



## **Advantagedge Members**

**(Incorporating PLAN, FAST and CHOICE Members)**

Professional Indemnity Insurance  
and optional Public & Products Liability

**Proposal form 2014-2015**

Please return completed proposal form to:

**Aon Risk Services Australia Limited**

ABN 17 000 434 720

Level 50, 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.

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## 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 a 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.

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## 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](http://www.aon.com.au).

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# Advantage Mortgage Brokers. Proposal form

## 2014/2015 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

### 3. Postal address

  

Suburb  State  Postcode

Phone   Fax

Mobile

Email

Website  www.

### 4. Date business established

5. Are you a current credit licence holder and or a authorised credit representative member of the Advantage Financial Services?

Yes  No

(b) If yes, please indicate type of membership:

(i) Credit Licence Holder

  

(ii) Authorised Representative of a Credit Licence Holder

(c) if No, are you applying for membership?

Yes  No

(i) If No please describe your connection with the Advantage Group?

  

6. (a) Are all of your activities conducted via Advantage?

Yes  No

(b) If No, please estimate your percentage of business transacted outside of Advantage for the next 12 months?

 %

7. Do you operate as an Aggregator or Sub-Aggregator?

Yes  No

If Yes, please do not proceed with this form. Contact Aon for an alternative quote.

8. Please supply details of total gross income (include trail commission and income generated from credit representatives) for the:

(a) Previous 12 months

(b) Estimate for the next 12 months

9. Please advise the largest loan ever arranged or intended to be arranged for a client?

**Please note: Loans over \$10 million are not automatically covered. Please contact Aon.**

10. Do you have authority to approve a loan on behalf of any financial institution?

Yes  No

**Professional Services Description:**

Mortgage broking, finance broking, mortgage origination and/or mortgage management services, debt management services, advice and dealing in life insurance products and services, the referral of a client to a third party provided the Insured does not receive an undisclosed commission in return for such referral, ancillary activities performed by the Insured to assist a client to obtain credit including services performed by an Insured under a delegated authority granted by a financial institution to arrange valuations, but excluding services performed under a delegated lending authority; and any services not otherwise covered above, which are regulated under the National Consumer Credit Protection Act 2009 (Cth).

11. Please provide a breakdown of your activities between:

<i>Purpose of Loan</i>	<i>Proportion of Total Income</i>
(a) Residential / Investment Property Loans	<input type="text" value=""/> %
(b) Commercial	<input type="text" value=""/> %
(c) Chattel Finance / Plant and Equipment	<input type="text" value=""/> %
(d) Business Loans	<input type="text" value=""/> %
(e) Low Doc Loans / Non Conforming Loans	<input type="text" value=""/> %
(f) Vehicle Financing / Personal	<input type="text" value=""/> %
(g) Reverse Mortgages	<input type="text" value=""/> %
(h) Other Activities: (Please describe) _____	<input type="text" value=""/> %
<b>Total</b>	<b>100 %</b>

12. Please estimate your percentage of funds you have ever sourced through Solicitor Funds/ Pooled Mortgage Investments/Private Funds?

%

13. Please estimate percentage of all loans with a loan value ratio (LVR) greater than 85%?

%

14. Please advise as a percentage of your outstanding loan portfolio, the number of loans where trail commission has been suspended?

%

15. Please state the approximate percentage of your activities for the past 12 months (based on Total Gross Income) applicable to each state, territory and overseas.

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

16. (a) Do you perform work overseas for overseas based clients?  Yes  No

If you have answered yes to this question please answer questions (b) and (c) below.

(b) Do clients always purchase properties in Australia?  Yes  No

If No, please provide full details on a separate sheet.

(c) Are Australian Financial Institutions always used?  Yes  No

If No, please provide full details on a separate sheet.

17. Please advise total numbers of (Including yourself):

(a) Partners / Principals / Directors

(b) Brokers / Managers

(c) Trainee Staff

(d) Administrative and Clerical Staff

(e) Contractors/ Credit Representatives \*\*

(f) Other (please provide details) \_\_\_\_\_


**TOTAL STAFF**

\*\* Please complete the attached Credit Representative Addendum & attach additional information & forward back with your proposal form to our office.

18. 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.

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

\$2,000,000     \$3,000,000     \$5,000,000     \$10,000,000

20. Public and Products Liability Extension

(a) Do you require a quote 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)

21. Do you require this cover for mortgage broking activities conducted as a director in a previous mortgage broking business?

Yes  No

If Yes, please provide details on a separate sheet.

**22. Risk Management – Part A**

- (a) Do you or a duly authorised person witness clients' signatures on documents when required? (i.e. Application Forms)  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? (other than low doc and no doc loans)  Yes  No
- (d) Are the dangers of rate increases and the impact these may have on a client 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, where required by a lender, sight original documentation and undertake The 100 point ID check for all applicants named on the loan including any guarantor?  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? (For example: Reference and/or Police Checks)  Yes  No  N/A
- (i) Are all brokers with less than 12 months experience working under supervision? (For example: their work is checked and monitored until experienced gained)  Yes  No  N/A

*(If you have answered No to any questions in 22 Part (A) above, please provide details on a separate sheet explaining your answer.)*

**22. Risk Management – Part B**

- (j) Do you have signature rights to any banking accounts into which your clients' payments are deposited?  Yes  No
- (k) Has any partner, principal, employee or contractor ever been declared bankrupt or had a Criminal conviction?  Yes  No

*(If you have answered Yes to any questions in 22 Part (B) above please provide details on a separate sheet explaining your answer.)*

**23. Do you have a current Professional Indemnity policy in force?**

Yes  No

*If Yes, please supply details below:*

Insurer	<input type="text"/>	Limit of Indemnity	\$ <input type="text"/>
Retroactive Date	<input type="text"/>	Expiry Date	<input type="text"/>

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

If Yes, make sure that the previous mortgage broker has been arranged Run Off cover for all work done previously. No cover will be provided for work done by the entities from whom the loan book was purchased, i.e. only your post Acquisition work will be covered

**25. Claims/circumstances**

- (a) Have any claims ever been made against you, your predecessors in business or any of the present or past Partners or Directors?  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 of questions 25. (a), (b), (c), (d) and/or (e) 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:**

Credit Licence Holders who wish to have contractors that operate as authorised credit representatives covered under their policy require additional information. Please supply the following information along with a completed copy of the Credit Representative Addendum.

1. A completed Credit Representative addendum for each contractor
2. Information on the criteria used in assessing how you approve your authorised credit representatives
3. Details of your audit review process you may have regarding your credit representatives.

**OFFICE USE ONLY**

Inception Date:

Date Stamp

# Claims addendum

If you have answered Yes to any of questions 19 and/or 24. (a), (b), (c), (d) and/or (e) of 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:

Name of insurer (if any):

Name of claimant:

Nature of problem:


Amount paid or estimated

Potential total liability

Is matter finalised or outstanding?

Please provide details on what action has been taken to prevent similar circumstances from occurring:


**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

# Credit Representatives Addendum

(to be completed by the individual Credit Representative)

2014/2015

## Professional indemnity insurance

1. Name of Credit Representative


Trading Name


2. Do you have any employees?

Yes  No

*If Yes please note that this policy provides protection for Credit Representatives who perform 100% of their activities for the Insured stated in question 1. of the Insured's proposal form and we therefore recommend you effect a separate policy for Your company.*

3. What is the name of the company that you are contracting your services to?

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4. Are 100% of your activities contracted to the entity stated in question 3 above?

Yes  No

*If No, we will forward a separate proposal form for your completion.*

5. Please supply details of total gross income for:

Previous 12 months

\$	
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6. Has your Gross income been included in the Policy Holder/Insured's application?

Yes  No

7. Please provide details of your qualifications/experience within the Industry.

Professional Qualification	Years of Experience	State Brief details of experience

8. Claims/circumstances

**(a)** Has any application for similar insurance made by you or your predecessors in business ever been cancelled, refused renewal or required special terms?

Yes  No

**(b)** Have any claims ever been made against you or your predecessors in business or any present or former Partner/Director?

Yes  No

**(c)** Are any of the Partners/Directors and staff, after enquiry, aware of any circumstances which may result in any claim against you or your predecessors in business or any present or former Partner/Director, or subject to any regulatory investigation?

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

*(If you have answered Yes to any of questions 8. (a), (b), (c), and/or (d), please provide full details on the attached Claims Addendum).*

## DECLARATION AND AGREEMENT

I the undersigned, after enquiry declare as follows:

1. I am authorised by each of the persons or entities in the definition of 'You; in question 1. of the Insured's proposal form.
2. I have read and understood the Notice to proposed insured at the front of this proposal.
3. I have read, understood and agree to the privacy statement in this proposal.
4. I have read this proposal and the accompanying documents and acknowledge the contents of same to be true and complete.
5. I understand that, up until a contract of insurance is entered into, I am under a continuing obligation to immediately inform the insurers of any change in the particulars or statement contained in this proposal or accompanying documents.

Although the signing of this proposal does not bind the applicant to effect insurance, I acknowledge that the particulars and statements contained in this proposal and in the accompanying documents shall be the basis of the contract if a policy is issued. I also acknowledge that the proposal and the accompanying documents will be incorporated in the contract of insurance.

Name of Credit Representative

Signature of Credit Representative

Date Signed

Signature of principal policyholder

**Note:** *This proposal form can only be actioned once all questions have been answered and the above declaration and agreement has been signed and dated.*