



PROPOSAL FORM

FOR FINANCE & MORTGAGE BROKERS

Lion Underwriting Pty Ltd
ABN 33 604 592 467 AFSL No: 491793

IMPORTANT NOTICE TO THE PROPOSER ON COMPLETION OF THIS PROPOSAL FORM

1. DUTY OF DISCLOSURE

You have a duty to disclose relevant information to the insurer, when completing this proposal form and at other times during the policy period (for example when you renew the insurance or request a change to the policy terms). Your duty is described below:

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.

2. PRIVACY

At Lion Underwriting Pty Ltd (Lion Underwriting) we are committed to protecting your privacy. The information provided will be treated in confidence and, where relevant, in compliance with the Privacy Act 1988. We collect, use and disclose your personal information, and in some cases personal or sensitive information about you, to assess your application and provide a quote for the insurance cover (including obtaining risk carrier confirmation where necessary), on behalf of the insurer. This information is used to issue and administer your policy, to provide insurance services, and, where appropriate, to assist in the assessment of a claim. For some classes of insurance, the underwriter may use sensitive personal data about you where this is necessary to decide whether it is willing to insure you and on what terms (for example criminal convictions). We also may use it to:

- Contact you to provide information about your insurance policy;
- Deal with brokers, risk carriers and reinsurers; and
- Operate our business including offering information and to market and promote our services to you.

If you don't provide us with full information, we may not be able to provide you with any, some, or all of the features of our products or services.

This may include information collected from third parties such as your insurance broker.

We provide information such as your personal details and business circumstances to relevant third parties including your insurance carriers, brokers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us, Insurers, (including their re-insurers, legal advisers, loss adjusters or agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both to the disclosure of such information to us and its use by us as set out above.

We do not trade, rent, or sell your information. We may disclose your information to recipients in Australia, UK, Singapore, Japan, USA, People's Republic of China and Switzerland for the purpose of providing our services to you. If a recipient is not regulated by laws which protect your information in a way that is similar to the Privacy Act, we will take reasonable steps to ensure that they protect your information in the same way we do or seek your consent before disclosing your information to them.

You have the right to request for a copy of your information and to request to have any inaccuracies corrected.

Our Privacy Policy contains more information about how to access and correct the information we hold about you and how to make a privacy related complaint, including how we will deal with it. Ask us for a copy by contacting us on (07) 3445 6300 or visiting our website (www.lionunderwriting.com.au).

3. PRESENTATION

This proposal form must be completed and signed by an authorised individual, a partner, principal or director of the Proposer.

All questions must be answered. If not applicable, state N/A.

If there is insufficient space to provide answers, additional information should be provided on the Proposer's letter-headed paper.

Where applicable to the Proposer's business, product/services brochures, standard contract conditions, terms and conditions, waivers and disclaimers, commercial agreements and letters of appointment should be provided.

Failure to present insurers with information in an appropriate manner may adversely influence the ability or willingness of insurers to offer terms.

4. GUIDANCE

The contract of insurance will be arranged by Lion Underwriting Pty Ltd (ABN 33 604 592 467, AFSL 491793) acting as agent for the relevant insurer (Insurer). We do not act as your agent. When acting as agent of the insurer, we may place the policy with an APRA-regulated insurance company, certain underwriters at Lloyd's of London or a direct offshore foreign insurer or unauthorised foreign insurer (subject to law). When we act under a binder, we will notify your broker of this arrangement. A binder agreement allows us to issue the policy and handle claims as if we are the insurer. In other cases, we may place your policy on an 'open market' basis.

The precise scope and breadth of policy coverage is subject to the specific terms and conditions of the policy wording. You should refer to the policy wording for full information, including in relation to:

- the basis on which claims can be made;
- your cancellation rights; and
- the identity of the parties covered under this insurance.

If in doubt as to the meaning of any question contained within this proposal form or the issues raised in Disclosure and/ or Presentation, advice should be sought from Lion Underwriting via your insurance broker.

5. CONTACT

If you would like to discuss this further, we can be contacted at;

Tel.: (07) 3445 6300
Email: admin@lionunderwriting.com.au
Website: www.lionunderwriting.com.au

ADDITIONAL INFORMATION SHOULD BE PROVIDED ON SEPARATE SHEETS CLEARLY IDENTIFIABLE AS FORMING PART OF THE PROPOSAL FORM ON THE PROPOSER'S LETTERHEAD.

INSURED DETAILS

1. Full name of the Insured:
2. Trading name:
3. ABN:
4. GST registered: Yes No
5. Trading Address:
6. Postal Address:
7. Policy period: Inception Date: / / Expiry Date: / /
8. Contact number:
9. Website address:
10. Date business established: / (month/year)
11. Principals/ Partners / Directors:

Name	Qualification	Date Obtained	Years as a Principal	
			This Practice	Previous Practice

12. Staff Numbers:
Principals/Partners/Directors: Qualified Staff:
Administrative Staff: Other:

Total:
13. Are you a current financial member in good standing of a Professional Association? Yes No
If **Yes**, please provide details of the Associations to which you belong:
14. Please provide the Dun & Bradstreet Number under which you operate:

YOUR BUSINESS

- | | | |
|---|-----|----|
| 15. Has the name of your business ever changed? | Yes | No |
| 16. Have you ever amalgamated or merged with another business? | Yes | No |
| 17. Have you purchased any other business or practice? | Yes | No |
| 18. Do you anticipate any merger or acquisition activity in the next 12 months? | Yes | No |

If you have answered **Yes** to any of these questions, please provide details:

- | | | |
|---|-----|----|
| 19. Does any partner, principal or director of the Insured detailed above in this proposal have any connection or association (financially or otherwise) with any other business or practice? | Yes | No |
|---|-----|----|

If **Yes**, please provide full details:

20. Please provide a precise description of your business activities:

- | | | |
|--|-----|----|
| 21. Does any single client represent more than 25% of your total activities? | Yes | No |
| 22. Has there been any substantial changes in your business activities in the past 12 months? | Yes | No |
| 23. Do you anticipate any substantial changes in your business activities in the next 12 months? | Yes | No |

If you have answered Yes to Questions 21, 22 or 23 please provide full details:

- | | | |
|--|-----|----|
| 24. Do you engage sub contractors? | Yes | No |
| If Yes , do you insist they carry their own Professional Indemnity Insurance? | Yes | No |

- | | | |
|---|-----|----|
| 25. Are verbal reports always confirmed in writing? | Yes | No |
|---|-----|----|

If **No**, please advise details of how these reports are substantiated:

- | | | |
|--|-----|----|
| 26. Do you perform work outside Australia, or work for clients located overseas? | Yes | No |
|--|-----|----|

If **Yes**, please provide details:

- | | | |
|--|--|---|
| 27. Please provide a split of your income derived from the following activities: | | |
| Mortgage Origination: | | % |
| Mortgage Broking: | | % |
| Mortgage Management: | | % |
| Finance Broking: | | % |
| Other: | | % |

Total: **100 %**

28. Please advise an approximate percentage of your work in the following fields:

Residential Dwellings:	%
Commercial / Industrial:	%
Machinery Plant & Equipment:	%
Vehicle Financing:	%
Other:	%
Total:	100 %

29. Please advise the total number of loans written in the past 12 months:

30. Please provide a reconciliation of the type of loans in your outstanding loan portfolio:

All Prime Loans: (No Credit Impairment)	%
All Sub-Prime Loans: (Credit-Impaired / Non-Conforming)	%
Reverse Mortgages: (Prime or Sub-Prime)	%
Other:	%
Total:	100 %

31. Please provide a reconciliation of the type of loans in your outstanding loan portfolio by level of documentation.

Full Documentation:	%
Partial or Low Documentation:	%
Total:	100 %

32. Please provide an approximate break-up of your loans written in the past 12 months sourced from the following:

Banks:	%
Credit Unions or Building Societies:	%
Non-Bank Mortgage Originators: (Eg: Aussie)	%
Solicitors Funds:	%
Vendor Financing:	%
Other:	%
Total:	100 %

33. Please provide a reconciliation of your portfolio by value for the last 12 months as follows:

Size of Loan:	
Less than \$500,000	%
Between \$500,001 and \$1,000,000	%
Between \$1,000,001 & \$2,000,000	%
Above \$2,000,000	%
Total:	100 %

34. Please provide the percentage of leads sourced from the following:

Accountants:	%
Financial Planners:	%
Property Developers:	%
Real Estate Agents:	%
Solicitors or Conveyances:	%
Other:	%

35. Please provide details of the top 5 lending institutions (in order) from which you derived the greatest income during the previous 12 months:

Lending Institution	Percentage of Total Income	Number of Loans
		%
		%
		%
		%
		%

36. Are you authorised to?

a) Approve or settle any loan or funding?	Yes	No
b) Conduct online credit checks?	Yes	No
c) Instruct solicitors to prepare mortgage documentation?	Yes	No
d) Organize valuations on behalf of the lender?	Yes	No
e) Organize applications for deposit bonds? (but not approve)	Yes	No

YOUR RISK MANAGEMENT PROGRAM

37. Do you have a documented Risk Management program? Yes No

If **Yes**, when was the program implemented?

38. Does your Risk Management Program include regular internal / external audits or reviews? Yes No

39. Do you always undertake a comprehensive screening process for **all** staff, including reference checks, criminal history and qualification checks? Yes No

40. Do you always provide your client with written confirmation of following information?

a) Details of the nature of your services.	Yes	No
b) Disclosure of any conflict of interest.	Yes	No
c) Disclosure of all fees and charges.	Yes	No
d) Rights and remedies available to them in the event of a dispute.	Yes	No
e) Disclosure of the pool of lenders that will be used	Yes	No

41. Do you always record as file notes telephone conversations and meetings on the loan application form? Yes No

- 42.** When organizing loans do you always:
- | | | |
|--|-----|----|
| a) obtain a 100 point identification check for all applicants named on the loan, including guarantors? | Yes | No |
| b) sight original documents? | Yes | No |
- 43.** Do you always obtain verification of income from all loan applicants? Yes No
- 44.** Do you undertake independent credit reports for all loan applicants, including guarantors, direct from a credit report agency? Yes No
- 45.** If you are required to witness a client's signature, do you always ensure signing is carried out in your presence? Yes No
- 46.** Do you always ask the client to review and sign off the loan application before it is submitted to the lender? Yes No
- 47.** Do you always provide a documented comparison between the different interest rates and transaction costs of your available pool of products? Yes No
- 48.** Are the dangers of rate increases and the impact these may have on a client always discussed with clients? Yes No
- 49.** When recommending the refinancing of an existing loan do you always analyze the costs as well as the advantages and disadvantages of refinancing with the client? Yes No
- 50.** Approximately what percentage of your current outstanding loans exceed a loan to value ratio of 85%? %

YOUR FINANCIAL DETAILS

- 51.** Please advise the total annual gross professional fees for:

	Australia	Overseas
Previous 12 Months:		
Current 12 Months:		
Estimate for 12 Months:		

- 52.** Stamp Duty Split:

Please provide the approximate percentage of your activities (based on fee income) applicable to each State or Territory.

ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Overseas
%	%	%	%	%	%	%	%	%

- 53.** Are the total assets of your company greater than \$5,000,000? Yes No

YOUR CLAIMS HISTORY

- 54.** After enquiry, have any claims for negligence or breach of professional duty been made against your business or practice or any of its predecessors in business or any prior business or practice or any of its present or former Partners, Principals or Directors or has any fact or circumstance been notified to the insurers that has the potential to give rise to such a claim? Yes No

If **Yes**, please provide full details:

Date Notified	Name of Claimant	Brief Description	Quantum including Legal Fees Paid	Status
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- 55.** After enquiry, are any of the partners, principals or directors aware of any fact or circumstance which has the potential to give rise to a claim against your business or practice or any business or practice of any of their present or former partners, principals or directors which is not referred to in the Question above? Yes No

If **Yes**, please provide full details including:

Date First became aware of matter	Name of Potential Claimant	Brief Description Of matter	Quantum including Legal Fees Paid
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- 56.** Has any Partner, Principal, Director or staff member ever been subject to disciplinary proceedings for professional misconduct? Yes No

If **Yes**, please provide details:

- 57.** After enquiry, are any Partners, Principals, Directors or staff members aware of any enquiry, professional disciplinary proceedings or similar process connected to your business which they, or any other member may be required to attend? Yes No

If **Yes**, please provide details:

YOUR INSURANCE HISTORY

58. Is this a renewal of Lion Underwriting? Yes No

If the answer is **NO** and you currently hold Professional Indemnity Insurance please complete the following:

Name of Insurer:

Expiry Date:

Limit of Indemnity:

Premium:

59. Has the firm, any partner, principal or director ever been refused this type of insurance, had special terms imposed, had a policy cancelled or had an application for renewal declined? Yes No

If **Yes**, please provide details:

YOUR COVER APPLICATION

60. Limit of Indemnity Options:

\$1,000,000

\$2,000,000

\$3,000,000

\$4,000,000

\$5,000,000

Other:

61. Preferred Deductible Options:

62. Do you require?

a) A Reinstatement of Aggregate Limit of Indemnity? Yes No

b) Fidelity? Yes No

c) Partners Previous Business? Yes No

d) Commercial Legal Expenses? Yes No

63. If you require Fidelity Cover please complete the following questions:

a) Do you always obtain satisfactory references before hiring employees? Yes No

b) Do you require more than one member of staff to sign cheques, handle cash or transferable documents? Yes No

c) Is the bank reconciliation conducted by someone not authorised to deposit into or withdraw from the bank accounts? Yes No

If the answer to any of the above is **No**, please provide further details in the space below:

64. If you require Partners Previous Business cover please advise:

Names of Partners / Principals / Directors	Name of Previous Practice	Period Practicing as a Partner / Principal / Director
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65. If you would like a quotation for Commercial Legal Expenses please provide the following information.

- | | | |
|---|-----|----|
| a) Has any insurer ever refused commercial legal expenses insurance, imposed special terms or declined to renew a commercial legal expenses insurance policy? | Yes | No |
| b) Has there been any dispute or legal proceedings to which this insurance would apply during the last five years? | Yes | No |
| c) Are you aware of any cause, event or circumstance which may give rise to a claim being made under this insurance? | Yes | No |
| d) Do you own or occupy more than 10 properties and/or leases to which this insurance would apply? | Yes | No |
| e) Are there more than 5 statutory licences to which this insurance would apply | Yes | No |
| f) Is your business registered and domiciled outside of Australia? | Yes | No |

If you have answered **yes** to any of the above, please provide full details.
(please continue on a separate sheet if necessary):

g) Declared Turnover in last 12 months (in Australian Dollars for all businesses and subsidiaries named above):

h) Declared Wages in last 12 months (in Australian Dollars for all businesses and subsidiaries named above):

i) Cover required:

Sections A to H - Cover including Contract Disputes

Sections B to H - Cover excluding Contract Disputes

j) Limit of Indemnity (Any One Claim):	AUD100,000	AUD250,000
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ADDITIONAL REQUIREMENTS

Please provide the following documents as separate attachments:

1. Curriculum Vitae for all directors

DECLARATION

By signing this proposal form you consent to Lion Underwriting using and disclosing the information we may hold about you in accordance with the Privacy section of this proposal form and our Privacy Policy, which can be found on our website - www.lionunderwriting.com.au.

[In this section 'you' refers to the Proposer]

By signing this Declaration, you declare that

- you have read and understood the Important Notice information in this proposal form;
- to the best of your knowledge and belief, the statements, representations and particulars contained in this proposal form are true and complete;
- after full enquiry having been made, you have not omitted, suppressed or mis-stated any material facts which may be relevant to the Insurer's consideration of this proposal form;
- you undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed; and
- you have the authority to complete and sign the proposal form on behalf of the entity who will be insured under this policy.

By signing this Declaration, you confirm you understand that

- the information you provide in this proposal form will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided;
- the application for insurance may not be accepted for coverage and that, if your application is accepted, you have no coverage unless and until we have received payment of the premium and a policy schedule has been issued to you;
- signing this form does not bind you or the Insurer to complete the insurance; and
- if your business acquires, merges with or absorbs another business during the period of insurance, the Insurer will require similar information in relation to that business and may charge an additional premium.

Insured's Name:

Date:

Position:

Insured's Signature:

Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal form. A signature is required before a contract of insurance can be made.

We recommend that you should keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.