**Franchisors**

**Professional Liability**

**Addendum**

Please read the following notices. They are for your information and do not form part of the insurance contract. They do not impose contractual obligations on you or create contractual rights.

**Your Duty of Disclosure**

Before you enter into an insurance contract, you have a duty to tell us anything that you know, or could reasonably be expected to know, may affect our decision to insure you and on what terms. You have this duty until we agree to insure you. You have the same duty before you renew, extend, vary or reinstate an insurance contract. You do not need to tell us anything that:

* reduces the risk we insure you for; or
* is common knowledge; or
* we know or should know as an insurer; or
* we waive your duty to tell us about.

**If you do not tell us something**

If you do not tell us anything you are required to, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

**Claims Made Policy**

This policy is issued on a ‘claims made and notified’ basis. This means that the Insuring Clause responds to:

* claims first made against you during the Period of Insurance and notified to the insurer during the Period of Insurance, 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 you; and
* 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 Period of Insurance expiring. 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 Period of Insurance expires, no new notification of facts can be made on the expired policy even though the event giving rise to the claim against you may have occurred during the Period of Insurance.

**Underinsurance provision**

If your policy provides for ‘Costs in Addition’ to the limit of liability and if a payment in excess of the limit of liability available under your policy has to be made to dispose of a claim, the insurer’s liability for costs and expenses incurred with its consent shall be such proportion thereof as the amount of liability available under this policy bears to the amount paid to dispose of the claim payments.

**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 of recovery against another.

**Privacy**

FTA Insurance complies with the Privacy Act 1988 and the Australian Privacy Principles therein. If we disclose personal information to you for any reason you must also act in accordance with and comply with the terms of the Privacy Act and the Australian Privacy Principles.

**Agent of the insurer**

In effecting this insurance contract FTA will be acting under an authority given to it by the insurer to effect the contract and FTA will be effecting the contract as agent of the insurer and not of the Insured.

**Purpose for collection of information**

FTA Insurance Pty Ltd is committed to compliance with the Privacy Act 1988 (Cth). We use your personal information to assess the risk of and provide insurance, and assess and manage claims.

We provide your information to the insurers we represent when we receive a submission from your broker, decline, quote or issue and administer your insurance. We may also provide your information to your broker and our contracted third party service providers (e.g. claims management companies, auditors and solicitors), but will take all reasonable steps to ensure that they comply with the Privacy Act.

Our Privacy Policy contains information about how you can access the information we hold about you, ask us to correct it, or make a privacy related complaint. You can obtain a copy from our Privacy Officer by telephone 02 9003 1660, email quotes@FTAinsurance.com.au or by visiting our website www.FTAinsurance.com.au.

By providing us with your personal information, you consent to its collection and use as outlined above and in our Privacy Policy.

Contact Details:

FTA Insurance

PO Box 21

Roseville NSW 2069

Ph: 02 9003 1660

Email: quotes@FTAinsurance.com.au

Web site: www.FTAinsurance.com.au

**Franchisors Addendum**

1. Insured Details

|  |  |  |
| --- | --- | --- |
| **Name of Insured** | **ABN** | **Date Established** |
| Click or tap here to enter text. |  | Click or tap to enter a date. |
| Click or tap here to enter text. |  | Click or tap to enter a date. |

1. Please provide the proposer’s fees/income in each of the financial years derived from clients based in:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Last Financial Year Ended \_ \_ / \_ \_ | Current Financial Year Ending \_ \_ / \_ \_ | Coming Financial Year Ending \_ \_ / \_ \_ |
| Australia |  |  |  |
| Elsewhere |  |  |  |
| Total |  |  |  |

1. If fees/income are/is declared as derived from clients based “Elsewhere” please provide details including territories involved and income derived.

|  |
| --- |
| Click or tap here to enter text. |

1. Please give a percentage split totalling 100% of which state(s) generate the proposer’s income.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| NSW | VIC | QLD | WA | SA | TAS | ACT | NT | O/S |
| **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** | **%** |

1. Please advise the total turnover of the whole franchise group: $
2. Please provide full description of the services provided by the Insured to its franchisees:

|  |
| --- |
| Click or tap here to enter text. |

1. Please provide details on how the insured is remunerated eg monthly fee etc:

|  |
| --- |
| Click or tap here to enter text. |

1. Sometime the insured’s business model is complex. If this is the case to help us understand the business model (including financial aspects) you might like to include information on a separate sheet about how the business model operates. In this regard providing us a copy of the Franchise Agreement might assist.
2. What is the cost for each franchisee to set up a franchise: $
3. How many franchises are there and in which states are they:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| NSW | VIC | QLD | WA | SA | TAS | ACT | NT |
|  |  |  |  |  |  |  |  |

1. How many franchises does the insured own:
2. How many franchises have been created in the last 12 months:
3. How many franchises is it anticipated will be created in the next 12 months and in which states will they be:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| NSW | VIC | QLD | WA | SA | TAS | ACT | NT | O/S |
|  |  |  |  |  |  |  |  |  |

1. How many franchises have been closed or abandoned in the last 12 months:
2. How many franchises have left the group in the last 12 months:
3. How many franchises has the insured taken over in the last 12 months:
4. Have any of the franchises voiced material dissatisfaction with the performance of the Insured? If so please provide details:

|  |
| --- |
| Click or tap here to enter text. |

**Section 5 Declaration**

1. I declare that I am authorised to complete this addendum on behalf of the Insured, that I have made reasonable enquiries to ascertain the truth of all the statements and that to the best of my knowledge and belief the statements and particulars in this addendum are true and correct and no material facts have been omitted or misrepresented. I undertake to inform FTA Insurance of any change to any material fact which occurs before any insurance based on this addendum is entered into.

**X**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name and Position of person signing: Click or tap here to enter text.

Date: Click or tap to enter a date.