

Important Facts Relating To This Proposal Form

You should read the following advice before proceeding to complete this Proposal Form

1. 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, 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 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 any 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 his 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 its liability under the contract in respect of a claim, refuse to pay the 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.

2. Claims Made and Notified Basis of Coverage

The Employment Practice Liability Insurance Policy is issued on a 'Claims made and Notified' basis.

This means that the policy responds to:

- a) claims first made against you during the policy period and notified to the insurer during the policy period, provided that you were not aware at any time prior to the policy inception of circumstances which would have put a reasonable person in your position on notice that a claim may be made against him/her; and
- b) written notification of facts pursuant to section 40(3) of the Insurance Contracts Act 1984. The facts that you may decide to notify are those which might give rise to a claim against you. Such notification must be given as soon as reasonably practicable after you become aware of the facts and prior to the time at which the policy expires. If you give written notification of facts the policy will respond even though a claim arising from those facts is made against you after the policy has expired. For your information, s40(3) of the Insurance Contracts Act 1984 is set out below;

"S40(3) Where the insured gave notice in writing to the insurer of facts that might give rise to claim against the insured as soon as was reasonably practicable after the insured became aware of those facts but before the insurance cover provided by the contract expired, the insurer is not relieved of liability under the contract in respect of the claim when made by reason only that it was made after the expiration of the period of the insurance cover provided by the contract."

When the policy period expires, no new notification of Claims or facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the policy period. An exception to this is under the Discovery Period Extension. If a Discovery Period is purchased as provided for in the extension, then some cover for new notification of Claims or facts is available.

3. Retroactive Date

Our policy contains a provision that has the effect of excluding or limiting our liability in respect of a loss, if the Insured releases, agrees not to sue on, waives or prejudices its rights of recovery, or enters into any arrangement or compromise or does any act whereby any rights or remedies to which the Insurer would be subrogated are or may be prejudiced.

4. Subrogation Waiver

Our policy contains a provision that has the effect of excluding or limiting our liability in respect of a liability incurred solely by reason of the Insured entering into a deed or agreement excluding, limiting or delaying the legal rights or of recovery against another.

5. Privacy Statement

The Privacy Act 1988 requires us to inform you that:

Purpose of collection

We collect personal information (this is information or an opinion about an individual whose identity is apparent or can reasonably be ascertained and which relates to a natural living person) for the purposes of: providing insurance services to you, including to evaluate your application, to evaluate any request for a change to any insurance provided; to provide, administer and manage the insurance services following acceptance of an application; to investigate and, if covered, manage claims made in relation to any insurance you have with us or other companies within the same group.

The personal information collected can be used or disclosed by us for a secondary purpose related to those purposes listed above, but only if you would reasonably expect us to use or disclose the information for this secondary purpose. However for sensitive information, the secondary purpose must be directly related to one or more of the purposes listed above.

Disclosure

We may disclose your personal information (and receive some personal information from), when necessary and in connection with the purposes listed above, to other companies within the same group, your insurance broker or our agent, Government bodies, loss assessors, claim investigators, reinsurers, other insurance companies, mailing houses, claims reference providers, other service providers, hospitals, medical and health professionals, legal and other professional advisers.

Consequences if information is not provided

If you do not provide us with the information we need we will be unable to consider your application for insurance cover.

Access

You can request access to the personal information by contacting a Vero office at the address shown on the last page of this Proposal Form.

Privacy Statement issued:

Vero Insurance Limited, 465 Victoria Avenue, Chatswood, NSW 2067.

6. General Insurance Code of Practice

Vero Insurance Limited (Vero) has adopted the General Insurance Code of Practice which has been developed by the Insurance Council of Australia. The Code is designed to promote good relations and good insurance practice between insurers, intermediaries and consumers.

The Code sets out what insurers must do when dealing with the insured. Please contact Vero for more information about the Code, if required.

7. Our Complaints Handling Procedures

Resolving your complaints

If you think we have let you down in any way, or our service is not what you expect (even if through one of our agents or representatives), please tell us so we can help. You can tell us by phone, in writing or in person.

Should you tell us in writing it will help to send us the full details of your complaint together with any supporting documents and an explanation of what you want us to do. If you would like to come in to talk to us face to face, please call and we will arrange an appointment for a meeting.

What we will do to resolve your complaint

When you first let us know about your complaint or concern the person trying to resolve your complaint will listen to you, consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours.

If you are not satisfied with this person's decision on your complaint, then it will be referred to the relevant Operational Manager, who will contact you within 5 working days.

Should you not be satisfied with the Operational Manager's decision, then it will be referred to the General Manager (or their delegate). We will send you our final decision within 15 working days from the date you first made your complaint.

What if you are not satisfied with our final decision?

We expect our procedures will deal fairly and promptly with your complaint. However if you are not satisfied with our final decision there are external dispute remedies such as mediation, arbitration or legal action.

Guidelines to help you complete this Proposal Form

- 1. Failure to disclose all material information that is likely to influence the acceptance of the risk or the terms applied could invalidate the insurance. If you are in any doubt as to whether any information is material, it should be disclosed.
- 2. This Proposal form supplements the information collected in the Directors and Officers Liability Insurance Proposal Form, which should be also be completed.
- 3. Where the space provided is insufficient for your replies, please provide these separately and attach to this Proposal Form.
- 4. Reference to Insured in this Proposal Form means:
 - the Company and all subsidiary companies; and
 - the directors and officers of the Company and all subsidiary companies.
- 5. Reference to "North America" in this Proposal Form means the USA and Canada and their respective territories and protectorates.

1. Details of the Company

Name of Company

2. Employee information

a. Please provide details of the number of employees according to the following categories.

	Current financial year	Last financial year
Full time	<input type="text"/>	<input type="text"/>
Part time / casual / temporary	<input type="text"/>	<input type="text"/>
Total	<input type="text"/>	<input type="text"/>

b. Please state what percentage of the workforce is unionised. %

c. Please state total number of locations.

d. Does the Insured have any employees located overseas? Yes No

If Yes, please provide details of the overseas locations by country and the number of employees at each. If any employees are located in the USA, please provide details of the number of employees by State.

3. Human resources

a. Does the Insured have a separate human resources or personnel department? Yes No

If No, please provide details of how the human resources function is carried out by the Insured.

If Yes,

i. Is the human resources function centralised or decentralised ?

ii. does the human resources department use the services of external employment lawyers? Yes No

If Yes, state name of firms and nature of services provided.

4. Pre-employment policies and practices

a. Does the Insured use an application form for employment? Yes No

If Yes, when was it last revised?

b. Does the Insured confirm all offers of employment in writing? Yes No

- c. Does the Insured conduct any pre or post employment testing or screening? Yes No
- If Yes,
- i. does the testing include skills performance testing? Yes No
- ii. are the tests focused on job related skills? Yes No
- iii. are the tests that are used validated? Yes No

5. Employment policies and practices

- a. Does the Insured provide employment handbooks to all employees? Yes No
- If Yes,
- i. when was it last reviewed?
- ii. was external legal counsel involved in drafting the handbook? Yes No
- b. Does the Insured have a written equal opportunity policy? Yes No
- c. Does the Insured have a written harassment policy incorporating an anti-sexual harassment policy? Yes No
- d. Does the Insured provide training for managers on human resource issues? Yes No
- If Yes:
- i. please state how often training is provided
- ii. indicate which topics are covered by the training:
- Termination procedures Recruitment procedures
- Disciplinary procedures Performance evaluations
- Discrimination/harassment policies
- e. Does the Insured have a formal internal dispute resolution procedure? Yes No
- f. Does the Insured have a progressive disciplinary system? Yes No
- g. Does the Insured utilise job descriptions? Yes No
- h. Does the Insured have a formal performance evaluation system for all employees? Yes No
- i. Does the Insured offer employment contracts? Yes No
- If Yes, please give details of contracts where annual remuneration under the contract is greater than \$100,000.

Employee under contract	Type of contract (specified term or non specified term)	Term (if specified term contract)	Date of commencement	Annual remuneration including entitlements
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

6. Termination policies and practices

- a. Does the Insured have a formal termination policy? Yes No
- b. Does the human resources department conduct pre-termination review of the personnel file? Yes No
- c. Do external legal counsel conduct pre-termination review of the personnel file? Yes No
- d. Does the Insured conduct exit interviews with terminated employees? Yes No
- e. Does the Insured have an established severance practice? Yes No
- If Yes, are releases obtained from employees when concluding severance? Yes No
- f. Does the Insured provide outplacement services for terminated employees? Yes No

7. Corporate changes

- a. Has the Insured had a reduction in personnel affecting 5% or more of the workforce in a single location within the past 3 years? Yes No
- b. Does the Insured anticipate any redundancies, staff reductions or facility closures in the next 18 months? Yes No
- If Yes to a or b, please provide details.
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c. Please state the annual employee turnover rate for the last three years (the number of employees who left the company as a % of total employees).

Year	Year	Year
<input type="text"/> %	<input type="text"/> %	<input type="text"/> %

8. Claims history

- a. Has any claim ever been made or civil or criminal proceedings brought or threatened against the Company, its current or past subsidiaries, directors, officers or employees in relation to employment policy or practices, for example, unfair dismissal, discrimination, harassment or defamation? Yes No
- b. Has the Insured ever been subject to any formal or official investigation examination or other proceedings in relation to employment policy or practices, including any such proceedings initiated by the Human Rights and Equal Opportunities Commission or any other officially recognised regulatory, professional or trade body, or any similar body and any criminal investigations? Yes No

If Yes to a or b, please provide details.

Date of claim or proceeding	Details of each claim, proceedings or investigation including name of claimant, nature of allegation, details of determinations or judgments and any monetary damages, defence costs, settlements, fines or penalties	Cost (if any) incurred (whether insured or not)	
		Amount Paid	Estimated amount outstanding
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

What action has been taken to prevent a recurrence of the situation that gave rise to each claim, proceeding or investigation?

<input type="text"/>
<input type="text"/>
<input type="text"/>

9. Known circumstances

After enquiry, is the Insured aware of any act, omission, conduct, fact, event, circumstance or matter:

- a. which might reasonably be expected to give rise to a claim or lead to civil or criminal proceedings against the Insured, its directors or officers or any of its employees in relation to employment policy or practices, for example, unfair dismissal, discrimination, harassment or defamation? Yes No
- b. which might reasonably be expected to give rise to any formal or official investigation examination or other proceedings in relation to employment policy or practices, including any such proceedings initiated by the Human Rights and Equal Opportunities Commission or any other officially recognised regulatory, professional or trade body, or any similar body and any criminal investigations? Yes No
- c. which has been or should have been the subject of any written notice given under any policy or coverage part of which this proposed Employment Practice Liability insurance is to be a direct or indirect renewal or replacement? Yes No

If Yes to a, b or c, please provide details.

Fact, circumstance or situation	Current status	Date first became aware	Insurer to whom notified	Date of notification to Insurer
<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>
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<input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>

It is agreed that if such facts, circumstances or situations exist, whether or not disclosed, any claim arising from them is excluded from this proposed coverage.

10. Details of Employment Practice Liability coverage requested

Limit of Liability	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
Excess	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

11. Current insurance

a. Does the Insured currently hold any Employment Practice Liability Insurance? Yes No

If Yes, please provide details

Insurer	<input type="text"/>	Policy Period	<input type="text"/>
Limit	<input type="text"/>	Excess	<input type="text"/>

b. Has any insurer, in respect of the risks to which this Proposal Form relates, ever:

i. declined a proposal, refused renewal or terminated an insurance? Yes No

ii. required an increased premium or imposed special conditions? Yes No

iii. declined an insurance claim by the Insured or reduced its liability to pay an insurance claim in full (other than by application of an Excess)? Yes No

If Yes to i, ii or iii, please provide details

12. Stamp Duty

Please provide a breakdown in the number of employees by location as follows.

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

13. Supporting information

Please enclose the following documents in support of this Proposal:

- Employee handbook and/or manual of employment policies and procedures
- Employment application form
- Typical contract of employment
- The Company's latest full consolidated annual report and accounts (if consolidated accounts are not available, enclose annual report and accounts for each company)

Declaration

I/We the undersigned duly authorised person(s) declare that:

- I am/we are authorised by each of the Insured to sign this Proposal Form; and
- the above statements are correct, true and complete; and
- no information material to this Proposal Form has been withheld; and
- I/we have read the **important facts** which you have put before me/us and I/we understand the advice given in relation to the **duty of disclosure**; and
- I/we have diligently made all necessary and detailed enquiries in order to comply with the **duty of disclosure**; and
- I/we understand that no insurance is in force until such time as the insurer has confirmed acceptance of the proposed insurance; and
- I/We undertake to inform the insurer of any material alteration to these facts occurring before completion of the contract of insurance; and
- I/we acknowledge that the Insurer relies on the information and representations in this Proposal Form and otherwise made by me/us in relation to this insurance.
- except where indicated to the contrary, I/we understand that any statement made in this Proposal Form will be treated by the insurer as a statement made by all persons to be insured; and
- I/we have read Vero's Privacy Statement on this Proposal Form, and consent to the use, disclosure and obtaining of personal information about the Insured for the purposes shown in the Privacy Statement.

Signed

Company

Title

Date / /

Signed

Company

Title

Date / /

NB: To be signed by the Chairman and one other Executive Officer

We recommend that you keep a record, including copies of letters and this Proposal Form, of all information supplied to us for the purpose of entering into this contract.

How to contact Vero Profin

New South Wales

Locked Bag 25,
Australia Square, Sydney NSW 1215
DX 10282 Sydney Stock Exchange
Tel (02) 9295 4292
Fax (02) 9295 4323

South Australia

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