

DETAILS OF PROFESSIONAL INDEMNITY ("PI") INSURANCE AND FIDELITY INSURANCE COVER

For the purpose of producing evidence to ASIC that I have taken out adequate and appropriate PI insurance; and adequate and appropriate fidelity insurance against the liabilities that I may incur working as a registered liquidator, by signing and dating the last page of this form, I:

Name of liquidator / applicant

of _____

Firm Name

declare that, the information provided by me in this form accurately reflects the terms of the PI and fidelity insurance policies insuring me, and the certificate(s) of currency annexed to or provided to ASIC with this form.

Insurer's details

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| 1. What is the name of your insurer? | _____ | |
| 2. Is your insurer regulated by the Australian Prudential Regulation Authority under the <i>Insurance Act 1973</i> ? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. If you answered no to question 2 , is the insurer operating under an exemption from the need to be authorized under the <i>Insurance Act 1973</i> ? | <input type="checkbox"/> Yes <input type="checkbox"/> N/A | <input type="checkbox"/> No |
| 4. If you answered no to questions 2 and 3 , please provide ASIC with a written submission providing details of the relationship you/your firm has with the insurer, the domicile of the insurer and under what capacity the insurer is able to provide your insurance. | <input type="checkbox"/> Attached | |

Summary of policy and scope

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| 5. Does the insurance policy insure you (and your firm) against claims relating to all services you wish to provide in the course of your business in connection with liabilities that you may incur working as a registered liquidator? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 6. What is the period of the PI policy? 7. What is the period of the fidelity insurance policy (if separate)? | From _____ to _____ From _____ to _____ |
| 8. What best describes the coverage of your insurance? | <input type="checkbox"/> <i>individual cover</i> <input type="checkbox"/> <i>firm/group cover</i> |
| 9. Is your fidelity insurance cover provided: <i>(please tick one of the following that applies)</i> | <input type="checkbox"/> as a stand-alone fidelity or crime insurance policy; <input type="checkbox"/> as a fidelity cover extension or sub-limit to the PI policy; or <input type="checkbox"/> in the Fraud and Dishonesty Section of the PI policy, which specifically includes (or does not exclude) claims involving money/currency and other assets of Third Parties. |
| 10. Does your PI and fidelity insurance provide automatic run-off cover in the event of insolvency or external administration of you or your firm for a minimum of one year following the expiry of the policy period? Note: Such automatic cover provision should not include subjectivities, caveats or consideration of additional premium needing to be paid to provide this run-off. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 11. Does the PI insurance policy provide retroactive cover? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 12. If you answered yes to question 11 , what is the retroactive date? | _____; or <input type="checkbox"/> <i>Shown as unlimited</i> |
| Note about questions 13 to 16 - As PI insurance cover is typically written on a "Claims Made & Notified" basis, Policies may provide a continued cover extension to allow known past period claims (or circumstances which may reasonably lead to a claim) to be reported in subsequent policy periods. Typically Continuous cover will be limited to scenarios where you have maintained cover each year with the same insurer, whereas typically Extended Continuity cover will allow for scenarios where you may have changed insurer from one period to the next – in both formats it is imperative that you have not allowed any gap period to occur and that each new policy period is effected in series immediately post the last policy period. | |
| 13. Does the PI insurance policy provide Continuous cover? | <input type="checkbox"/> Yes – <i>If so, for what period or from what Date?</i> _____ <input type="checkbox"/> No |
| 14. Does the PI insurance policy provide Extended Continuous cover? | <input type="checkbox"/> Yes – <i>If so, for what period or from what Date?</i> _____ <input type="checkbox"/> No |

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| 15. Have you changed the insurer of the PI policy at any time over the past 7 years? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 16. Over the past 7 years, have you had any period where no PI cover was in effect? | <input type="checkbox"/> Yes – If so, for what period? _____ <input type="checkbox"/> No |
| 17. Is the insurance contract cancellable by the insurer prior to the end of the period of insurance for innocent non-disclosure or innocent misrepresentation, or by the insured for any reason? | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Limit of Indemnity

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| 18. Are you eligible to be covered by a relevant limitation of liability scheme approved under the professional standards legislation? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 19. If you answered yes to question 18 , please indicate which scheme: Note: You should ensure that the approved scheme operated at all times during the period of cover. If it did not, or you are not eligible for cover under an approved scheme, you should consider whether the minimum amount calculated by reference to Appendix 1 of RG 258 is adequate cover against the liabilities you may incur working as a registered liquidator | <input type="checkbox"/> Chartered Accountants Australia and New Zealand; <input type="checkbox"/> CPA Australia; or <input type="checkbox"/> other – please specify: _____. |
| 20. What is the PI policy limit of indemnity (which may be expressed as “Limit for any one claim” on your Policy Schedule)? | \$_____ |
| 21. If your fidelity insurance is different to your PI policy , what is the fidelity limit/sub-limit of indemnity (which may be expressed as a “sub-limit” on your Policy Schedule)? | \$_____ |
| Note about questions 22 and 23: To be adequate, your insurance policy should provide for at least one automatic reinstatement of the limit of indemnity. As an alternative, the insurance policy should have an aggregate limit of indemnity at least twice the minimum limit of indemnity. | |
| 22. Does your PI insurance have either an aggregate limit greater than the limit of indemnity, or reinstatements of the limit of indemnity? | <input type="checkbox"/> Has aggregate limit of \$_____ |
| | <input type="checkbox"/> Has no aggregate limit expressed (or is Unlimited) |
| | <input type="checkbox"/> Has reinstatements of the limit. If so, how many reinstatements? _____ |
| 23. Does your fidelity insurance have either an aggregate limit greater than the limit of indemnity, or reinstatements of the limit of indemnity? (may be expressed as a sub-limit) | <input type="checkbox"/> Has aggregate limit of \$_____ |
| | <input type="checkbox"/> Has no aggregate limit expressed (or is Unlimited) |
| | <input type="checkbox"/> Has reinstatements of the limit. If so, how many reinstatements? _____ |

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| 24. How have you determined your minimum limit of indemnity for the PI insurance cover consistent with Appendix 1 of RG 258? (please tick the applicable example below) | | |
| a. Do you use the estimated administration fee method set out in Appendix 1 of RG 258 to determine adequacy of the minimum insured amounts for PI insurance cover? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| b. If you answered yes to question 24a, which criteria does your firm meet? Note: The relevant fee is the highest fee for an insolvency service provided in any single financial year of the three prior years. | Administration fee <input type="checkbox"/> Fee is estimated to be less than \$100,000 <input type="checkbox"/> Fee is estimated to be \$100,000 or more but less than \$300,000 <input type="checkbox"/> Fee is estimated to be \$300,000 or more but less than \$500,000 <input type="checkbox"/> Fee is estimated to be \$500,000 or more | Minimum insured amount \$2 million \$5 million \$10 million \$20 million |
| c. Do you use the total number of principals and annual fee income method set out in Appendix 1 of RG 258 to determine adequacy of the minimum insured limit of indemnity for PI insurance cover? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| d. If you answered yes to question 24c, which criteria does your firm meet? | Applicants <input type="checkbox"/> 1. Applicants who were in an accounting practice that, at 30 June immediately preceding the application: <ul style="list-style-type: none"> • consisted of less than 20 principals; AND • generated total annual fee income of less than \$10 million for the financial year ended 30 June immediately preceding the application. <input type="checkbox"/> 2. Applicants other than those in (1) above or (3) below. <input type="checkbox"/> 3. Applicants who were in an accounting practice that, at 30 June immediately preceding the application: <ul style="list-style-type: none"> • consisted of more than 60 principals; OR • generated total annual fee income of more than \$20 million for the financial year ended 30 June immediately preceding the application. | Minimum insured amount \$2 million \$10 million \$20 million |
| 25. Has the amount of fidelity insurance cover you have affected been determined after careful consideration of the liabilities that might reasonably be expected to arise from fraud and dishonesty claims having regard to the factors set out in Table 11 of RG 258? | | <input type="checkbox"/> Yes <input type="checkbox"/> No |

receiver or as receiver and manager, for which you or your firm are legally responsible.

Other considerations

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| 32. Is your firm a new firm formed by the merger of two (or more) firms or by the acquisition of one (or more) firm by another? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 33. If you answered yes to question 32 , if the PI and fidelity insurance of the new firm is on a 'claim made and notified' basis, do you have cover against civil liability claims arising from work performed in the predecessor businesses for a period until the expiration of the relevant statutory limitation periods? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> <i>Not on a claim made and notified basis</i> |
| 34. Has a registered liquidator left your firm for any reason other than that person's insolvency? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 35. If you answered yes to question 34 , does your PI and fidelity insurance provide cover for civil liability claims against the registered liquidator who has left the firm? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| 36. If you have left a firm (previous firm), do you have adequate PI and fidelity insurance to cover the ongoing risk of claims arising from your conduct at that previous firm? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A |
| 37. If you answered yes to question 36 , is the adequate PI and fidelity insurance cover: <i>(please tick one of the following that applies)</i> | |
| a. by way of your previous firms' cover continuing to extend against your prior risk | <input type="checkbox"/> Yes |
| b. by way of new cover you have effected for your retroactive risk period (7 years) | <input type="checkbox"/> Yes |
| c. by way of new cover provided by a new firm you have commenced with for your retroactive risk period (7 years)? | <input type="checkbox"/> Yes |
| 38. Are you a sole practitioner who has retired or ceased to practise as a registered liquidator? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 39. If you answered yes to question 38 , do you have run-off cover/extended notification on the PI and fidelity insurance? | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 40. If you answered yes to question 39 , please state the period of the run-off cover or extended notification period? | _____ |

Declaration

I have considered the requirements of ASIC's Regulatory Guide 258: *Registered liquidators: Registration, disciplinary actions and insurance requirements* and confirm the policies meet those requirements.

I have read and understand the terms, limitations and exclusions of the PI and fidelity insurance policies to which this form relates.

I consider the cover offered by those policies is adequate and appropriate against the liabilities I may incur working as a registered liquidator.

The certificate(s) of currency for the PI and fidelity insurance to which this form relates is attached to, or provided to ASIC with, this form.

Signed

Name of liquidator / applicant

Date
