

Questions regarding professional indemnity (PI) insurance and fidelity insurance cover

Name of liquidator / applicant: _____

1. What is the name of your insurer? _____
2. Is the insurer regulated by the Australian Prudential Regulation Authority under the *Insurance Act 1973*? Yes No

If no, is the insurer operating under an exemption from the need to be authorised under the *Insurance Act 1973*? Yes No

3. What is the period of the policy? _____ to _____

If relevant, what is the duration of the job-by-job insurance/fidelity bond arrangement?
_____ to _____

4. What best describes the coverage of your insurance—individual cover or firm/group cover?
Specify whichever applies: individual cover firm/group cover

5. What is the indemnity level for any one claim for:
- a. PI insurance? _____
 - b. fidelity insurance? _____

6. What is the indemnity level in aggregate (not taking into account any reinstatements) for:
- a. PI insurance? _____
 - b. fidelity insurance? _____

7. If the limit on your PI insurance for any one claim is less than \$25 million (or \$20 million if defence costs are not included in the limit), do you have one or more full financial year's insolvency-related services fee history immediately before the financial year in which your PI insurance policy period, or that of your firm, commenced? Yes No Not applicable

[Note: if the answer is no, RG194.43(c) sets out the minimum amount of cover that you will require.]

If yes, what is the highest gross fees that you and the other registered liquidators in your firm have billed in a single financial year for a particular insolvency engagement over the last 1–3 full financial years immediately before the insurance policy commenced?

[Note: use the highest number of years of fee history for insolvency engagements that is available to you—e.g. use 3 years of fee history if you have 3 or more years available, or 2 years if that is all that is available.]

The minimum acceptable limit on your PI insurance for any one claim will be 10 times the highest gross fees billed, with the highest minimum being \$20 million. Please note that the limit will need to be at least 25% higher than the minimum if defence costs are included within this limit.]

8. How many reinstatements are allowed under the policy for PI insurance? _____

9. What are the excesses/deductibles on your insurance? _____

[Note: the excess cannot exceed 5% of the sum insured for PI insurance.]

Can you/your firm confidently sustain these excesses/deductibles as an uninsured loss?
Yes No

10. Provide the dollar sum derived from the greater of the following calculations:
- a. the amount calculated by multiplying the number of principals, partners, directors or officers of the firm and its related entities as at the beginning of the period of insurance by \$10,000; _____
 - or
 - b. 3% of the total gross fee income of you, your firm and any related entities for the financial year immediately preceding the beginning of the period of insurance. _____

[Note: the excess on your PI insurance cannot exceed the dollar sum that you provide in answer to this question.]

11. Does your PI and fidelity insurance provide automatic run-off cover in the event of insolvency or external administration of you or your firm? Yes No

If yes, for how long will the policy remain in place after the expiry of the policy period? _____

12. Does the PI insurance policy provide retroactive cover? Yes No

If yes, what is the retroactive date? _____

13. How are defence costs covered by the PI insurance policy:
- a. in addition to the limit of indemnity; or
 - b. 'costs-inclusive' (i.e. covered within the policy limit)? Specify 'a' or 'b' here: _____

[Note: if the PI insurance policy is costs-inclusive, your limit of indemnity for any one claim will need to be at least 25% higher than the minimum required.]

If the answer is 'a', what is the limit on the defence costs covered? _____

14. Is the insurance contract cancellable by the insurer for innocent non-disclosure or innocent misrepresentation, or by the insured for any reason? Yes No

15. Does the insurance cover claims relating to all the services that you provide / wish to provide in the course of your business in connection with externally administered bodies corporate? Yes No

16. Is the fidelity insurance cover provided:
- a. as a stand-alone fidelity or crime insurance policy;
 - b. as a fidelity cover extension to the PI policy;
 - c. in the form of fraud and dishonesty insurance covering money and similar assets as part of the PI cover; or
 - d. in the form of job-by-job insurance (e.g. under a fidelity bond arrangement)?
Specify 'a', 'b', 'c' or 'd' here: _____

17. Does the fidelity insurance include cover for loss of third parties' money and similar assets? Yes No

Signed _____

Date _____

Name of liquidator / applicant