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Professional Indemnity Insurance Proposal Form – Credit License and Credit Representative

IMPORTANT NOTICES

Commercial & General Insurance Brokers (Aust) Pty Ltd (CGIB) is a licensed General Insurance Broker Your application will be forwarded to our Insurer panel requesting them to provide a quote. We will confirm the outcome to you on receipt of their quotations. You may be requested to provide further information. Please feel free to contact us if you would like further details.

COMPLETING THIS FORM

1. Answer all questions. Blanks &/or dashes, or answers 'known to underwriters or brokers' or 'N/A' are not acceptable & will delay consideration of this proposal form;
2. If there is insufficient room to complete a question, please attach a signed & dated addendum;
3. Any documents attached to the proposal form are part of the proposal;
4. Where appropriate, please tick the "Yes" or no box that best indicates your reply.

STATUTORY NOTICES

In this form You, Your, or Yours refers to question one (1) and We, Us or Our refers to the insurer who accepts this form.

DEFINITIONS

Insurers: Any insurer from our panel of insurers.

Insurance Provider: The Insurer from our panel of Insurers whose offer for Insurance has been accepted by the applicant.

RETROACTIVE LIABILITY

The retroactive date is the date after which any errors or omissions of the Insured are covered. Any errors or omissions made before the retroactive date are excluded by the policy. The retroactive date may be the time that the Insured first purchased a Professional Indemnity or Directors' & Officers' Liability policy. It is important to make sure that the retroactive date is correct. Remember, that the actual event that causes a claim to be made under the policy may have occurred in a prior period of insurance, but is only covered if it is notified to the Insurers in the period of insurance when the Insured first becomes aware of the claim or circumstances. The act, error or omission must arise from work done after the retroactive date shown in the schedule of the policy for the insurance to respond.

OTHER PRODUCTS & SERVICES

Please visit us at www.cgib.com.au for further information.

PRIVACY STATEMENT

We and our Insurer panel will only collect personal information from you or about you which is relevant to processing and assessing your application and use it in a way you would reasonably expect. Without this personal information we may not be able to process your application. Please see our privacy policy at: <http://www.cgib.com.au/privacy>.

Important Information Required – Please Attach

- | | | | |
|--|--------------------------|--|--------------------------|
| Copy of CV for all directors and personal providing advice | <input type="checkbox"/> | Copy of your services &/or products information brochure | <input type="checkbox"/> |
| Copy of your service contract (if applicable) | <input type="checkbox"/> | | |

Recommendations *(Please select the products that you would like further information)*

- | | | | |
|---------------------------------------|--------------------------|--------------------------------|--------------------------|
| Public & Products Liability Insurance | <input type="checkbox"/> | Management Liability Insurance | <input type="checkbox"/> |
|---------------------------------------|--------------------------|--------------------------------|--------------------------|

Professional indemnity insurance application form

You must read this notice before you complete the application form.

1. Disclosure of relevant facts

Duty of Disclosure

Under the *Insurance Contracts Act 1984* (Cth) (the Act), you have a Duty of Disclosure. You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**
 - that diminishes the risk
 - that is of common knowledge
 - that we know or should know in the ordinary course of our business as an insurer, or
 - which we indicate we do not want to know.

- **If you do not tell us**

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

2. Claims made Policy

This declaration 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:

- 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 of which you first became aware 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 application form for the current period of cover or on any previous application form.

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, you may have rights under Section 40(3) of the *Insurance Contracts Act 1984* (Cth) (the Act), to be indemnified in respect of any claim subsequently made against you arising from those facts notwithstanding that the claim is made after the expiry of the period of cover. Any such rights arise under the legislation only. The terms of the policy and the effect of the policy is that you are not covered for claims made against you after the expiry of the period of cover.

3. Average provision

The policy may provide that if a payment in excess of the limit of indemnity available under the 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.

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

4. Privacy statement

QBE includes information about how we manage your personal information in our Product Disclosure Statements and policy booklets. You can obtain a copy of the QBE Privacy Policy Statement from our website www.qbe.com or contact in writing, to The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001 or email: compliance.manager@qbe.com.

Professional indemnity insurance application form

IMPORTANT: Please answer ALL questions fully. If there is insufficient space please provide details on your letterhead. Where provided, tick (✓) appropriate box to indicate answer.

A. Your details

1. Full name of all entities to be insured. (You must specify the names of all entities including service, administrative or nominee companies and subsidiaries that are to be covered by this Policy).

2. Address of head office or principal office.

	Website			
		State	Postcode	

3. Address(es) of branch offices or other locations.

	State	Postcode	
	State	Postcode	
	State	Postcode	

4. Date on which the business was established

5. Partners/principals/directors details:

Names of all partners/principals/directors	Age	Qualifications	Date qualified	Period practicing as partner/principal/director	
				This business	Previous business
			/ /		
			/ /		
			/ /		
			/ /		
			/ /		
			/ /		
			/ /		

6. Total number of:

(i) Partners/principals/directors		(v) Non-technical administrative staff	
(ii) Professional qualified staff		(vi) Clerical staff - typists, receptionists etc	
(iii) Other technical staff		(vii) Other staff (please specify)	
(iv) Trainee staff		Total all partners/principals/directors and staff	

Please provide curriculum vitae or resumes for all partners/principals/directors detailing qualifications and a summary of career experience.

A. Business details

7. (a) Has the name of the business ever been changed? Yes No
- (b) Have you merged with any other business? Yes No
- (c) Have you purchased any other business? Yes No

If you answered 'Yes', to either (a), (b) or (c), please provide details:

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8. Is any partner, principal or director connected or associated (financially or otherwise) with any other practice or business? Yes No
- If 'Yes', please provide details:

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A. Business details

9. Please list the professional bodies or associations you belong to.

10. Please detail the approximate percentage of your gross income/fee derived from the following fields of work

Activity	Percentage split
(a) Finance broking (lease or loans) for cars and equipment <=\$500,000 any one item	
(b) Finance broking (lease or loans) for cars and equipment >\$500,000 any one item	
(c) Insurance agency	
(d) Mortgage broking of prime loans <\$1 million in value	
(e) Mortgage broking of sub-prime 'non-conforming' loans <\$1million in value	
(f) Mortgage broking of any loans >\$1 million in value	
(g) Mortgage broking of reverse mortgages	
(h) Mortgage management with a delegated lending authority	
(i) Mortgage originator	
(j) Other (please provide details)	
Total	100%

11. Do you always provide your client with written confirmation of the following information:

- (a) Details of the nature of your services Yes No
- (b) Disclosure of all fees and charges Yes No
- (c) Rights and remedies available to them in the event of a dispute Yes No

12. (a) When organising a loan do you always obtain a 100 point identification check, and sight original documents, for all applicants named on the loan, including guarantors?

Yes No

(b) If you are required to witness a client's signature, do you always ensure signing is carried out in your presence?

Yes No

(c) Do you always ask the client to review and sign off the loan application before it is submitted to the lender?

Yes No

(d) Do you always provide a documented comparison between the different interest rates and transaction costs of your available pool of products?

Yes No

(e) Are lending funds sourced via solicitors mortgage funds or other mortgage funds?

Yes No

(f) Do you have the authority to approve/settle loans on behalf of lenders?

Yes No

(g) 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

(h) Approximately what percentage of your current outstanding loans exceed a loan to value ratio of 85%?

%

(i) Please advise, as a percentage of your outstanding loan portfolio, the number of loans more than ninety (90) days in arrears

%

(j) Have any of your trail commissions been suspended by a lender as a result of loans in arrears or in default?

Yes No

13. Do you provide written reports to clients?

Yes No

If 'Yes', please provide sample copies of typical reports together with details of any disclaimers and/or warranties used in connection with such reports.

14. Please provide a brief description and fees for the five (5) largest contracts you have undertaken in the past five (5) years.

Brief description	Fees \$

15. Does any contract or client represent more than 50% of your annual work or fees?

Yes No

If 'Yes', please provide details:

A. Business details

16. Do you engage consultants, sub-contractors or agents? Yes No
 If 'Yes',
- (a) do you insist they carry their own professional indemnity insurance? Yes No
- (b) do you enter into any hold-harmless agreements or otherwise waive any legal rights or entitlements which you may have against such consultants, sub-contractors or agents? Yes No
- If 'Yes' to question (b), please provide details:

17. Will there be any substantial changes in your activities or are there any major new operations contemplated during the next twelve (12) months? Yes No
- If 'Yes', please provide details:

18. Do you issue any brochures or other promotional material (including capability statements) describing your activities or services? Yes No
- If 'Yes', please provide copies.
19. Do you perform work outside of Australia, or work for clients located overseas? Yes No
- If 'Yes', please provide details:

B. Financial details

20. (a) When is your financial year end

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- (b) What is the amount of gross income/fees for the following:
- (i) current financial year (estimate)
- (ii) last financial year
- (iii) previous financial year
- (c) What is the amount of the largest annual fee for any one client

/ /	
Australia	Overseas
\$A	\$A
\$A	\$A
\$A	\$A
\$A	\$A

21. Please provide the approximate percentage of your activities (based on gross income/fee) applicable to each State, Territory and Overseas.

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

C. Claims details

Please answer the following AFTER ENQUIRY of all persons to be insured under this policy:

22. (a) Have any claim(s) been made, or negligence alleged in the last ten (10) years against: Yes No
- (iv) you;
- (v) any predecessors in business;
- (vi) any prior business of any of your past or present directors, partners or principals;
- (vii) any person to be insured under this policy; or
- (b) Have any circumstances been notified to insurers that may give rise to a claim? Yes No
- If 'Yes', please provide the following details in respect of each matter.

Date matter notified	Name of insurer (if any)	Name of claimant or potential claimant	Brief description of matter	Amount paid or estimate of potential liability	Is matter finalised or outstanding?
/ /				\$	
/ /				\$	
/ /				\$	
/ /				\$	
/ /				\$	
/ /				\$	
/ /				\$	

C. Claims details

(c) Are there any circumstances not already notified to insurers which may give rise to a claim against you or any person insured under this policy? Yes No

If 'Yes,' please provide the following details in respect of each matter.

Name of claimant or potential claimant	Brief description of matter	Estimate of potential liability
		\$
		\$
		\$
		\$
		\$
		\$
		\$
		\$

23. Have you or any of your partners, principals or directors ever been refused this type of insurance or had similar insurance cancelled, or had an application of renewal declined, or had special terms imposed? If 'Yes,' please provide details: Yes No

24. Have you or any of your partners, principals or directors ever been declared bankrupt in the last five (5) years? If 'Yes,' please provide details: Yes No

25. Have you or any of your partners, principals or directors been the subject of administration proceedings in the last five (5) years? If 'Yes,' please provide details: Yes No

26. Have you or any person to be insured under this policy ever been subject to disciplinary proceedings for professional misconduct? If 'Yes,' please provide details: Yes No

27. Have you or any of your partners, principals or directors been convicted of any criminal offence (other than minor traffic convictions) in the last five (5) years? If 'Yes,' please provide details: Yes No

D. Insurance cover details

28. Do you presently carry or has the business ever carried professional indemnity insurance? Yes No

If 'Yes,' please provide details:

Insurer	<input type="text"/>	
Expiry date	<input type="text"/>	<input type="text"/>
Limit of indemnity	\$	<input type="text"/>
Premium	\$	<input type="text"/>

E. Application for cover

29. (a) Limit of indemnity required

(b) Deductible/excess requested (each and every claim)

(c) Optional extensions:

- Aggregated limit of indemnity (reinstatement) Yes No
- Fidelity Yes No
- Previous business Yes No

30. Fidelity cover

(To be completed only if you are applying for the **fidelity extension**)

(a) Do you presently carry any fidelity guarantee insurance? Yes No

If 'Yes,' please provide details:

Insurer	<input type="text"/>	
Expiry date	<input type="text" value="/"/>	<input type="text" value="/"/>
Limit of indemnity	\$	<input type="text"/>
Deductible/excess	\$	<input type="text"/>

E. Application for cover

(b) Has the business sustained any loss through the fraud or dishonesty of any employee?

Yes No

If 'Yes', please provide details and state precautions taken to prevent a recurrence.

(c) Is any member of your staff allowed to handle cash or transferable documents or sign cheques on his/her signature alone?

Yes No

(d) How often and by whom are the entries in the cash book checked with vouchers and reconciled with bank statements and returned cheques?

(e) Do you always require and obtain satisfactory references when engaging employees?

Yes No

31. Previous business cover

(To be completed only if you are applying for the **previous business extension**)

Name of principal, partner or director seeking previous business cover	Name(s) of previous business(es)	Estimate gross income for previous business(es) for two (2) financial/ calendar year ends immediately prior to principal, partner or director leaving	To the best of your knowledge, does the previous business(es) carry their own current Professional Indemnity Policy?	Please provide details of the types of professional services offered by the previous business(es)

Your answers to the claims and circumstances questions in this application form must fully reflect the claims and circumstances history of any prior or previous business.

F. Declaration and authorisation

- I have received a copy of the Policy Booklet.
- I am authorised to complete and sign this application on behalf of the business.
- The responses provided are made based on information provided to me by the principals, partners and officers of the business.
- I authorise QBE Insurance (Australia) Limited ABN 78 003 191 035 to give or obtain from other insurers or insurance reference bureaus or credit reporting agencies, any information about this insurance or any other insurance held by the business including this completed application and the business's claims history and credit history.

Sign: Partner, principal or director

Date / /

Please return the completed application form to your financial services provider.

This Policy is underwritten by QBE Insurance (Australia) Limited ABN 78 003 191 035 of 8 Chifley Square, Sydney, NSW 2000