

MORTGAGE & FINANCE BROKERS PROFESSIONAL INDEMNITY PROPOSAL FORM

IMPORTANT INFORMATION: PLEASE READ THE FOLLOWING INFORMATION BEFORE COMPLETING THIS PROPOSAL

A. 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 that 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.

B. Claims Made and Notified Policy

This proposal form is for Professional Indemnity Insurance on a “Claims made and Notified” basis. This means that the policy covers you for claims made against you and notified to the insurer during the period of cover. It does not provide cover for:

- claims arising from an event which occurred before the policy’s “retroactive date” where such a date is specified in the schedule;
- claims made after the period of cover expires (even where the event giving rise to the claim occurred during the period of cover);
- claims made, threatened or intimated before the period of cover commenced;
- claims arising from facts or circumstances of which you first became aware before commencement of the policy and which you knew or ought reasonably to have known, had the potential to give rise to a claim under the policy of any previous policy;
- claims arising from circumstances noted on the proposal form or any previous proposal form.

C. Subrogation Agreements

Where another person would be liable to compensate you for any loss or damage otherwise covered by the insurance, but you have agreed with that person either before or after the loss or damage occurred that you would not seek to recover any monies from that person, the Insurer will not cover you under the insurance for such loss or damage.

D. Privacy Statement

Berkley Insurance Australia handles your personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

Consent

By requesting us to provide you with insurance and insurance related services, you consent to the collection, use and disclosure of personal information you have provided to us for the purposes set out in our Privacy Policy.

How we collect your personal information

Generally we collect personal information from you or your agents. Personal information may also be collected by us from our agents and service providers; other insurers and insurance reference bureaus; third parties who may claim under your policies; service providers who assist us in investigating, processing and settling claims; third parties who may be arranging cover for a group that you are part of; statutory, regulatory and law enforcement bodies and from publicly available sources.

Why we collect personal information

The personal information we collect enables us to provide our products and services. This may include processing and settling claims; offering products and services that may be of interest to you and conducting market research for products and services that may be relevant to you.

You can choose not to receive product or service offering from us by calling (02) 92758500 Eastern Standard Time 9am to 5pm Monday to Friday inclusive. For further information, you can access our Privacy Policy at www.berkleyinaus.com.au

Who we disclose your personal information to

Your personal information may be disclosed to other parties with whom we have business arrangements for purposes set out in the paragraph above. These parties may include insurers, intermediaries, reinsurers, related companies, our advisers and parties involved in claims assessment, processing, investigation and settlement. Where required by law, we may also disclose information to government, law enforcement, dispute resolution and statutory or regulatory bodies.

Personal information about others

Where you provide personal information about others, you represent to us that you have made them aware that you will do so, the types of third parties we may disclose it to together with the purposes we and our third parties use it for, how they can access such information and how complaints can be made

Where you provide sensitive information about others, you represent to us that you have obtained their consent. If you have not, and will not do so, you must tell us before you provide the sensitive information.

Overseas Disclosure

Your personal information may be disclosed to other companies in the Berkley group, reinsurers and service providers that may be located in Australia and overseas. The countries this information may be disclosed may vary from time to time but may include the United States of America and other countries where the Berkley group has a presence.

Any information disclosed may only be used for the purposes detailed above.

Accessing your personal information and dealing with complaints

You may request access to the personal information we hold about you by calling us at any time.

Our Privacy Policy details how you can make a complaint about a breach of the privacy principles as set out in the Privacy Act 1988 (Cth) and our complaints process.

Our Privacy Policy is available at www.berkleyinaus.com.au

Contact Details

Berkley Insurance Australia

Level 7, 321 Kent Street

SYDNEY NSW 2000

Ph: 02 9275 8500

Fax: 02 9261 2773

Email: australia@berkleyinaus.com.au Web site: www.berkleyinaus.com.au

SECTION 1 – GENERAL DETAILS

1. Please provide the following details:

Name of proposer(s) to be covered	ABN	Date established

2. Main address of the proposer and any other addresses:

Principal address:

Other addresses:

Email address:

Website address:

3. Individual, partner, principal, director, consultants details:

Name	Age	Qualifications	Date(s) Qualified	Length of Service	
				This practice	Previous practice

Please attach CV where the proposer has been established less than 3 years and/or where any individual has no relevant qualifications.

4. Number of employees split between the following:

Principals/Directors
Qualified Staff
Administrative
Other (specify)
Total

5. Is the proposer connected or associated (financially or otherwise) with any other entity?

No Yes If yes, is cover required for any work undertaken for any associated entity?

No Yes If yes, please provide full details including nature of the work undertaken and income derived:

6. During the past 6 years has the proposer's name been changed, has any other business been purchased and/or has any merger or consolidation taken place?

No Yes If yes, please provide details:

SECTION 2 – CLAIMS INFORMATION

1. After full enquiry has the proposer sustained any loss through the fraud or dishonesty of any person?

No Yes If yes, please provide details (please attach a separate piece of paper if necessary):

2. After full enquiry is the proposer aware of any fraud, dishonesty, bankruptcy or administration order applicable to any past or present principal, partner, director or employee?

No Yes If yes, please provide details:

3. After full enquiry, has any claim been made against the proposer's business or any principal, partner, director, or employee whilst in this or any other business?

No Yes If yes, please provide details (please attach a separate piece of paper if necessary):

Date matter notified	Insurer	Claimant (or potential claimant)	Brief description	Amount paid including legal costs	Estimate of liability if not paid	Finalised or open

4. After full enquiry is the proposer aware of any circumstance or incident which has or could result in any claim being made against the proposer's business, or any principal, partner, director, or employee whilst in this or any other business?

No Yes If yes, please provide details:

5. After full enquiry has any principal, partner, director or employee been subject to any disciplinary proceedings or actions for misconduct in a professional respect whilst in this or any other business?

No Yes If yes, please provide details:

SECTION 3 – THE BUSINESS: WORK UNDERTAKEN

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

	Last Financial Year	Current Financial Year	Coming Financial Year
Financial Year Ended			
Australia			
Elsewhere			
Total			

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

3. Please give a **percentage split totalling 100%** of which state(s) generate the proposer's income.

NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S

If income is generated in NSW, please answer the following additional questions:

- a. Is the proposer a Capital Gains Tax small business entity (within the meaning of section 152-10(1AA) of the *Income Tax Assessment Act 1997* (Cth))? No Yes
- b. Is the proposer a small business individual, partnership, company and/or trust, which is carrying on a business, and the business has an aggregated turnover of less than \$2,000,000? (Aggregated turnover is your Australia wide annual turnover plus the annual turnovers of any business entities that are your affiliates or are connected with you). No Yes

4. Please provide a breakdown of the Total Gross Income derived by all proposed insureds (including fees and commissions) between the following activities:

Fees Earned From	Last Financial Year (Gross Income)	Anticipated Financial Year (Gross Income)
1. Mortgage Origination		
2. Mortgage Broking		
3. Mortgage Management		
4. Finance Broking		
5. Leasing and Hire Purchase		
6. Chattel		
7. Mezzanine		
8. Insurance Agency		
9. Insurance Broking		
10. Arranging of Deposit Bonds		
11. Other (please specify)		
Total		

5. Of the loans you arrange finance for, please advise the overall percentage split of loan type:

Loan Type	Percentage arranged
1. Residential	
2. Commercial	
3. Rural	
4. Industrial	
5. Investment Property	
6. Plant and Equipment Finance Broking	
7. Development/Construction	
8. Refinancing	
9. Other (please provide full details)	
Total	100%

6. Please advise the sources of finance used:

Finance Provider	Percentage Used
Banks	
Non-Bank Financial Institutions (eg. Credit Unions, Building Societies, etc)	
Non-Bank Lenders (eg. Securitisation Trusts, Mortgage Aggregation Schemes)	
Managed Investment Schemes (eg. Solicitors Funds)	
Private Credit Providers	

Please list below and provide details of other sources of finance that are used:

7. Do you have formal agreements in place with all finance providers No Yes

Have you obtained legal advice on these agreements? No Yes

If Yes, please provide list and please advise how many credit providers you hold accreditation with:

8. Do you have authority to approve or settle loans on behalf of lenders?

No Yes If yes, please provide full details including Delegated Loan Authority and copies of contract agreements for each lender you have authority to approve or settle loans for and please advise which staff are authorised to approve or settle loans:

9. What percentage of loans arranged fall within the following categories:

Loan to Value Ratios	Percentage Arranged
> 95% LVR	
90% to 95% LVR	
80% to 90% LVR	
0% to 80% LVR	

10. Has any lender revoked their agreement with you to provide loan applications?


No Yes If yes, please provide full details:

11. Please indicate the percentage of loans you arrange finance for that is subject to the Consumer Credit Code:


a) Do you ensure all loans subject to this code are compliant? No Yes

If No, please provide full details:


12. Are you a member of a Professional Association?

No Yes  If yes, please provide details:

13. Are you a member of any External Dispute Resolution Scheme?

No Yes  If yes, please provide details:


14. Do you perform or arrange any valuations?

No Yes  If yes, please provide details:

15. Of the loans you arrange finance for, please advise the portion of income and maximum value of loans arranged/derived from the following (*only advise if you arrange these types of loans or intend to in the next 12 months*):

Loan Type	% of Income	Maximum Value of Loans (\$)
Low Documentation Loans		
Deposit Impaired Loans		
Credit-Impaired Loans		
Reverse Mortgages		
Second Mortgages		

16. Do you have signature rights to any banking accounts of which borrowers monthly and/or other payments are deposited?

No Yes  If Yes, please provide full details:


17. If you are required to witness a client's signature do you:

a) Always ensure this is done in your presence? No Yes

b) Check ID of the person signing at the time of signing? No Yes

If No, please provide full details:

18. If you are required to provide 100 point ID check as part of the loan application contract process, do you always sight the original documentation?

Yes No  If no, please provide details:

19. When hiring staff, do you always:

a) Contact prior employers and obtain satisfactory references? No Yes

b) Obtain a police record check? No Yes

20. Is the proposer aware of any change in activity/structure that will occur in the coming financial year?

No Yes If yes, please provide details.

SECTION 4 – THE BUSINESS: RISK MANAGEMENT

1. Is the proposer a member of any Association or accredited to any quality systems such as the ISO9000?

No Yes If yes, please provide details:

2. What are the proposer's procedures in operating a diary system?

3. If the proposer is a sole practitioner, please provide details of arrangements to maintain service and standards in the event of sickness or holiday?

4. Does the proposer have written procedures or checklists for the services performed?

No Yes If yes, please provide details:

5. What records are kept by the proposer of telephone conversations and attendance at meetings?

6. Does the proposer subscribe to any form of Continuing Professional Development or Education?

No Yes If yes, please provide details:

7. What are the proposer's procedures, such as letters of engagement, to ensure that a client's requirements are clearly identified and can be met?

8. Does the proposer always obtain satisfactory written references when engaging employees?

No Yes If yes, please provide details:

9. Does the proposer ensure that any outside consultants engaged carry their own Professional Indemnity Insurance?

No Yes If yes, please provide details:

SECTION 5 – INSURANCE COVERAGE

1. Does the proposer currently have Professional Indemnity Insurance in force for the activities for which cover is being sought?

No Yes If yes, please advise the following details:

Insurer:	
Limit:	
Excess:	
Renewal date:	
Number of years cover has been continuously in force:	

2. Has any proposal for similar insurance made on behalf of the proposers business, any predecessor of the business, or any principal, partner or director ever been declined or has such insurance ever been cancelled, renewal refused or any special terms imposed (other than general market increases)?

No Yes If yes, please provide details:

SECTION 6 – INSURANCE REQUIRED

Please advise the limit of indemnity you require and the excess you would prefer (Note: an excess will apply).

a. Limit of indemnity: \$ _____

b. Excess: \$ _____

SECTION 7 – DECLARATION

I declare that I am authorised to complete this Proposal Form (Proposal) on behalf of the Company and that to the best of my knowledge and belief the statements and particulars in this Proposal are true and correct and no material facts have been omitted or misrepresented. I undertake to inform Berkley Insurance Australia (BIA) of any change to any material fact which occurs before any insurance based on this Proposal is entered into (up to and including the policy inception date).

By completing and signing this Proposal you acknowledge, accept and agree that in underwriting and issuing a policy (including replacement policies) BIA does and will rely on all disclosures, proposals, declarations and representations made by you to BIA.

____ / 20____

Date

Name of authorised individual/partner/principal/director

Signature of authorised individual/partner/principal/director

Sydney

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