



Proposal Form



ABN 69 614 898 270 | AFSL 493713

PROFESSIONAL INDEMNITY

Mortgage & Finance Brokers



02 9003 1660



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General Details

1. Insured Details:

Name of Insured	ABN	Date Established

2. Main contact details of Insured:

Principal trading address	
Website	

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

Name	Age	Qualifications	Year Qualified	Length of Service	
				This practice	Previous Practice

4. Number of employees split between the following:

Principals/Directors	Qualified Staff	Admin Staff	Other (pls specify)	Total

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

No Yes

If yes, is cover required for work completed for Associated company?

No Yes

If yes, please specify the relationship with the Associated Company, the work undertaken, and the income generated from the Associated Company:

6. During the past 3 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:

Claims Information

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

No Yes

If yes, please provide details:

8. 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:

9. 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 use a separate page if necessary):

Date Notified	Insurer	Claimant (or potential Claimant)	Amount paid including legal costs	Estimate of amounts to be paid	Finalised or open
					<input type="checkbox"/> F <input type="checkbox"/> O
					<input type="checkbox"/> F <input type="checkbox"/> O
					<input type="checkbox"/> F <input type="checkbox"/> O

If yes, please provide brief description:

10. After full enquiry is the proposer aware of any circumstance or incident which might have 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:

11. 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:

Activities undertaken by the Insured

12. Please provide the proposer’s total turnover in each of the financial years:

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

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

14. 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

15. Does the principal of the Insured have more than 5 years experience, since qualifying, working in this industry?

No Yes

If no, then this is a decline for FTA Insurance.

16. 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)
Mortgage Origination		
Mortgage Broking		
Mortgage Management		
Finance Broking		
Leasing and Hire Purchase		
Chattel		
Mezzanine		
Insurance Agency		
Insurance Broking		
Arranging of Deposit Bonds		
Other (please specify)		
Total		

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

Loan Type	Percentage
Residential	
Commercial	
Rural	
Industrial	
Investment Property	
Plant and Equipment Finance Broking	

Development/Construction	
Other (please provide full details)	
Total should equal 100%	

18. What is the amount of your:

Largest loan in the last 3 years	
Average size of your loans in the last 12 months	

19. Please advise the sources of finance used:

Finance Provider	Percentage
Australian Banks	
Non bank financial Institutions (eg Credit Unions, Building societies etc)	
Non bank Lenders (eg securitisation Trusts, Mortgage aggregation schemes)	
Managed Investment Schemes	
Other Credit Providers (please advise details)	

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

No Yes

If yes, then this is a decline for FTA Insurance.

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

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

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

No Yes

If yes, then this is a decline for FTA Insurance.

23. Do you perform or arrange any valuations?

No Yes

If yes, please provide further details of how this takes place:

24. Of the loans you arrange finance for, please advise the portion of income and maximum value of loans arranged/derived from the following:

Loan Type	Max value	% of loans
Low Documentation Loans		
Deposit Impaired Loans		
Credit Impaired Loans		
Reverse Mortgages		
Second Mortgages		

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

No Yes

If yes, then this is a decline for FTA Insurance.

26. 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

27. 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 and keep copies?

No Yes

28. Have any claims been made against the proposed insured, its or their employees, principals or directors for alleging a breach of professional duty?

No Yes

If yes, please provide further details of the claim, the claim amount and any payments:

29. Is the Proposer aware, after enquiry, of any circumstances or incident which may give rise to a claim for breach of professional duty against the proposed insured(s), its/their employees, directors or principals?

No Yes

If yes, please provide further details:

Insurance Coverage

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

No Yes. If yes, please provide details:

Insurer	Limit	Excess	Expiry Date	Number of years continuously held in force

31. Has any proposal for similar insurance made on behalf of the proposer's 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:

32. Please provide me with quotes for the following Limits of Liability:

Limits of Liability
<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

Declaration

I declare that I am authorised to complete this Proposal Form 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 Proposal Form 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 Proposal Form is entered into.

Tick if the insured is claiming the NSW SMALL BUSINESS STAMP DUTY EXEMPTION

At the time that the contract of insurance being applied for is effected or renewed (as applicable), I hereby declare that I am/will be a small business as defined in section 259A of the Duties Act 1997 (NSW) (the Act) for the purpose of the small business exemption in section 259B of the Act. This declaration covers policies effected or renewed during the financial year ending 30 June

Name and Position of person signing:

Date:

Important Notices

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.

NSW Small Business Eligibility:

The NSW government has abolished stamp duty on a number of policies taken out by a small business. In order to gain the exemption, the business must be a small business in accordance with the Income Tax Assessment Act 1997 (s152.10), Capital Gains Tax meaning,

for the income year in which the insurance is effected or renewed. A small business for Capital Gains Tax purpose is, “an individual, partnership, company or trust that is carrying on a business, and has an aggregated turnover of less than \$2 million.” Aggregated Turnover, is the insureds annual turnover plus the annual turnovers of any business entities that are affiliates or are connected with the insured.

Incorrect or False Declaration:

A small business that wrongly claims the exemption, makes a false declaration, will be liable to a penalty of up to \$11,000 plus penalty stamp duty, interest and other costs being imposed.

Failure to provide a Declaration within the required timeframe:

The small business NSW stamp duty exemption is subject to the completed declaration being received by the Insurer. Where a small business declaration has not been provided at the time the policy is effected or renewed, the policy will be liable to duty. Please ensure you complete and return this Declaration to your Adviser as soon as possible to ensure you obtain the relevant exemption.

In executing this declaration I also confirm that:

- my obligations in respect of the NSW Small Business Stamp Duty exemption have been explained to me by my Adviser; and
- if I required any further clarity and/or understanding in respect of my eligibility I have made my own independent inquiry prior to executing this Declaration.

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:

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