involved in the project?

Yes No

51. Proportionate Liability

Would you like the policy to be extended to provide cover for liability you have assumed under a contract by reason of having contracted out of the operation of proportionate liability legislation? For example the Civil Liability Act.

Yes No

52. Does the contract require any other policy extensions?

Yes No

If "Yes", please provide details.



Declaration

(To be signed by a partner or director of the Main Proposer.)

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all persons and entities seeking insurance, to make this proposal;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a Contract of Insurance is entered into, I am obliged to inform Liberty Specialty Markets of any changes to any information supplied or of any new information that is relevant;
- that I understand Liberty Specialty Markets relies on the accuracy of the information and documentation supplied in proposing for this insurance;
- that I have read and understood the Important Notices which form part of this proposal;
- that I understand that no insurance is in force until a Contract of Insurance is entered into, which is upon the Proposers acceptance of an offer by Liberty Specialty Markets, if any.

- that the proposed Insured is a small business with a turnover of less than AU\$2 million in the last financial year. Note that if No is selected or this question is left blank, Liberty will charge stamp duty on risks that 1) occur within or partly within NSW or 2) cover NSW property.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
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Signed _____

Print Name _____

Title _____

Dated _____

Have you Remembered to Attach the Following?

- | | |
|----------------|--|
| Question 11 | Scope of works between the Proposer and sub-contractors |
| Question 18 | Breakdown of estimated total project value |
| Question 19 | Time line for the project |
| Question 23 | Copy of contract between the Main Proposer and the principal |
| Question 25/26 | Nature of other work involved / professional services required to be performed |
| Question 29 | Additional information about the project |
| Schedule A | Other Insurance Addendum |

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Schedule A Other Insurance Addendum

Please provide details of other insurances which are likely to be in force in respect of , and during the lifetime of, the project and which can be expected to provide cover in respect of professional services performed by any of the Proposers for this insurance:

Insurance	Details including Policy Number, Insurer, Limit of Liability & Excess cover provided
Construction all risks (eg. damage as a result of faulty design)	
General products liability (eg. no exclusion of professional acts)	
Product guarantees (eg. 12 months on equipment supplied)	
Decennial / other warranties (eg. 10 years on building works)	
Other professional indemnity (eg. annual policies covering consultants)	
Any other policies?	