

DUAL
A U S T R A L I A

Proposal Form
Credit Licensee
Representative



In Addition to Completing this Proposal, Please Submit The Following Attachments:

- Copy of template Preliminary & Suitability Assessments, Risk Questionnaire undertaken for clients
- Copy of your Credit Guide

Important Notice Relating to this Proposal

PLEASE READ THE FOLLOWING ADVICE BEFORE PROCEEDING TO COMPLETE THIS PROPOSAL FORM.

Your Professional Indemnity Insurance Policy is issued on a CLAIMS MADE basis. This means that this policy responds to:

- (1) Claims first made against you during the policy period and notified to the Insurer during that policy period, providing 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
- (2) Pursuant to Section 40, sub-section 3 of the INSURANCE CONTRACT ACT 1984 which states: "Where the Insured gave notice in writing to the Insurer of facts that might give rise to a 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 insurance cover provided by the contract"

When the policy expires, no new notification generally can be made on the expired policy even though the event giving rise to a Claim against you may have occurred during the policy period. You will not be entitled to indemnity under your new policy in respect of any Claim arising out of circumstances of which you were aware at any time prior to policy inception which would have put a reasonable person in your position on notice that a Claim may be made against you.

When completing your proposal you are obliged to report and provide full details of all circumstances which have become known to you and which would put a reasonable person in your position on notice that a Claim may be made against you. This is important to ensure that you make proper disclosure (refer to notice pursuant to the INSURANCE CONTRACT ACT 1984) in order that your entitlement to full indemnity under your new policy is not placed in jeopardy. In accordance with the provisions of the INSURANCE CONTRACT ACT 1984, DUAL Australia Pty Ltd is required to advise you of your responsibilities in relation to the disclosure of relevant information.

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty, under the INSURANCE CONTRACT ACT 1984 to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, upon 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 matter:

- That diminishes the risk to be undertaken by the Insurer;
- That is of common knowledge;
- That your Insurer knows or, in the ordinary course of his business, ought to know;
- As to which compliance with your duty is waived by their Insurer.

(It should be noted that this duty continues after the proposal form has been completed up until the time the policy is entered into.)

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Non-Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce their 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. It is therefore vital that you make sufficient enquiries BEFORE you complete your proposal form and BEFORE you sign any declaration that there has been no change in the information proposed. Please take notice of the following statements pursuant to the provisions of the INSURANCE CONTRACT ACT 1984.

Surrender or Waiver of any Right of Contribution or Indemnity

Where another person or company would be liable to compensate you or hold you harmless for part or all or any loss or damage otherwise covered by the policy, but you have agreed with that person either before or after the inception of the policy that you would not seek to recover any loss or damage from that person, you are NOT covered under the policy for any such loss or damage.

Notice of Occurrences or Events

If during the period of this policy, the Insured shall become aware of any occurrence which may give rise to a Claim under the policy and shall during the period of this insurance given written notice to the Insurer of such occurrence, any Claim which may be subsequently made arising out of the occurrence of which notification has been given shall be deemed to be a Claim made during the period of this policy whenever such Claim may actually be made.

Contract by the Insured Affecting Rights of Subrogation

If the proposed contract of insurance includes a provision which excludes or limits the Insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signing any such agreement may place your indemnity under the proposed contract of insurance at risk.

When completing this Proposal Form ...

- Please answer all questions giving full and complete answers

It is the duty of the Proposer to provide all information that is requested in the proposal form as well as to add additional relevant fact.

A relevant fact is such know fact and/or circumstance that may influence in the evaluation of the risk by the insurer. If you have any doubts about what a relevant fact is, please do not hesitate to contact your broker or insurer.

- If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question
- The proposal form must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting directors & officers liability insurance for the firm who acts as a Proposer.

This proposal form does NOT BIND the Proposer to complete the insurance but will form part of any insurance.

Privacy Statement

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information.

We will protect the privacy of your personal information. We will use the information you provide in this Proposal Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

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If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us. You are entitled to access your personal information and request any correction if required.

SECTION 1: DETAILS OF THE PROPOSER

Insured Name:			
Address of Head Office:			Postcode:
Telephone No:			Fax No:
Web Address:			Date Established (dd/mm/yy):
Telephone No:			Fax No:
Country/State of Registration:			ABN/ACN:
Address of all other locations (if any) from which the insured operates:			

1. Do you hold, or have you applied for, an Australian Credit License Yes [] No []

If NO, are you a Credit Representative of an Australia Credit Licensee? Yes [] No []

If YES, proceed to Question 8

If NO, please provide further details: _____

2. Please provide your current Credit License Number (if applicable): Yes [] No []

3. Do you have any authorized Credit Representatives operating under your license? Yes [] No []

If YES, please provide the total current number: _____

If NO, proceed to Question 8.

4. Do you require your Credit Representatives to have their own PI policy? Yes [] No []

If NO, please provide details regarding the process of selecting your Credit Representatives

_____ (if more space needed please provide separately)

5. What measures do you have in place to monitor the ongoing compliance of your Credit Representatives?

_____ (if more space needed please provide separately)

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6. Please supply details of training undertaken to meet your obligations for Credit Representatives under your credit license:

(if more space needed please provide separately)

7. Do your Credit Representatives act exclusively on behalf of your license? Yes No

If NO, please provide further details below:

(if more space needed please provide separately)

8. Are all of your professional activities subject to the National Credit Licensing laws? Yes No

If NO, please provide details:

(if more space needed please provide separately)

9. Are you a member of a Professional Association? Yes No

If YES, please provide details:

10. Are you a member of any External Dispute Resolution Scheme? Yes No

If NO, please provide details:

SECTION 2: EMPLOYEE INFORMATION

1. Please state the following:

- a. Total Number of Employees: _____
- b. Number of Principals, Partners, Directors: _____
- c. Number of qualified Employees: _____

2. Please provide the following details for each of the Insured's principals, partners or directors:

Name	Age	Qualifications	Date Qualified	No. Years of this Practise

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SECTION 3: GENERAL INFORMATION

1. Does the Company have operations outside of Australia? Yes No

If YES, does the Company have operations in the USA/Canada? Yes No

If YES, please provide further details:

2. Have any Claim(s) been made against the Company, Director or Principal or, upon enquiry any credit representative for professional negligence, error or omission in the last 5 years? Yes No

If YES, please provide further details of the Claim, the Claim amount and any payments:

3. Is the Proposer aware, after enquiry of any circumstances or incident, which may give rise to a Claim? Yes No

If YES, please provide further details:

4. Is the Company or any Principal or Credit Representative(s) aware of any circumstance(s) which may result in a claim being made against the Firm, or against any Principal or Credit Representative(s), or against any partnership or company of which any Principal or Credit Representative(s) is/was a partner, director, CEO or Credit Representative? Yes No

5. Has any person or entity seeking cover under this policy ever been investigated, disciplined, banned or disqualified? Yes No

If YES, please provide details:

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6. Do you have any Professional Indemnity Insurance Cover currently in place? Yes No

If YES, please state:

Name of the insurer:	
Limit of Indemnity:	
Deductible:	
Expiry Date of the Policy:	
Retroactivity Date:	

SECTION 4: INCOME DETAILS

1. Please provide a breakdown of your gross fees/income by Professional Business for the last financial year and the current financial year and the current financial year, either by stating the whole amounts in Australian Dollar (\$) or the percentage:

Fees earned from:	Percentage Breakdown %	Last Financial Year's Gross Fees \$	Current Financial Year's Gross Fees \$
Mortgage Origination			
Mortgage Broking			
Mortgage Management			
Finance Broking			
Compliance Services (aggregator)			
Insurance Agency			
Insurance Broking (not covered)			
Arranging of Deposit Bonds			
Debt Management Advice to retail consumers			
Salary Packaging			
Other – please provide details below			

By Mortgage Broking we mean: introduces borrowers to lenders but has no ongoing involvement with the loan.

By Mortgage Origination we mean: to obtain, prepare and provide third parties such as banks and finance providers with offers from Customers for financial products or services including necessary privacy consents, approvals and pre-approvals, the product and finalisation of all appropriate client documentation.

By Mortgage Management we mean: responsible for arranging the funds for a loan and the ongoing, prudent management through the life of the loan

(if more space needed please provide separately)

2. If applicable, please provide a detailed description of your professional business which is required to be covered by this policy. You should attach any brochures or promotional material that may provide greater clarity in respect to your professional business:

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3. Of the contracts you arrange credit for, please advise the overall percentage split of credit contract type:

Loan Type	Percentage Split
1. Residential	%
2. Commercial	%
3. Rural	%
4. Industrial	%
5. Investment Loans	%
6. Chattel, equipment & plant	%
7. Development/construction	%
8. Refinancing	%
9. Mezzanine	%
10. Line of Credit (including mortgage draw-down facility)	%
11. Other (please provide full details)	%
Total	%

4. In respect of gross fees/income for the last financial year, please provide a breakdown by State:

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

5. If any gross fees/income was earned for the last financial year outside of Australia, please provide full details below:

6. Please provide an approximate estimate of Credit Contract values arranged over the past twelve months:

Credit Contract Value	No, Credit Contracts/% total Income
\$0 < \$250,000	
>\$250,000 <\$500,000	
>\$500,000 < \$1,000,000	
>\$1,000,000	
Total	100%

If any credit contracts \$1,000,000 please advise the maximum value credit contract in past 3 years:

7. What is the average value credit contract in past three years (including loan type):

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8. Please advise the source of credit provider used:

Credit Provider	
Banks, Credit Unions, Building Societies	%
Non-banking credit providers (provide details below)	%
Non-APRA regulated credit providers (provide details below)	%
Private Equity vehicles / superannuation funds (provide details below)	%
Off-shore Credit Providers (provide details below)	%
Solicitors Funds (not covered and provide details below)	%

Please list below and provide details of other sources of credit that are used and are not listed above:

9. Has the sources of credit provider changed significantly in the past 3 years, if applicable? Yes No

If YES, please provide details:

10. Do you disclose commission earned on each of the credit contracts recommended above to all of your clients? Yes No

11. Do you enter into any contract arrangements where you agree to indemnify the credit provider? Yes No

If YES, please provide a full list identifying credit providers and a sample indemnifying clause:

12. Have you entered into any contract that defines your contractual duties? Yes No

If YES, does the contract contain representations or warrants regarding your contractual duties? Yes No

If YES, please provide full details:

13. Do you originate loans on behalf of other licensees? Yes No

If YES, are you a Credit Representative for these licensees? Yes No

If NO, please provide further details:

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14. If applicable, do you have authority to approve or settle loans on behalf of credit providers? Yes No

If YES, please provide full details including Delegated Loan Authority and copies of contract agreements for each lender you have authority to approve or settle loans for and please advise which staff are authorised to approve or settle loans:

15. Do any of the credit arrangements you arrange or provide advice on have a Loan to Value ration greater than 80%? Yes No

If YES, please provide full details including the maximum loan to value ratio in the past 3 years:

16. Has any credit provider, aggregator, professional association or body withdrawn, cancelled or revoked your accreditation or an agreement with you to assist in credit contract applications? Yes No

If YES, please provide full details:

17. Of the credit contracts you provide assistance on please advise the portion of income and maximum value of credit contracts arranged/derived from the following:

Low documentation credit contracts	\$	%
Deposit impaired credit contracts	\$	%
Credit-impaired credit contracts	\$	%

18. Have you ever acquired a loan portfolio? Yes No

If NO, proceed to the next question

If YES, please provide further details including total number of loans acquired, a current list of loans in arrears or default, trail commission, reason for acquiring the loan portfolio

19. Do you provide any services/advice in respect of Reverse Mortgage Products? Yes No

If YES, do you advise the client to seek independent legal advice/ Please also provide full details including disclosure statements issued to clients and any formal arrangements in place with providers:

20. Other than for Reverse Mortgages and bridging loans, do you always ensure the client is able to meet the credit contract's obligations from the client's income and not from their equity in an asset, without incurring substantial hardship?

Yes No

If NO, please provide full details below:

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21. When advising or assisting in the application for the credit contract for residential mortgage, is a formal valuation required at all times as part of the financing condition? Yes [] No []

If NO, please provide full details:

22. When arranging valuations do you use an approved panel of valuers? Yes [] No []

If NO, please provide full details:

23. Do you always ensure that, if requested by a client, you provide the client with a copy of the assessment that the credit contract is not unsuitable for the client? Yes [] No []

If NO, please provide full details:

SECTION 5: RISK MANAGEMENT

1. Do conduct due diligence when verifying documentation submitted in credit contract applications by your client? Yes [] No []

2. Do you have signature rights to any banking accounts of which borrowers monthly and/or other payments are deposited? Yes [] No []

If YES: please provide full details:

(if more space needed please provide separately)

3. Do you apply the principle of separation of duties (where practicable) in order to reduce the incidence of fraud and dishonesty by employees? Yes [] No []

4. If you are required to witness a client's signature do you always ensure this is done in your presence or witnessed by a Justice of the Peace? Yes [] No []

If NO: please provide full details:

(if more space needed please provide separately)

5. If you are required to provide 100 point ID check as part of the credit contract application contract process, do you always sight the original documentation or Justice of the Peace verified documentation? Yes [] No []

If NO: please provide full details:

(if more space needed please provide separately)

6. When hiring staff, do you conduct full background checks on applicants? Yes [] No []

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7. Do you always require your clients to review and sign off the loan application before it is submitted to a lender?
Yes No

If NO, please provide full further details:

(if more space needed please provide separately)

8. Do you always obtain verification of income from all loan applicants prior to entering into a credit contract?
Yes No

If NO: please provide further details:

(if more space needed please provide separately)

SECTION 6: LIMIT OF INDEMNITY REQUIRED

1. Please state the following:

\$250,000 500,000 \$750,000 \$1,000,000
\$2,000,000 \$4,000,000 \$5,000,000 \$10,000,000
Other Please state: _____

SECTION 7: DECLARATION

SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR THE INSURER TO COMPLETE THIS INSURANCE

The undersigned declares that the statement and particulars in this proposal form are true and that no material facts have been misstated or suppressed after enquiry. The undersigned agree that should any of the information given by us alter between the date of this proposal and the inception date of the insurance to which this proposal relates, the undersigned will give immediate notice thereof. The undersigned agrees that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Proposal. The undersigned agrees that this proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

TO BE SIGNED BY THE INSURED FOR WHOM THIS INSURANCE IS INTENDED FOR

SIGNATURE: _____ **DATE:** _____

NAME: _____

POSITION: _____

IT IS IMPORTANT THE UNDERSIGNED OF THE DECLARATION ABOVE IS FULLY AWARE OF THE SCOPE OF THIS INSURANCE SO THAT THESE QUESTIONS CAN BE ANSWERED CORRECTLY. IF IN DOUBT PLEASE CONTACT THE BROKER OR AGENT, SINCE NON-DISCLOSURE MAY AFFECT AN ASSURED'S RIGHT OF RECOVERY UNDER THE POLICY

DUAL Australia recommends that you keep a record of all information supplied for the purpose of entering into an insurance contract (including copies of this Proposal Form and correspondence)

HOW TO CONTACT DUAL AUSTRALIA PTY LTD:

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Sydney NSW 2001 **E-mail:** enquiries@dualaustralia.com.au
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