

## **IMPORTANT NOTICE TO APPLICANTS:**

*\*Please read and retain in your file.*

- The proposed professional indemnity insurance and employment practices insurance is issued on a 'claims made' basis. This means that the policy responds to:
  - Claims first made against the insured during the policy period and notified to CGU Professional Risks during that policy period, providing that the insured was not aware, at any time prior to the policy inception, of circumstances which would have alerted a reasonable person in the insured's position that a claim may be made against the insured, and
  - 'Claims circumstances' notified pursuant to Section 40 (3) of the Insurance Contracts Act, which states:
    - Where the insured gave notice in writing to the insurer of facts that might give rise to a 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 insurance cover provided by the contract".
    - After policy expiry, no new claims can be made on the expired policy even though the event-giving rise to the claim may have occurred during the policy period.
    - If during the policy period you become aware of circumstances which a reasonable person in your position would consider may give rise to a claim, and which you fail to notify to us during the policy period, we may not cover you under a subsequent policy for any claim which arises from these circumstances.
    - When completing the proposal you are obliged to report and provide full details of all circumstances of which you are aware and which a reasonable person in your position would consider may give rise to a claim. It is important that you make proper disclosure (see Duty of Disclosure below) so that your cover under any new policy with us is not compromised.
    - Pursuant to the Insurance Contracts Act your duty to disclose all relevant information is set out below.

### ***Duty of Disclosure***

Before entering into a contract of general insurance, you have a duty, under the Insurance Contracts Act, to disclose to us every matter that you are aware of, or could reasonably be expected to be aware of, that is relevant to our decision about insuring you and if so, on what terms. You have the same duty to disclose these matters to us 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 us;

That is of common knowledge;

That we know or, in the ordinary course of our business, ought to know;

As to which we waive compliance with your duty.

You should note that your duty continues after the proposal form has been completed and until the policy entered into.

**Non-disclosure**

If you fail to comply with your duty of disclosure, we may be entitled to reduce our liability under the policy in respect of a claim or may cancel the policy. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning. It is therefore vital that you enquire of all entities comprising the insured, including senior staff, before completing the proposal form and before you sign any declaration confirming there is no change in the information disclosed.

**Retroactive Liability**

The proposed insurance may be limited by a retroactive date either stated in the schedule or endorsed onto the policy. Where the retroactive cover provided by the proposed policy is subject to such a date, then the policy does not cover any claim arising from actual or alleged act, error, omission or conduct occurring prior to such retroactive date.

**Average Provision**

One of the insuring provisions of the proposed insurance may provide that where the amount required to dispose of a claim exceeds the limit of the sum insured in the policy, then CGU Professional Risks shall be liable only for a proportion of the total costs and expenses. This shall be the same proportion of the total expenses as the policy limit bears to the total amount required to dispose of the claim.

**Surrender of Waiver of any Right of Contribution or Indemnity**

If another person or company is liable to compensate you or hold you harmless for part or all of any loss or damage otherwise covered by our policy, but you agree with that person or company (either before or after the inception date of our policy) that you would not seek to recover any loss or damage from them, we will not cover you for this loss or damage.-

IMPORTANT INFORMATION -

**SUMMARY OF YOUR INSURANCE:**

*\*This is an overview only of the details of your insurance cover.*

**Who is covered?**

- All financial members of the Association are covered from the time they pay their membership fees.
- A Certificate of Currency for insurance will be produced in the name of the member, as this is the name the RTA has on record. Therefore only individuals should be named as members.
- In the event you have a company name, this is not relevant to this scheme of insurance. However, you may require another type of insurance in your company name. This could include:
  - Business Package Insurance – covers contents of premises & public liability.
  - Workers Compensation – protects wage earners.

**What is covered?**

Cover is provided for activities relating to driver training, motorbike training and plant training. Certain specialized training should be confirmed with the insurer (through your branch). Vehicles used must be registered, except in the case of plant where the training of the machinery is only carried out and used on the owners premises.

**Claims:**

Always inform the insurer (through your branch office) of any impending claim.

### ***How the Scheme Works:***

- Association administration of the scheme is the responsibility of the ADTA (Michael Humphries). The holding broker is John Durant at Insurance Advisernet Australia (IAA). John can also be contacted regarding any queries on 0452 505 772 or [jdurant@iaa.net.au](mailto:jdurant@iaa.net.au)
- All vehicles used must be registered and insured, except in the case of forklifts/plant where there is a separate option and conditions (see below.)

### ***There are two sections:***

#### **Public Liability - \$10 or \$20 million**

#### **Professional Indemnity – errors & omissions**

- Driver Trainers – \$2 or \$5 million
- Motor Bike Trainers - \$2, \$3 or \$5 million
- Unregistered Plant Trainers - \$2, \$3 or \$5 million
- In regard to unregistered plant, the cover only applies when the training is carried out on the owners (of the plant) premises using their plant.

This is a Master Policy insured with CGU Insurance Limited and covers all financial members. It has a renewal date of August 1 each year.

Cover is provided subject to the satisfactory completion of a proposal form and receipt of premium.

Due to the nature of this scheme, these covers cannot be cancelled.

### ***Premiums***

Annual premiums are as stated. However a pro-rata premium can be charged if the member joins within 6 months of the expiry date:

- Examples:**
- Membership period 1/8/2011 to 1/8/2012
  - Member joins Aug 11 to Feb 12 – pays 100% of premium
  - Member joins March 12 onwards – pays 50% of premium

### **IMPORTANT NOTES:**

- Your Certificate of Currency is an important document – it should be kept in a safe, secure and easily accessible place. This will save you concern when renewing your licence with the RTA.
- Any changes to details of members should be notified to the ADTA for their records.
- They will forward the information to IAA if necessary.
- Requests for Certificates should be directed to the ADTA.
- Only the proprietor of the driving school uses the “Trading As” option – not employees.
- If there are interested parties to be noted, they should be notated on the proposal. This will save requesting another certificate at a later stage.