



Credit Professionals

Professional Indemnity Insurance and optional Public & Products Liability

Proposal form 2012-2013

Please return completed proposal form to:

Aon Risk Services Australia Limited

ABN 17 000 434 720

Level 51, 80 Collins Street, Melbourne VIC 3000

GPO Box 1230, Melbourne VIC 3001

phone 03 9211 3000 tollfree 1800 805 191

fax 03 9211 3510

Notice to the proposed insured

It is a requirement of the Insurance Contracts Act 1984 and the Corporations Act 2001 that the following notices 1, 2, 3, 4, 5 and 6 be brought to your attention before you complete this proposal form.

1. Disclosure of relevant facts

Your duty of disclosure

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, that is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on 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.

Your duty however does not require disclosure of a matter:

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

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.

The requirement of full and frank disclosure of anything which may be material to the risk for which you seek cover (e.g. claims, whether founded or unfounded), or to the magnitude of the risk, is of the utmost importance with this type of insurance. It is better to err on the side of caution by disclosing anything which might conceivably influence the Insurer's consideration of your proposal.

2. Claims made and notified policy

This proposal is for a "claims made and notified" policy of insurance. This means that the policy covers you for claims made against you and notified to the Insurer during the period of cover. This policy does not provide cover in relation to:

- events that occurred prior to the retroactive date of the policy (if such a date is specified);
- claims made after the expiry of the period of cover even though the event giving rise to the claim may have occurred during the period of cover;
- claims notified or arising out of facts or circumstances notified (or which ought reasonably to have been notified) under any previous policy;
- claims made, threatened or intimated against you prior to the commencement of the period of cover;
- facts or circumstances which you first became aware of prior to the period of cover, and which you knew or ought reasonably to have known had the potential to give rise to a claim under this policy;
- claims arising out of circumstances noted on the proposal form for the current period of cover or on any previous proposal form.

However, where you give notice in writing to the Insurer of any facts that might give rise to a claim against you as soon as reasonably practicable after you become aware of those facts but before the expiry of the period of cover, the policy will, subject to the terms and conditions, cover you notwithstanding that a claim is only made after the expiry of the period of cover.

Upon expiry of the policy no further claims can be made thereunder and the need to maintain insurance or arrangement of Run-Off cover is essential.

You should familiarise yourself with our standard form of policy for this type of cover before submitting this proposal.

3. Broker acting as agent of insurer

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

4. Claims notification

If you become aware of a claim or of circumstances that could give rise to a claim in the future, you should notify us in writing immediately, so that we can notify your Insurer on your behalf. If you become aware of a claim or of circumstances and you do not notify them during the policy period, you could be left uninsured or facing a reduced payout from your Insurer in respect of that claim or any future related claim.

5. Average provision

This policy provides that if a payment in excess of the limit of indemnity available under this 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 indemnity available under this policy bears to the amount paid to dispose of the claim. Any surplus will be deducted from claim payments.

6. Subrogation agreements

Where another person would be liable to compensate you for any loss or damage otherwise covered by the policy, 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 policy for any such loss or damage.

Aon's privacy statement

Aon has always valued the privacy of personal information. When we collect, use, disclose or handle personal information, we will be bound by the Privacy Act 1988.

If you would like a copy of our Privacy policy, or wish to seek access to or correct the personal information we collected or disclosed about you, please telephone or email your Aon contact or access our website – www.aon.com.au.

Vero's Privacy statement

Vero Insurance Limited is a member of the Suncor Group. A copy of the Vero Privacy Statement can be reviewed at www.vero.com.au

Credit Professionals. Proposal form

Professional indemnity insurance

Please complete and return this proposal form to Aon Risk Services Australia Ltd,
GPO Box 1230 Melbourne VIC 3001.

If you are faxing your proposal form, please do not send the original. Fax 03 9211 3510 Phone 1800 805 191

1. Details of insured

Your name

Mr Mrs Miss Ms

First name

Family name

Company name *(includes Pty Ltd companies, partnerships and trading names)*

2. ABN

Postal address

Suburb

State

Postcode

Phone

Fax

Email

Website

www.

3. Date business established

4. (a) Please indicate if you are a member of any Associations or Aggregators

MFAA FBAA PLAN Wizard Fast Choice Astute Other _____

(b) Please tick which best describes your situation:

- I/We am a Credit Licence Holder under the National Consumer Credit Protection Act (NCA) 2009
- I/We am/are an authorised Credit Representative of a Credit Licence Holder under the National Credit Protection Act (NCA) 2009
- I/We am/are neither an Authorised Credit Representative or Credit Licence Holder and only intend renewing our policy for run-off purposes
- Other: please describe your situation in the space provided below.

(c) Please only complete the section that relates to you:

Section A: Credit Licence Holder	Section B: Authorised Representative of a Credit Licence Holder
<p>1) Will you or do you have authorised credit representatives performing professional services under your credit licence? Yes / No.</p> <p>If Yes, please detail the following in respect of credit representatives:</p> <p>(i) No of employees (PAYE)</p> <p>(ii) No of contractors</p> <p>2) Do you wish to have contractors that operate as credit representatives under your licence covered by your policy? Yes / No</p> <p>If yes, additional information will be required to consider this option. See section on additional information required by Credit Licence Holders at the end of this proposal form.</p> <p>NOTE: you are vicariously covered for the actions of your contractors under your policy. Contractors are encouraged to seek their own policy.</p>	<p>1) Please provide the name of the Credit Licence Holder for which you will be operating under?</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>2) Will you be operating as an authorised credit representative of any other Credit License holder, other than provided above? Yes / No</p> <p>If yes, please provide details below.</p> <p>.....</p> <p>.....</p> <p>.....</p>

(d) If you are renewing your policy for run-off purposes, please advise the date you have ceased or intend to cease providing professional services.

5. Please supply details of total gross income (include trail commissions and income generated from credit services) for:

(a) Previous 12 months \$

(b) Estimate for the next 12 months \$

6. Please state the amount of the largest loan arranged for a client

 \$

Please note loans over \$10 million are not automatically covered. Please contact Aon.

7. How many financial institutions/credit providers do you or your Licence Holder (in the case of a credit representatives) hold direct accreditation with?

8. Do you have authority to approve a loan on behalf of any financial institution or provide direct credit through your own funds?

 Yes No

9. Please provide a split of your source of funds for borrowers between the following:

(i) Banks	%
(ii) Non-Banking Financial Institutions	%
(iii) Solicitor Funds / Pooled Mortgage Investments / Private Funds	%
(iv) Other <i>please specify</i> (e.g. vendor finance)	%
TOTAL	100 %

10. (a) Please provide a breakdown of your activities between:

<u>Purpose of Loan</u>	<u>Proportion of Total Income</u>
(i) Residential / Investment Property Loans	%
(ii) Commercial Property Loans	%
(iii) Chattel Finance / Plant and Equipment Loans	%
(iv) Business Loans	%
(v) Vehicle Financing / Personal Loans	%
(vi) Reverse Mortgages	%
(vii) Other (please specify) _____	%
TOTAL	100 %

(b) Please indicate all professional services provided and allocate an approximate percentage of your fee income for each:

(i) Mortgage Broking	%
(ii) Finance Broking	%
(iii) Mortgage origination	%
(iv) Mortgage aggregations / sub-aggregation	%
(v) Mortgage management	%
(vi) Mortgage introduction / referral	%
(vii) Debt reduction services	%
(viii) Arranging deposit bonds	%
(ix) Other (please specify) _____	%
TOTAL	100 %

(c) Please indicate the percentage of your credit activities relating to:

(i) Low / No Doc Loans	%
(ii) Non-Conforming Loans	%

11. What percentage of mortgage broking relates to loans with a loan value ratio (LVR) greater than 85%?

%

12. Please advise as a percentage of your outstanding loan portfolio:

(a) the number of loans more than 90 days in arrears	%
(b) where trail commissions have been suspended	%

13. Please state the approximate percentage of your activities (based on total gross income) applicable to each state, territory and overseas.

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

14. If you perform work overseas are Australian financial institutions always used?

Yes No

15. Please advise total numbers of:

- (a) Partners / Principals / Directors / Brokers / Managers
- (b) Brokers / Managers / Employees (credit representatives)
- (c) Trainee Staff
- (d) Contractors
- (e) Administrative and Clerical Staff
- TOTAL STAFF**

16. Please provide qualifications 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.

17. Limit of Indemnity (please tick the relevant box indicating limit of cover required)

- \$2,000,000
 \$5,000,000
 \$10,000,000
 Other: \$

18. Is Previous Business cover required for the previous business of any Principal, Director or Partner?

Yes No

Name of Principal, Director or Partner	Name of Previous Business	Professional Services

Please note, Previous Business cover is not automatically included.

19. Risk Management

- (a) Do you or a duly authorised person witness clients' signatures on documents when required? Yes No
- (b) Do you always ask the client to review and sign off the loan application before it is submitted to the lender? Yes No
- (c) Do you always obtain verification of income from all loan applicants where required by lenders? Yes No
- (d) Are the risks of default always discussed with the client? Yes No
- (e) When recommending the refinancing of an existing loan, do you always analyse the costs as well as the advantages and disadvantages of proceeding with the refinance? Yes No
- (f) Do you always sight the original documentation and undertake the 100 point ID check for all applicants named on the loan including any guarantor where required by Lenders? Yes No
- (g) Do you always disclose commissions as required by legislation? Yes No
- (h) 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
- (i) Are all brokers with less than 12 months experience working under supervision? Yes No
- (j) Do you keep records for a period of 7 years? Yes No

- (k) Do you always maintain copies of all verbal agreements/instructions by confirming these in writing with your clients? Yes No
- (l) Do you have any signature rights to any banking accounts which your clients' payments are deposited? Yes No
- (m) Has any partner, principal or employee ever been declared bankrupt or had a criminal conviction? Yes No

(If you have answered No to any of questions 19. (a), (b), (c), (d), (e), (f), (g), (h), (i), (j) and/ or (k) or Yes to questions 19. (l) and/or (m) please provide details on a separate sheet explaining your answer.)

20. Claims, Circumstances & Professional Memberships

- (a) Have any claims ever been made against you, your predecessors in business or any of the present or past Partners or Directors for which this proposal relates? Yes No
- (b) Are you aware, after enquiry, of any circumstances which may result in any claims against you, your predecessors in business or any of the present or past Partners or Directors? Yes No
- (c) Has any insurer ever declined, cancelled or imposed special conditions in relation to liability insurance? Yes No
- (d) Have you or any Partner/Director or staff member ever been subject to disciplinary proceedings for misconduct in a professional respect? Yes No
- (e) Have you or any Partner/Director or staff member ever had accreditation with any lender, financial institution, aggregator, professional association or body withdrawn, cancelled or revoked? Yes No

(If you have answered Yes to any part of this question, please provide details on the attached Claims Addendum).

21. Have you ever purchased a trail or mortgage/finance portfolio from a third party? Yes No

If yes, please ensure that the previous mortgage broker has arranged Run Off cover for all work done previously. No retrospective cover will be provided for activities by the entities from whom the loan book was purchased. Only post acquisition work will be considered.

22. If insured elsewhere? Please supply details below:

			<input type="checkbox"/> Yes <input type="checkbox"/> No
Broker	<input type="text"/>	Limit of Indemnity	\$ <input type="text"/>
Insurer	<input type="text"/>	Expiry Date	<input type="text"/> / <input type="text"/> / <input type="text"/>

23. Would you like a quotation for the contents of your Business? Yes No

If yes, we will contact you.

24. Public and Products Liability Optional Extension

- (a) Do you require a quotation for public and products liability? Yes No

If yes, please indicate the limit of Indemnity required.

\$10,000,000 \$20,000,000

Important Note: Please note that the optional extension for public and products liability is offered on an occurrence basis. This means that the Policy responds to Claims that occur during the Period of Insurance.

- (b) Have any claims ever been made against you, your predecessors in business or any of the present or past Partners or Directors in relation to Public and Products Liability Insurance? Yes No

(If you have answered Yes to the above questions, please provide details on the attached Claims Addendum)

DECLARATION AND AGREEMENT

1. I/We acknowledge that I/We have read the Notice to the proposed insured included with this form, and I/We understand those notices. I/We acknowledge that if the proposal is accepted, the insurance cover will be subject to the terms and conditions as set out in the policy wording.

2. I/We declare that the information contained in this proposal form is true and correct and that I/We have not suppressed nor mis-stated any facts.

Signature of Principal/Director/Owner

Date signed

Note: This proposal form can only be actioned once ALL questions have been answered and the above declaration has been signed and dated. Acceptance is also subject to underwriting guidelines.

Additional information required:

Additional information is required by Credit Licence Holders who wish to have their policy cover contractors that operate as their authorised credit representative. Please supply the following information by way of a separate attachment

1. Names of all the contractors you wish to be covered by your policy.
2. Information on the criteria used in assessing how you approve your authorised credit representative.
3. Details of your audit review process you may have regarding your credit representatives.

Important Note about contractors:

Note that where cover for contractors is considered, cover will be restricted to professional services performed after the date they become the Insured's authorised credit representative. Contractors should be encouraged and should ensure they obtain a separate policy for services they performed prior to becoming your authorised credit representative.

OFFICE USE ONLY

Inception Date

Date stamp

Claims addendum

If you have answered Yes to any part of Question 20 or 24(b) on this proposal form, please provide the following details in respect of each matter.

If more than one matter, copy this form as required before proceeding further.

If there is insufficient space to answer questions, please continue on your headed notepaper and attach it to this addendum.

Year of notification:

Class of Business: (please circle)

Name of insurer (if any):

Name of claimant:

Nature of problem:

Amount paid or estimated

Potential total liability

Is matter finalised or outstanding?

If possible, please provide a claims report from the insurer that is handling this claim.

Declaration

I/We confirm that the information provided above is true and correct.

Name of Practice

Signature of Principal/Director/Proprietor

Date signed