

# Professional Indemnity Insurance Proposal Form

<b>Duty of Disclosure</b>
<b>Your Duty of Disclosure</b>
<p>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.</p> <p>You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.</p> <p>Your duty however does not require disclosure of matter -</p> <ul style="list-style-type: none"><li>• that diminishes the risk to be undertaken by the insurer;</li><li>• that is of common knowledge;</li><li>• that your insurer knows or, in the ordinary course of its business, ought to know;</li><li>• as to which compliance with your duty is waived by the insurer.</li></ul>
<b>Non-Disclosure</b>
<p>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 or may cancel the contract.</p> <p>If your non-disclosure is fraudulent, the insurer may also have the option of avoiding the contract from its beginning.</p>
<b>Claims Made Policy</b>
<p>This declaration is for a 'claims made and notified' policy of insurance.</p> <p>This means that the Insuring Clause responds to:</p> <ul style="list-style-type: none"><li>• 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</li><li>• 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 policy's period of cover has expired. If you give written notification of such 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, Section 40(3) of the Insurance Contracts Act 1984 is set out below:</li></ul> <p><i>"S40(3) 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."</i></p> <p>When the policy period 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 policy period.</p> <p>You will not be entitled to indemnity under your new policy in respect of any claim resulting from an act, error or omission occurring or committed by you prior to the retroactive date, where one is specified in the policy terms offered to you.</p>
<b>Subrogation</b>
<p>The policy contains a provision that has the effect of excluding or limited the insurer's liability in respect of a claim where the insured had foregone, excluded or limited a right of recovery or contribution.</p>
<b>Non-Renewable Policy</b>
<p>For the purposes of section 58 of the Insurance Contracts Act 1984, if a policy is issued, this policy is non-renewable and will expire at the conclusion of the policy period. Should the insured require coverage beyond the expiry of the policy period, the insured must complete a new proposal form and the insurer may provide a new contract, the terms and conditions of which will be negotiated at the time.</p>

# Professional Indemnity Insurance Proposal Form

## 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. Where the space provided is insufficient for your replies, please provide these separately and attach to this Proposal Form.
3. Reference to Proposer in this Proposal Form means:
  - the entity or entities named in question 1; and
  - the past and/or present employees, sole practitioners, partners or directors of the entity or entities named in question 1.
4. Reference to "North America" in this Proposal Form means the USA and Canada and their respective territories and possessions.

## SECTION 1 DETAILS OF THE PROPOSER

1. Name of all entities to be insured

..... ABN: .....

..... ABN: .....

2. Telephone Number ..... Fax Number .....

Email address.....

Web site address .....

3. Address of Principal Office .....State ..... Postcode .....

4. Address(es) of other Office(s) .....State ..... Postcode .....

.....State ..... Postcode .....

5. Date business established ...../...../.....

6. a) Please list all professional services provided and allocate an approximate percentage of your fee income for each.

Professional Services

Mortgage / finance broking (introduces borrowers to lenders but has no ongoing involvement with the loan)	.....%
Mortgage origination lender who obtains funds from a securitised portfolio of loans (generally from a bank)	.....%
Mortgage aggregation / sub-aggregation	.....%
Mortgage Management (responsible for arranging the funds for a loan and the ongoing, prudent management through the life of the loan)	.....%
Mortgage introduction / referral	.....%
Debt reduction services	.....%
Arranging deposit bonds	.....%
Other (please specify)	.....%
.....	.....%
.....	.....%

b) If the Proposer is a mortgage aggregator or sub-aggregator, please advise:

i) How many members does the Proposer have? .....

ii) Total annual income distributed to members by the Proposer

Last 12 months ..... Next 12 months (estimated) .....

c) Are there any intended changes to the professional services described in Q6 a. Yes  No

*If Yes, please provide details below*

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# Professional Indemnity Insurance Proposal Form

**SECTION 1 (continued)**

**DETAILS OF THE PROPOSER**

7. Has the Proposer been engaged in any other professional service or activity other than described in 6a above?

Yes  No  - *If Yes, please provide details below*

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.....

8. Please provide details of ALL qualified Principals / Sole Practitioners / Broking / Origination / Management Staff

Name	Professional Qualification	Years of Experience	State Brief details of experience in the Mortgage Origination, Mortgage Management, Mortgage Banking and Mortgage Broking Industry

9. Please advise total numbers of:

- |                                      |       |                                    |       |
|--------------------------------------|-------|------------------------------------|-------|
| a) Partners / Principals / Directors | ..... | d) Administrative & Clerical Staff | ..... |
| b) Brokers / Managers                | ..... | e) Contractors                     | ..... |
| c) Trainee Staff                     | ..... | f) Other                           | ..... |
| <b>Total Staff</b>                   |       |                                    | ..... |

10. Has the Proposer or anyone intended to be covered by this insurance ever had their accreditation with any lender, financial institution, aggregator, professional association or body withdrawn, cancelled or revoked?

Yes  No

*If Yes, please provide details below*

.....  
.....

11. Has the Proposer been involved in any mergers or acquisitions in the last five years?

Yes  No

*If Yes, please provide details below*

.....

12. Has the Proposer been involved in any joint ventures in the last five years?

Yes  No

*If Yes, please provide details below*

.....

13. Is Previous Business cover required for the previous business of any principal, director, or partner? Yes  No

*If Yes, please advise:*

Name of principal, director or partner	Name of Previous Business	Professional Services

# Professional Indemnity Insurance Proposal Form

**SECTION 1 (continued)**

**DETAILS OF THE PROPOSER**

14. Does the Proposer arrange loans for property in suburbs in South Western Sydney (suburbs in the local government areas of the City of Canterbury, City of Bankstown, City of Liverpool, City of Campbelltown and Camden Council)? Yes  No

15. Is the Proposer a member of any mortgage association or aggregator? Yes  No

If Yes, please indicate which one(s)

MFAA  FBAA  PLAN  Wizard  Lawform  NBG  Other: .....

16. Is the Proposer represented in any way outside Australia? Yes  No

If Yes, please state Country, Fees / Turnover, Number of Staff and Number of Offices

Country	Fees / Turnover	Number of Staff	Number of Offices
	\$		
	\$		
	\$		

17. Is the Proposer represented in any way in North America? Yes  No

If Yes, please provide details below

.....  
.....

18. Please state total gross income. NOTE: Total gross income includes all fees, commissions, trailing commission, bonuses and the like received by the Proposer or its contractors, sub-agents or the like for whom the Proposer is responsible.

Location	Previous 12 months	Last 12 months	Next 12 months
a) Australia	\$	\$	\$
b) elsewhere (excluding North America)	\$	\$	\$
c) in North America (including work performed outside those areas for persons, companies, firms, or organisations having an address therein)	\$	\$	\$
<b>Total of a), b) and c) above</b>	\$	\$	\$

19. Stamp Duty Declaration – Please provide a percentage breakdown fees / turnover by location as follows

NSW	%	VIC	%	QLD	%	SA	%	WA	%
TAS	%	ACT	%	NT	%	Overseas	%	<b>Total</b>	<b>100%</b>

20. If the Proposer performs work overseas, are Australian Financial Institutions always used? Yes  No

21. Please state the amount of the largest loan arranged or to be arranged for a client \$.....

22. Has the Proposer ever acquired a loan portfolio? Yes  No

Please note that the Policy will not automatically cover claims arising from an acquired loan portfolio. To enable us to consider whether we are able to provide this cover, please advise the following:

- a) List of loans acquired
- b) List of loans currently in default or arrears
- c) Trailing commissions
- d) The number of loans for which a credit serviceability check has been conducted

# Professional Indemnity Insurance Proposal Form

**SECTION 1 (continued)**

**DETAILS OF THE PROPOSER**

23. Please state the number of financial institutions / credit providers with whom the Proposer holds direct accreditation: .....

24. Please list the top 5 lending institutions (most dealings with) with which the Proposer is an accredited mortgage / finance broker:

- 1) .....
- 2) .....
- 3) .....
- 4) .....
- 5) .....

25. Does the Proposer hold a delegated lending authority on behalf of any financial institution or credit provider? Yes  No

26. Does the Proposer provide or has the Proposer in the past provided finance or mortgage broking services in relation to solicitor funds, private first mortgage and/or pooled mortgage investment schemes?

If Yes

- a) Please state the percentage of funds from these sources: .....%
- b) If the Proposer is no longer providing such services, please advise the date when the Proposer ceased this activity: ...../...../.....
- c) If the Proposer is currently providing such services or plans to do so in the future, please provide details.

.....  
.....

27. Please provide a breakdown of the Proposer's loan portfolio between:

Residential / investment property loans	.....%
Commercial chattel finance / plant and equipment / business loans	.....%
Vehicle financing / personal loans	.....%
Commercial construction / property development	.....%
<b>Total</b>	<b>100%</b>

28. Please estimate what percentage of the Proposer's loan portfolio is represented by low doc loans, margin lending, non-conforming loans or reverse mortgages .....%

29. Please estimate what percentage loans in the Proposer's portfolio have a loan value ratio (LVR) greater than 80%. .....%

30. Does the Proposer have contractors? Yes  No   
 If Yes, do the contractors perform 100% of their activities for the Proposer? Yes  No   
 Contractors who do not perform 100% of their activities for the Proposer are not eligible to be included as Insureds under the Policy.

31. Does the Proposer operate in Western Australia? Yes  No   
 If Yes, which class of licence does the Proposer hold or / is applying for through the Commission of Consumer Protection?  
 A     B     C     D

32. Does the Proposer have any Professional Indemnity Insurance currently in force? Yes  No   
 If Yes, please state:

Name of Insurer .....	Limit of Indemnity .....
Renewal Date ...../...../.....	Excess .....
Retroactive Date ...../...../.....	

**SECTION 2**

**RISK MANAGEMENT**

1. a) Does the Proposer or a duly authorised person witness clients' signatures on documents when required? Yes  No
- b) Are all brokers with less than 12 months experience working under supervision? Yes  No
- c) Does the Proposer always sight original documentation and undertake the 100 point ID check? Yes  No
- d) Does the Proposer always disclose commissions as required by legislation? Yes  No
- e) Does the Proposer always ask the client to review and sign off the loan application before it is submitted to the lender? Yes  No
- f) Does the Proposer always obtain verification of income from all loan applicants? Yes  No
- g) Are the implications of rate increases always discussed with the client? Yes  No
- h) When recommending the refinancing of an existing loan, does the Proposer always analyse the cost as well as the advantages and disadvantages of proceeding with the refinance? Yes  No
- i) Do you always undertake a comprehensive screening process for all staff and contractors (this should include at a minimum a police check and reference check)? Yes  No
- j) Are all brokers with less than 12 months experience working under supervision? Yes  No

If No to any of the above, please provide details

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2. a) Has any partner, principal or employee ever been declared bankrupt or had a criminal conviction? Yes  No
- b) Does the Proposer have signature rights to any banking accounts into which clients' payments are deposited? Yes  No

If Yes to any of the above, please provide details

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**SECTION 3**

**GENERAL DETAILS**

1. Has any insurer, in respect of the risks to which this proposal relates, ever:
  - a) Declined a proposal, refused renewal or terminated an insurance? Yes  No
  - b) Required an increased premium or imposed special conditions? Yes  No
  - c) Declined an insurance claim by the Proposer or reduced its liability to pay an insurance claim in full (other than by application of an Excess)? Yes  No

If Yes to any of the above, please give details

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**SECTION 4 CLAIMS AND CIRCUMSTANCES**

1. a) Has any claim been made against the Proposer or any principal, partner or director (either as a principal, partner or director of the Proposer or of any previous business), consultant or employee in respect of the risks to which this proposal relates? Yes  No
- b) Has the Proposer or any principal, partner, director, consultant or employee incurred any other loss or expense which might be within the terms of the Professional Indemnity cover? Yes  No

If Yes in either case, please give details

Date of Claim or loss	Brief details of each Claim or loss	Cost (if any) of Claim paid or loss insured	Estimated outstanding loss
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$
/ /		\$	\$

2. What action has been taken to prevent a recurrence of the situation which gave rise to each claim or loss?

.....

.....

.....

.....

3. Is any principal, director, partner, consultant or employee, **after enquiry**, aware of any circumstances which might:
- a) Give rise to a claim against the Proposer or his / her predecessors in business or any of the present or former partners, principals, directors, consultants or employees? Yes  No
- b) Result in the Proposer or his / her predecessors in business or any of the present or former partners, directors, consultants, employees or principals incurring any losses or expenses which might be within the terms of the Professional Indemnity cover? Yes  No
- c) Otherwise affect the Insurer's consideration of this Insurance? Yes  No

If Yes to any, please give details, including maximum potential cost (by separate note if preferred)

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**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 insurance policy.**

# Professional Indemnity Insurance Proposal Form

SECTION 5	INSURANCE
1. Please state Limit of Indemnity required under this Professional Indemnity insurance: <input type="checkbox"/> \$1,000,000 <input type="checkbox"/> \$2,000,000 <input type="checkbox"/> \$5,000,000 <input type="checkbox"/> \$10,000,000 <input type="checkbox"/> \$20,000,000 <input type="checkbox"/> Other: \$.....	
2. Please state Excess required (in most cases an Excess will be compulsory) <input type="checkbox"/> \$1,000 <input type="checkbox"/> \$2,500 <input type="checkbox"/> \$5,000 <input type="checkbox"/> \$7,500 <input type="checkbox"/> \$10,000 <input type="checkbox"/> Other amount: \$.....	
<b>Additional information required</b>	
Please attached brochures, written agreements or conditions of contract in connection with the professional services.	
<b>DECLARATION</b>	
I/We the undersigned duly authorised person(s) declare that: i. I am/we are authorised by each of the Proposers to sign this Supplementary Proposal; and ii. the above statements are correct, true and complete; and iii. no information material to this Supplementary Proposal has been withheld; and iv. I/we have read the <b>important facts</b> which you have put before me/us and I/we understand the advice given in relation to the <b>duty of disclosure</b> ; and v. I/we have diligently made all necessary and detailed enquiries in order to comply with the <b>duty of disclosure</b> ; and vi. I/we understand that no insurance is in force until such time as the insurer has confirmed acceptance of the proposed insurance; and vii. I/We undertake to inform the insurer of any material alteration to these facts occurring before completion of the contract of insurance; and viii. I/we acknowledge that the Insurer relies on the information and representations in this Supplementary Proposal and otherwise made by me/us in relation to this insurance.	
Signed.....	
Name of Partner(s) or Director(s).....	
On Behalf of ..... (Insert Name of Firm)	
Date...../...../.....	

## PRIVACY STATEMENT

### PURPOSE OF COLLECTION

Coverforce Underwriting Pty Ltd (**Coverforce**) collects personal information (*this is information or an opinion about an individual whose identity is apparent or can be reasonably ascertained and which relates to a natural living person*) for the purposes of providing insurance intermediary services to you. This includes the following activities:

1. Evaluating your proposal for insurance; and
2. Evaluating any request for a change to your insurance; and
3. Providing, administering and managing the insurance intermediary services and insurance product/s provided, following acceptance of your proposal; and
4. Assisting with the management of claims made in relation to any insurance you have arranged with Coverforce.

The personal information collected can be used or disclosed by us to underwriters, from whom we seek terms or policy changes on your behalf. It can also be used or disclosed by us for a secondary purpose related to those noted 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 related to those purposes noted above.

### DISCLOSURE

Coverforce may disclose your personal information, when necessary and in connection with the purposes listed above, to the following:

1. Insurers whom we approach on your behalf to seek terms or, if your proposal for insurance has come to us via another intermediary, to that intermediary.
2. Government bodies.
3. Loss assessors.
4. Claims investigators.
5. Claims reference providers.
6. Other services providers.
7. Medical and health professionals (life risk only).
8. Legal and other professional advisers.

### CONSEQUENCES IF INFORMATION IS NOT PROVIDED

If you do not provide us with the information we need we, or underwriters to whom we would normally send you proposal, will be unable to consider your proposal for insurance cover and or administer your policy and or assist with the management of any claim under your policy.

### ACCESS

You can request access to your personal information by contacting our Privacy Officer on +61 2 8814 7777.