

PROFESSIONAL INDEMNITY PROPOSAL FORM FOR MORTGAGE AND INSURANCE INTERMEDIARIES

PLEASE NOTE THAT THIS IS A "CLAIMS-MADE" POLICY PROVIDING COVER ONLY FOR CLAIMS WHICH ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY WHILE THE POLICY IS IN FORCE.

THE RETROACTIVE DATE IS THE DATE FROM WHICH YOU HAVE HAD UNINTERRUPTED INSURANCE COVER ON A "CLAIMS-MADE" BASIS.

It is very important that you fully and accurately disclose all material facts. Failure to do so may result in the insurance being void. Material facts are those which may affect the Company's assessment of the risk. If you have any doubt as to whether something is a material fact it is recommended that you disclose it irrespective of any disclosure on any previous years' proposal forms. If you need any assistance in the completion of this form please do not hesitate to contact us.

If you require additional space please continue on your headed paper and then sign and attach to this form.

Please note that completion of this proposal form does not obligate either party to complete a contract of insurance.

If you are aware of any claims and/or any incidents or circumstances, which may result in a claim they should (to the extent they have not already been reported), be immediately reported to the current insurer or underwriter.

Please answer ALL questions (if necessary comment as "not applicable" or "none") and review the completed document before signing and returning the original to us.

GENERAL INFORMATION

1. Name of Firm/Title of Insured (including current trading names):				
2. Trading Address:				
Post Code:				
3. Please list any predecessor businesses for which cover is required including the year the predecessor business commenced and the year it ceased trading:				
Please list on a separate sheet all branch offices including addresses for which you are seeking cover				
4. Date Established:		5. FSA Number:		
6. Telephone Number:		7. Fax Number:		
8. Email Address:		9. Web Address:		
10. Please circle appropriate description of firm	Sole Trader	Partnership	Ltd Company	Network
11. Please provide full details of all Principals, Partners and Directors or of Sole Trader:				
<u>Full Name</u>	<u>Qualifications</u>	<u>Date Qualified</u>	<u>Years of experience</u>	
Please attach CV where the firm has been established less than 5 years and/or where any individual has not yet attained relevant qualifications.				

12. Please provide full details of all former Principals, Partners and Directors or Sole Trader for whom insurance cover is required.		
13. Please give details of any current or future (within 12 months) Appointed Representatives including trading names, address, qualifications, experience and Annual Income:		
14. Are you associated with/or linked to any other firm(s) that is separately authorised by the FSA? If Yes, please explain how and provide their name and FSA registration number:	Yes	No
15. Number of Employees (excluding any Principals, Partners or Directors listed above): Split by <u>FSA Approved Persons:</u> <u>Qualified:</u> <u>Administrative:</u> <u>Other (Please specify):</u>	Total:	
16. Please list membership(s) of Professional/Trade Associations:		
17. Have the business activities changed significantly or any mergers and acquisitions taken place in the last three years or are significant changes in business activities or any merger and acquisitions planned in the next twelve month period? If Yes, please provide details.	Yes	No
18. Are you a Mortgage Packager? (If Yes, please split the Annual income as outlined under the Mortgage/Loan Mediation section below) If Yes, please state whether you are	Yes	No
a) A 100% Pure Packager i.e., no advice is given and 100% of your business is introduced by directly authorised third party firms?	Yes	No
b) A Packager giving advice and packaging purely for your own firm and/or Appointed Representatives?	Yes	No
c) A Packager for directly authorised third party firms as well as your own firm and/or Appointed Representatives?	Yes	No
19. If you have answered Yes to <i>Alternative (C)</i> in Question 18, what is the Annual Income from mortgage packaging originating from third party firms?	£	

MORTGAGE/LOAN MEDIATION

20. Please state Annual Income from Mortgage/Loan Mediation Activities for the last three financial years:		
<p>Annual Income means the Annual Income given in the financial statements and includes all brokerage, fees, commissions and other related income (for example, administration charges, overrides, profit shares) due to the firm in relation to Mortgage Mediation Activities and secured and unsecured lending. The Annual Income also includes commissions and other amounts the firm have paid to other persons involved in a transaction, such as sub-agents or other intermediaries. <i>Do not include any income from related General Insurance Mediation.</i></p>		
Date ___/___/___	Date ___/___/___	Date ___/___/___
£	£	£

REGULATED MORTGAGE ACTIVITIES

21. Do you want cover for <i>Regulated Mortgage activities</i> ? (This Question has to be answered!)		Yes	No
22. Please split the Annual Income from the last financial statement for the - <i>Regulated Mortgage Mediation</i> - activities:			
<u>Product</u>	<u>Number</u>	<u>Annual Income</u>	<u>%</u>
Residential full status Mortgages:		£	
Self Certification/Fast Track Mortgages:		£	
Sub Prime or other adverse Mortgages:		£	
Lifetime Mortgages (including Equity Release):		£	
<u>Total Regulated Income:</u>		£	100%
23. Please state projected Annual Income for the next financial period in relation to the Regulated Mortgage Mediation Activities:			£

NON-REGULATED MORTGAGE/LOAN ACTIVITIES

24. Do you want cover for <i>Non-Regulated Mortgage/Loan activities?</i> (This Question has to be answered!)			Yes	No
25. Please split the Annual Income from the last financial statement for the – <i>Non-Regulated Mortgage/Loan Mediation - activities:</i>				
<u>Product</u>	<u>Number</u>	<u>Annual Income</u>	<u>%</u>	
Residential Buy-to-let Mortgages:		£		
Bridging Loan/Finance:		£		
Commercial Mortgages:		£		
Secured Loans:		£		
Unsecured Loans		£		
Other (Please specify):		£		
<u>Total Non-Regulated Income:</u>		£	100%	
26. Please state projected Annual Income for the next financial period in relation to the <i>Non-Regulated Mortgage/Loan Mediation Activities:</i>			£	
27. Does any income originate from outside Great Britain and Northern Ireland, the Channel Islands and the Isle of Man? (No cover is provided for business originating from outside these territories)			Yes	No
28. Please state the following values based on the last financial period:				
Highest Value Regulated Mortgage:	£	Average value Regulated Mortgage:	£	
Highest Value Non-Regulated Mortgage/Loan:	£	Average value Non-Regulated Mortgage/Loan:	£	
29. Do you have mortgages with a value of £1,500,000 or higher? (No cover is automatically provided for values in excess of £1,500,000)			Yes	No
30. Do you have CCL and/or MCCB registration?			Yes	No
If Yes, please state the registration numbers:		CCL	MCCB	

GENERAL INSURANCE MEDIATION

31. Do you want cover for <i>General Insurance Mediation activities?</i> (This Question has to be answered!)			Yes	No
32. Please state Annual Income from related General Insurance Mediation Activities for the last three financial years:				
<i>Annual Income</i> means the Annual Income given in the financial statements and includes all brokerage, fees, commissions and other related income (for example, administration charges, overrides, profit shares) due to the firm in relation to General Insurance Mediation. The Annual Income also includes commissions and other amounts the firm have paid to other persons involved in a transaction, such as sub-agents or other intermediaries. <i>Do not include any income from Mortgage Mediation Activities and secured and unsecured lending.</i>				
Date	Date	Date		
___/___/___	___/___/___	___/___/___		
£	£	£		
33. Please split the Annual Income from the last financial statement for the <i>General Insurance Mediation activities</i> as follows:				
<u>Product</u>	<u>Number of Policies</u>	<u>Annual Income</u>	<u>%</u>	
Personal Lines Insurance, Building & Contents:		£		
Mortgage Payment/Payment Protection, GAP etc.:		£		
Non Investment, Pure Protection, Term Life, Critical Illness, Health Insurance etc.:		£		
Commercial Insurance:		£		
Other(Please Specify):		£		
<u>Total General Insurance Income:</u>		£	100%	
34. Please state projected Annual Income for the next financial period in relation to the <i>General Insurance Mediation Activities:</i>			£	
35. Please state (in percentage terms) how much of the Annual Income that refers to "Advised Sales":			%	

36. Does the firm operate any Binding Authority arrangement whereby an insurer or underwriter has granted the firm authority to set rates, terms and conditions and/or handle claims without referral? (Cover for Binding Authorities is normally excluded by the Policy)	Yes	No
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RISK MANAGEMENT AND CLAIMS

37. Are you and your firm fully compliant with the FSA Regulations?	Yes	No
38. Have you or your firm or any individuals therein ever been subject to FSA or any other disciplinary procedures? If Yes, please give details:	Yes	No
39. To the extent that your firm is involved in Non Regulated Mortgage/Loan Activities, can you warrant that you operate good practice and have quality systems and controls in place for all non-regulated products similar to those required by FSA for regulated products?	Yes	No
40. Where required, it is your firms practice to always to provide Key Facts illustrations that are clear and comprehensive and to retain these on you file for at least six years?	Yes	No
41. Does the firm always ensure that your clients are fully and clearly informed as to risk and suitability of any mortgage, loan or insurance product you transact on their behalf?	Yes	No
42. Does the firm always prepare and request its clients to agree in writing to a "Mortgage Fact Find" and in respect of insurance mediation, "Demands & Needs/Suitability Letter" documentation?	Yes	No
43. Do you ever complete proposal forms for clients?	Yes	No
44. If Yes (to Question 43), do you ensure that the client signs the form after confirming the accuracy of its content?	Yes	No
45. In respect of Self Certification Mortgages/Loans does the firm always warn your clients of the dangers of mis-stating their income and that this is clearly documented?	Yes	No
46. Are all reasonable steps taken to ensure accuracy of declared income in relation to Self Certification and Fast Track mortgages?	Yes	No
47. Are you or your firm after full enquiry aware of any matters or circumstances whereby clients have misrepresented their income on a Self Certification Mortgage/Loan?	Yes	No
48. Can you warrant that in 100% of the cases you require cover for, you hold/own the files and that these are/will be available to underwriters in the event of a complaint?	Yes	No
49. Does the firm hold client money or assets?	Yes	No
50. Do you use a Client Management System? If yes, please state which: _____	Yes	No
51. Have you or your firm or any of the principals, partners, directors, employees or Appointed Representatives ever been the subject of MCCB, FSA or any other disciplinary procedures? If Yes, please give details:	Yes	No
52. Are you, after inquiry, aware of any fraud, dishonesty, Registered Judgements, CCJ's, bankruptcies or insolvency proceedings in relation to any of your current or former principals, partners, directors, employees or Appointed Representatives? If Yes, please give details:	Yes	No
53. Has any insurer ever declined to offer insurance, refused renewal, imposed any special terms or cancelled an insurance policy for you, the firm or any principal, partner, director or Appointed Representative of the firm? If Yes, please give details:	Yes	No
54. In relation to professional indemnity are you, after inquiry, in the last five years aware of any claims made against you or against the firm or their predecessors in business or any of the current or former principals, partners, directors or Appointed Representatives? If Yes, please provide full details including year, amount and a brief description:	Yes	No
55. In relation to professional indemnity are you, after inquiry, in the last five years aware of any incidents or circumstances which may result in a claim against the firm or their predecessors in business or any current or former principal, partner, director or Appointed Representative: If Yes, please provide full details including year, amount and a brief description:	Yes	No
56. If you have answered Yes to Question 54 and/or Question 55, have all those claims and/or incidents or circumstances been reported to previous insurers?	Yes	No

POLICY DETAILS

57. Does the firm currently have professional indemnity insurance in force?	Yes	No
If Yes, please provide the following details:		
Name of Insurer:		
Limit of Indemnity (aggregate):	£ _____	
Limit of Indemnity (per claim):	£ _____	
Policy Excess:	£ _____	
Renewal Date:	____/____/____	
Please state from which date (Claims Made) Professional Indemnity cover has been CONTINUOUSLY in force (the Retroactive Date):	____/____/____	
58. Do you want us to quote the FSA minimum professional indemnity insurance requirements?	Yes	No
If NO, please state required limits of indemnity (aggregate and per claim) and Excess:		

DATA PROTECTION ACT NOTICE

The data supplied by you will be treated in confidence and will become part of the data held by **Hitachi Capital Insurance Europe Limited ("HCIE")**. The data you supply will be used by HCIE for the purposes of insurance administration (including underwriting, processing, claims handling, reinsurance and fraud prevention). In assessing any claims made, HCIE may undertake checks against publicly available information such as electoral roll, court judgements, bankruptcy or repossessions.

For the purposes of insurance administration, HCIE may also disclose data it holds about you to its agents, reinsurers and service providers, to other insurers and their agents and to any intermediary acting for you. HCIE may also disclose your data to regulatory bodies of which HCIE is a member or by which HCIE is regulated if required or permitted to do so by law.

HCIE may also share your data with other members of the Hitachi Capital group of companies for marketing purposes. You may be contacted by mail, telephone, fax, email or other reasonable method with details of other products and services offered by a member of the Hitachi Capital group of companies. If you do not want your data to be used for marketing purposes please write to HCIE at the following address; Hitachi Capital Insurance Europe Ltd, 2 Apex View, Leeds LS11 9BH.

DECLARATION AND WARRANTY

I/We hereby declare and warrant that the answers given and the information disclosed in this proposal and any supplementary information given by me/us with or at any time after the making of this proposal, is/will be true, and that no material facts have been/will be misstated or withheld. I/We agree that this declaration and the answers and information given and disclosed in this proposal, or otherwise, form the basis of any contract of insurance effected thereon between the Company and me/us and shall be deemed to be incorporated therein. As a continuing obligation to the Company during the period of such contract of insurance, I/we undertake to promptly inform **Hitachi Capital Insurance Europe Limited** of any material alteration of the facts, the subject of such answers or information, and/or any new material fact.

I/We further agree to accept the usual Policy issued by the Company for this class of business and current as at the date of inception, under all the conditions and subject to the exclusions therein and endorsed thereon.

I/We confirm to **Hitachi Capital Insurance Europe Limited** that I/we have read and understand the Data Protection Act Notice set out above, and I/we agree that by my/our signature(s) to this Proposal Form, I/we consent to the uses of my/our data set out in that Notice.

Signature (of Principal, Partner or Director): _____ Date : _____

Title: _____