

**Mortgage / Finance Brokers Professional Liability
Insurance Proposal Form**

ProfessionGuard

Mortgage / Finance Brokers Professional Liability Insurance Proposal Form

Important Notice

Claims-Made & Notified Insurance

This policy is issued by American Home Assurance Company on a **claims-made and notified** basis. This means that the policy only covers Claims (as defined) first made against you during the Policy Period (as defined) and notified to the insurer in writing during the Policy Period. The policy does not provide cover for any Claims made against you during the Policy Period if at any time prior to the commencement of the Policy Period you became aware of facts which might give rise to those Claims being made against you.

Section 40(3) of the Insurance Contracts Act 1984 provides that where you give notice in writing to the insurer of facts that might give rise to a Claim against you as soon as is reasonably practicable after you become aware of those facts but during the Policy Period, the insurer cannot refuse to pay a Claim which arises out of those facts, when made, because it is made after the Policy Period has expired.

This policy contains a "Prior Claims/Circumstances" Exclusion for loss in connection with any claim:

- (i) made prior to or pending at the inception of this policy; or
- (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any Insured to give rise to a Claim.

This policy does not provide cover for Claims arising from any Wrongful Acts which take place before the Retroactive Date.

Your Duty of Disclosure

Section 21 of the Insurance Contracts Act 1984 provides that before you enter into a contract of general insurance with an insurer, you have a duty 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 the insurance and, if so, upon 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.

However, your duty of disclosure does not require you to disclose matters:

- that diminish the risk to be undertaken by the insurer;
- that are of common knowledge;
- that your insurer knows, or in the ordinary course of its business, ought to know;
- as to which compliance with your duty of disclosure is waived by the insurer.

Your duty of disclosure continues after the proposal form has been completed up until the Policy Period commences.

Consequences of 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 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.

Subrogation

This policy contains provisions which have the effect of excluding or limiting the insurer's liability in respect of a loss where you have prejudiced the insurer's rights of subrogation where you are a party to an agreement which excludes or limits insurer's rights to recover the loss from another party. You are hereby notified of the effect of these provisions.

Details Of The Proposer

1. (a) Name of the Firm/Partnership/Company: _____

- (b) Trading Name: _____
- (c) Firm's ABN: _____
- (d) To what extent do you intend to claim an Input Tax Credit for the premium paid for this Policy? _____ %
- (e) Firm's Dunn & Bradstreet Number: _____
- (e) Street Address: _____
 Suburb: _____
 State: _____
 Postcode: _____
- (f) Name of Contact Person: _____
- (g) Website Address: _____

2. (a) During the past 3 years has the:
 (i) name of the Firm changed? Yes No
 (ii) Firm acquired, merged or taken over any other firm(s), or been acquired, merged or taken over by any other firm(s)? Yes No
- (b) Is any acquisition, tender offer or merger pending or under consideration by the Firm? Yes No
- (c) Is the Firm aware of any proposal relating to its acquisition by another company? Yes No

If "Yes" to any of the foregoing, please provide full details (use a separate sheet of your letter headed paper if insufficient room below), including confirmation of the position relating to past liabilities assumed by either party/ firm(s).

3. Please provide details of the current Partners/ Principals/Directors of the Firm:

Name of Partner/Principal/ Director	Qualifications	Year Qualified	How many years as a Partner/ Principal/ Director	
			This Practice	Prev. Practice

Use a separate sheet of your letter headed paper if insufficient room above.

4. Please provide details of current staff numbers:
- (a) Partners/Principals/Directors _____
- (b) Other qualified/technical personnel _____
- (c) Administration & clerical personnel _____
- TOTAL** _____
5. To what Professional Associations/ Societies does the Firm belong to? _____
- _____

Details Of The Business

6. Please provide the total amount of the Firm's gross income/fees for the following periods:
- (a) Previous financial year \$ _____
- (b) Current financial year \$ _____
- (c) Coming financial year (est.) \$ _____
7. Does any one contract or client represent more than 50% of the Firm's annual income/fees? Yes No
- If "Yes", please give details of the name of the client and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).*
- _____
- _____

8. (a) For each of the activities below, indicate the percentage of gross income/fees derived from:

	Activity	Current Financial Year %
(i)	Mortgage Broking / Origination	%
(ii)	Mortgage Administration / Management	%
(iii)	Finance Broking	%
(iv)	Other, Please specify _____ _____	%
	Total	100%

- (b) Is the Firm authorised to:
- (i) Conduct online credit check enquires? Yes No
- (ii) Instruct solicitors to prepare mortgage documentation? Yes No

Please note that this policy only provides cover for the activities referred to above. The policy does NOT provide cover for any other activity including where the Firm operates under a delegated lending authority.

9. Please provide a reconciliation of your loans for the previous 12 months, as shown in the table below:

Loan Size	Approx. number of loans	% of loans
Less than \$100,000		%
Between \$100,000 and \$250,000		%
Between \$250,001 and \$500,000		%
Between \$500,001 and \$1,000,000		%
More than \$1,000,001		%
Total		100%

10. Please provide a reconciliation of your loan types for the previous 12 months, as shown in the table below:

Loan Type	% of loans
Residential dwellings (owner occupied)	
Residential dwellings (investment)	
Commercial / Industrial	
Leasing and Equipment	
Reverse mortgages	
Other (please provide details)	
Total	100%

11. Please provide a list of your top 5 panel lenders and respective commissions.

Financial Institution / Lender	Commission rates (%)
(i)	
(ii)	
(iii)	
(iv)	
(v)	

12. When recommending the refinance of an existing loan does the Firm analyse the costs as well as the advantages and disadvantages of proceeding with the refinance?

Yes No

13. Does the Firm always provide a documented comparison between the different interest rates and transaction costs of the available products?

Yes No

14. Does any one contract or client represent more than 50% of the Firm's gross annual income/fees? Yes No

If "Yes", please give details of the name of the client and what service(s) are provided (use a separate sheet of your letter headed paper if insufficient room below).

Claims Information

12. After enquiry of the Partners/Principals/Directors and employees, has there been or is there now pending a claim against the Firm, it's predecessors in business or it's former Partners/Principals/Directors for a Breach of Professional Duty? Yes No

If "Yes", please give full details (use a separate sheet of your letter headed paper if insufficient room below).

13. After enquiry of the Partners/Principals/Directors and employees is the Firm aware, of any circumstance or incident which may give rise to a claim against the Firm or it's Partners/Principals/Directors or employees? Yes No

If "Yes", please give full details (use a separate sheet of your letter headed paper if insufficient room below).

14. After enquiry of the Partners/Principals/Directors and employees is the Firm aware, of any prosecution (actual or pending) of the Firm or any Partner/Principal/Director under any International, Commonwealth, State or Local statute, legislation, regulation or By Law? Yes No

If "Yes", please give full details (use a separate sheet of your letter headed paper if insufficient room below).

15. Has the Firm or any Partner/Principal/Director or employee ever been subject to any disciplinary action, been fined or penalised, or been the subject of an inquiry investigating or alleging professional misconduct? Yes No

If "Yes", please give full details (use a separate sheet of your letter headed paper if insufficient room below).

Details Of Insurance

16. Does the Firm have Professional Indemnity Insurance currently in force?

If "Yes", please state

Yes No

(a) Insurer _____

(b) Indemnity Limit _____

(c) Expiry Date _____

17. Has the Firm ever had any Insurer decline a proposal, imposed any special terms, cancelled or refused to renew a Professional Indemnity Insurance Policy?

Yes No

If "Yes", please give full details (use a separate sheet of your letter headed paper if insufficient room below).

18. Amount of Indemnity required (please tick)

\$1 million \$2 million \$5 million

Other - please state _____

19. Amount of self insured Retention you are prepared to carry (please tick)

\$1,000 \$2,000 \$2,500 \$5,000

\$10,000 Other - please state _____

Stamp Duty Split

20. For the purpose of calculating Stamp Duty please confirm the number of employees as follows. *(Note the total in answer to Q20 should equal the total in answer to Q4):*

NSW	VIC	QLD	SA	WA	TAS	ACT	NT	Overseas	Total

Proposal Form Declaration

I declare that I have made all necessary inquiries into the accuracy of the responses given in this proposal and confirm that the statements and particulars given in this proposal are true and complete and that no material facts have been omitted, misstated or suppressed. I agree that should any of the information given by me alter between the date of this proposal and the inception date of the insurance to which this proposal relates, I will give immediate notice thereof to the insurer.

I acknowledge that I have read and understood the **Important Notice** contained in this proposal.

I warrant that I am authorised by the proposing Firm (and its partners/principals/directors if applicable) to complete this proposal form and to accept the quotation terms for this insurance on behalf of the Firm (and its partners/principals/directors if applicable).

Name: _____

Title: _____

Signature: _____

Date: _____



American Home Assurance Company
ABN 67 007 483 267
(Incorporated with Limited Liability in the USA)
A Member of American International Group, Inc.
