What to do

Read Carefully
Read the Important Notes (below), the Frequently Asked Questions (over) and the Proposal Form (attached) thoroughly.

Check the Premium Guide
Refer to Page 6 of the Proposal Forms for a guide to Premiums. All proposals are referred to the Insurers and some complexes may attract an additional premium. You will be advised of this on approval from the Insurer.

Complete Proposal Form
Be sure to complete the Proposal Form in full, omissions may cause delays.

Fax Proposal Form (pages 2, 3 & 4 only) ASAP
The proposal needs to be approved by the Insurer's. To avoid being uninsured for any period please fax pages 2, 3 & 4 ASAP. Proposals will be processed in the order they arrive.

Send original - YOU DO NOT NEED TO ATTACH A CHEQUE
There is no need to include payment at this stage. You may wait until we invoice you and then pay within the stated payment terms. Your invoices will include payment options which include cheque, credit card, BPay and Premium Funding.

Premium Funding
Insurance can be a big expense. It may suit your cash flow better not to have to pay up front. We can arrange Premium Funding which will spread the payment into ten instalments, a flat interest rate of 7% applies however there are no other fees. If you would like to know more about this facility please call us on 1800 688 820.

IMPORTANT NOTES

Following are important notes that must be read and understood in conjunction with the Proposal Form:

Section 1 - Professional Indemnity – Standard Limit $2,000,000 Higher limits available

Section 1 excludes claims for Bodily Injury. This is provided under Section 2, Broadform Liability.

Section 1 is a "Claims Made" policy wording which means it will only respond to claims that are **made** during the policy period. If you are aware of any claims, events or circumstances which could give rise to a claim, you must notify your existing Professional Indemnity insurer **prior to** expiry of that policy.
For further details regarding this please refer to the following "Frequently Asked Questions".

This section includes runoff cover at no additional charge for 12 months following expiry of your policy should you sell or otherwise cease your business.

Section 2 - Broadform Liability – Standard Limit $10,000,000

Section 2 includes Bodily Injury **occurring** during the period of insurance for $10,000,000 except when arising from professional advice or service in which case a sub-limit of $1,000,000 applies.

Section 2 is an "Occurrence" policy wording which means it will only respond to claims that **occur** during the period of insurance. **This means you are not covered under this section of the policy for any event (including Bodily Injury) that has occurred prior to the period of insurance.**

Section 2 includes numerous additional benefits including cover for legal expenses to defend potential statutory fines or penalties. These benefits have been added to suit the role of a Resident Unit Manager.

WHERE YOU ARE CURRENTLY INSURED FOR PROFESSIONAL INDEMNITY WHICH INCLUDES BODILY INJURY CLAIMS, YOU MUST NOTIFY YOUR EXISTING PROFESSIONAL INDEMNITY INSURER OF ANY KNOWN CLAIMS, EVENTS OR CIRCUMSTANCES WHICH COULD GIVE RISE TO A CLAIM BEFORE EXPIRY OF THAT POLICY AS THERE IS NO RUNOFF COVER AVAILABLE UNDER EITHER SECTIONS 1 OR 2.

For more information on Sections 1 & 2 as well as details of Sections 3 to 5 (which are optional) you should refer to the BRIEF DETAILS OF COVER AND LIMITS commencing on page 5 of the Proposal Form.

FREQUENTLY ASKED QUESTIONS

Below are some of the most common questions asked about the cover provided. You should also refer to the "Brief Details Of Cover And Limits" at the back of the proposal form.

Why does a resident manager need a professional indemnity policy?

A Resident Manager will hold himself or herself out as having a special skill, which can be relied upon by another. Consequently the law requires that they exercise the required skill to an appropriate level expected by your profession. Resident Managers are only human and mistakes do happen. Any financial loss arising from a mistake or failure by the Resident Manager to exercise the required level of skill may mean that an award is made in favour of a person who suffers a loss. A Resident Manager may also be held to be liable for a mistake even though there was no negligence.

A few examples of Professional Indemnity Claims:

- Dispute with a landlord over tenant selection or repairs
- Breaches of Anti-Discrimination Act or defamation
- Claims that the manager did not assist to resolve a dispute
- Double booking of units or errors in forward bookings or travel arrangements

Does this package include cover against bodily injury arising from professional advice or service?

Yes. This is provided under Section 2, Broadform Liability. Many Liability policies will have an exclusion against Bodily Injury claims arising from professional advice or service however this is not the case with this package. The Broadform Liability policy provided under Section 2 has a specific inclusion for Bodily Injury arising from professional advice or service. The Professional Indemnity section of this package does not cover Bodily Injury. **This is an important feature as being contained within the liability policy means problems are on a "claims occurring" basis rather than a "claims made" basis.** For more details of this important feature please give us a call.

Why do I need both Professional Indemnity and Broadform Liability

Whereas Professional Indemnity is designed to protect for claims made against a breach of a Resident Manager's professional duty, the Liability component insures against claims in respect to an occurrence that causes property damage or Bodily injury for which the Resident Manager can be held legally liable. It should be remembered that management rights are a business in their own right and claims can occur against that business that are not covered by the Body Corporate's Public Liability policy. Effectively the two policies complement each other to reduce your risk.

A few examples of Liability Claims:

- A tenant or guest may slip over on wet tiles and suffer an injury
- A tenants property may be damaged by a stone thrown from a lawnmower
- A balcony may give way and the tenant suffers an injury (it may be suggested that the property had not been maintained properly)

Are all Professional Indemnity and Liability policies the same?

No. These policies have been specifically tailored for Resident Managers. "Off the shelf" policies may not have all the features you require and leave you exposed to risks that we have allowed for. These include automatic cover for relief managers, bodily injury due to professional services and advice, cover for legal expenses to defend potential statutory fines, and more.

Can I increase the levels of cover?

Yes. The level of cover in all sections (except Fidelity) can be increased. It may be that you require a higher sum insured for Professional Indemnity, Liability, Loss of Money or Loss of Fee Income. Simply give us a call on 1800 688 820 and we'll advise the revised premium.

What does Loss of Fee Income cover?

Loss of Fee Income provides cover if your business is interrupted or interfered with as a result of loss and/or damage to the buildings, contents or documents. It covers against loss of expected fees such as rental commissions, gardening maintenance fees etc. For further detail refer to "Brief Details Of Cover And Limits" on the back of the proposal form.

We anticipate fees for the next 12 months of $200,000, can I just insure for $100,000?

No. This section of the policy is subject to "averaging", which means that if you do not insure for the full value of the risk your claim may be reduced (e.g. A manager expects $200,000 in fee income but only insures for $100,000. The property is damaged and they suffer a $30,000 loss in expected fees whilst the repairs are carried out. As they only insured for 50% of their actual expected income the claim payment would only be $15,000 – being 50% of the $30,000). You should always insure for the full value of your fee income (exclude Body Corporate payments).

The detail provided above is a summary only. For further information please ask for a complete Policy Wording.