

## FSA Proposal Form for Mortgage Brokers and Mortgage Brokers who also carry out Insurance / ASU Critical Illness Term Life etc Business

### Client Information Sheet - Your proposal form.

If you or your business gives advice or consultancy, whether written or verbal to another party, whether for a fee or not, you are responsible for that advice. If that advice is wrong, has an error in it, you omit to tell somebody something that you should have told them, you are in breach of your professional duty of care to that other party. If that advice then causes the person a financial loss or in certain instances a bodily injury you or your company is responsible and you may have to compensate your client.

**Professional Indemnity Insurance** provides you and your business insurance that covers you for those claims.

### Proposal forms and Information

So that underwriters can fully assess you and your business and the work that you do they require information about your activities. This information is compiled by means of completing a questionnaire or proposal form.

In this form you will be asked questions about yourself, your company and its' activities. It is imperative that you answer these questions as fully as possible and declare all details that may be pertinent to the future insurance contract.

Incorrect answers or withholding of pertinent information could lead to underwriters having the right not to pay claims or repudiating the policy.

### What sort of information?

Underwriters want to know who you are, how much experience you and your company have and exactly what you do. The proposal form will ask you all of these details. Sometimes it is a good idea to provide additional information. For instance, if a sole trader or two partner practice, provision of CVs is a good way forward. If you have company brochure it is a good idea to supply this. The clearer and fuller the information the better, this will allow us to obtain the most appropriate terms.

If your company has not started trading then underwriters will require good estimates of what you intend to do and the amount you expect to earn or turnover.

If your company provides consultancy or training services then clearly describe what you consult in or what you train people for. If you or your company use standard terms of trade then a copy of these will help underwriters to understand how you work and how you control the work with your clients.

If you have any questions about what should be disclosed please contact us for clarification.

***The proposal form is a part of the insurance contract, so it is important that all information is clear, factual and that no information that could affect the insurance terms is withheld. As part of the insurance contract this proposal form or questionnaire must be hand signed and dated by you.***

### What happens once the Proposal is sent to Sennet?

Once Sennet has received the information we will approach various underwriters for you so as to obtain the most appropriate scope of insurance for your needs. These terms will be provided to you in the form of a quote. If you have any questions about the terms or conditions of the quote you must ask for clarification. Sometimes underwriters apply conditions or need additional information and you must be aware of these terms. Please ask us what they mean.

In certain circumstances you may instruct us to effect insurance that may not be appropriate. In such circumstances we will advise you of the appropriateness and reserve the right to withdraw our services. As your agent we are legally bound to act in your best interest at all times.

### Acceptance of our terms

If you want to accept the quote then you advise us by returning our quote sheet and we advise underwriters accordingly. We will then arrange for the policy issuance and request premium payment to be made. Premium payment is a condition of the policy and failure to pay or maintain direct debit payments will mean you policy may not be honoured.

## FSA Proposal Form for Mortgage Brokers and Mortgage Brokers who also carry out Insurance / ASU Critical Illness Term Life etc Business

This is the questionnaire you must complete if you want cover for FSA statutory professional indemnity requirements.

You can also choose if you require cover for associated lines of business such as Accident Sickness Unemployment Term Life Critical Illness or Personal Lines (Household etc) Insurance.

If you want to include the other cover then you must answer the questions on Page 4.

1.a Company Name / Title of Insured

1.b Trading Address   
  
 Post Code

1.c Telephone Number   
 Facsimile Number   
 Email Address

2 Date Company Established  /  /   
 Date Financial Year End  /

3.a Please give details of Partners or Directors or Principals

Names	Age	Qualifications	Years experience	How long a Partner in this practice

3.b Please state total number of

- i) FSA Approved Persons ( )
- ii) Other Technical Staff (excluding Administrative Staff) ( )
- iii) Administrative Staff ( )

4 Please give your FSA registration number

5.a Please give details of your **mortgage related fee income** (the total amount you have earned from charging clients fees and / or commissions and / or procuration fees) over the last three years and estimated income for next year.

Date	/ /	/ /	/ /	/ /
United Kingdom	£	£	£	£
Rest of World	£	£	£	£
Total Fee Income	£	£	£	£

5.b Please provide a split of fee income (the amount you have put in Q 5a for your last complete financial year) by mortgage type and approximate number of clients for each category:

	Fee income split	Approximate number of clients
Endowment		
Low Cost / Low Start		
Repayment		
Self Certification (inc' above categories)		
Home / Equity release		
Others (Peps etc)		

In Self Certification this should include figures such as Self Certification Low Cost, Repayment etc.

If you have shown an income from Self Certification Mortgages or Home / Equity Release please confirm that you always obtain written confirmation from your clients that the information they have given is true, correct and sustainable.

YES  NO

Please also confirm that you have fully appraised (in all cases) the client of the consequences of giving false information and that this has been done in written form.

YES  NO

If you undertake Home / Equity Release or related packs please confirm that full SHIP directions are followed

YES  NO

5.c If you give advice on any form of Home Equity Release or similar Money from Property products please give details of the range of products and how much you earn from these products.

If you have done any work under question 5.c please confirm that you act in full conformity to SHIP directions.

YES  NO

5.d Do you act as a Packager?

YES  NO

Definition of a Packager is one who has signed a specific packaging contract with a lender and sells this product on to single or multiple other mortgage products providers  
If you do package please give details below.

Percentage of fee income generated from this source	Approximate number of Packs provided

5.e Do you give advice on debt consolidation or provide 'sub-prime' mortgages? If yes please can you also confirm how much income is earned from this as a percentage of overall fee income?

YES  NO

5.f Please provide an approximate split of the number of mortgages advised upon by mortgage value & house / property value

What we would like you to do here is gives us an idea of the number of mortgages and properties you have advised on within each £age bracket – in this table question you can do both

Sum Involved	Number of Mortgage values	Number of House / Property values
£0 - £250,000		
£250,000 - £500,000		
£500,000 - £1,000,000		
£1,000,000 - £2,500,000		
Over £2,500,000		

5.g If Mortgage Value over £500,000 please give details; Client's Occupation, size & type of mortgage, value of property and what you earned

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5h Please give details of your largest and average fee per client

£	
£	

6 Please confirm that you / your firm acts in full compliance to FSA guidelines YES  NO

7 Have you, or any person for whom insurance is sought, ever been, the subject of disciplinary proceedings by MCCB /FSA or equivalent professional organisation? YES  NO

If YES, please supply details on a separate sheet of paper

8 Has any proposal for Professional indemnity Insurance by your Practice or your predecessors in business ever been declined or has any such insurance been cancelled or renewal refused or special terms imposed?

YES  NO

If YES, please supply details

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9 Is the Proposer currently insured or been insured previously for Professional Indemnity? YES  NO

If YES please state

i) Name of Insurer

ii) Indemnity Limit (State whether Aggregate or Any One Claim)  
£

iii) Excess £  iv) Date cover expires / /

v) Original inception date / /

10 We will compute your FSA required compliant limit of indemnity if you require any other please advise us of the limit and the reason why.

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11 To the best of your knowledge and belief have any claims ever been made against you or against the Firm(s) or their predecessors in business or any of the present or former Partners? YES  NO

If YES, please supply details on a separate sheet of paper. (It is important that a full answer is given to this question. Please provide year, amount and brief details of claims(s))

12 Are you or any of the Partners, AFTER ENQUIRY, aware of any circumstances which may give rise to a claim against the Firm(s) or their predecessors in business or any of the present or former Partners?

YES  NO

If YES, please supply details full details on a separate sheet of paper

## Non MCCB (ASU Term Life Critical Illness Household etc) income questionnaire

If your Non MCCB Income is over £100,000 please request our full Insurance Brokers proposal form as this will be required by underwriters

1 When you carry out insurance work (this includes ASU Critical Illness Term Life Household Insurance etc) do you act as

BROKER  INTRODUCER  SOLE AGENCY BROKER

A BROKER is a firm or individual who holds direct agencies with one or more Insurance Companies and places business directly into those companies – Remember to do this you must be FSA compliant

An INTRODUCER is a firm or individual who may give first advice on insurances but then passes the client onto a broker who then places the business and gives back to the INTRODUCER a fee or some commission.

A SOLE AGENCY BROKER is a firm or individual who has an agreement to place insurance business into just one insurance company

Please confirm that you have at least five years practical experience in placing and advising on this form of business

YES  NO

2 Please advise how much you earned from of insurance products for each of the last four financial years and an estimate for the forthcoming year

Date	/ /	/ /	/ /	/ /	/ /
How much did you earn from Insurance sales	£	£	£	£	£

3 Please give us a breakdown of the amount you earned last year from insurance by class ie how much from ASU how much from household etc: (the total of this must be the same as in 2.)

<b>Personal Lines</b>	<b>Total Net Earnings</b>
Motor	£
Household	£
Other	£

<b>Other Specialist Classes</b>	<b>Total Net Earnings</b>
Non Regulated Life including ASU	£
Building Society Agency	£
Insurance Risk Management	£
Disaster Recovery Planning	£
Total for all above	£

<b>Commercial</b>	<b>Total Net Earnings</b>
Property	£
Motor	£
Other	£

4) ) Do you have permission from an Insurance Company to accept risks on their behalf (a Delegated Binding Authority) this is where you act as the underwriters.

A Delegated Binding Authority is a contract between you and an underwriter that allows you to underwrite on their behalf. IT IS NOT a simple computer quote system that one would use to get terms from a disc or the web etc

YES  NO

If Yes please give full detail on a separate sheet of paper.

**Important Notice Concerning Disclosure**

It is your duty to disclose all material facts to underwriters. A material fact is one that is likely to influence an underwriter's judgment and acceptance of your Proposal. If your Proposal is for renewal consideration, it should also include any change in facts previously advised to underwriters. If you are in doubt about facts which may be considered material you must disclose them. Failure to disclose them could prejudice your rights to recover in the event of a claim or allow underwriters to void the policy.

Returning this proposal does not bind the Proposer or Underwriter to complete this insurance but does authorise 'Sennet Professional Indemnity' to seek terms on my/our behalf from Insurers including current Insurer's if any.

*Declaration*

I/We hereby declare that the above statements and particulars and all other information which I/we have supplied to Underwriters is/are true and that I/we have not misstated or suppressed any material facts and I/we agree that this Proposal Form together with all other information which I/we have supplied shall be the basis of any contract with Underwriters.

**Signature of Sole Practitioner/Executive/Authorised Partner** \_\_\_\_\_

**Please print name of signatory** \_\_\_\_\_

**Date** \_\_\_\_\_

**NOTICE TO SOLE TRADERS / INDIVIDUALS**

The European Union Third Non-Life Directive on Pre-Contractual Disclosure Requirements requires you to be provided with the following information prior to a contract being concluded:

Notice to the Proposer / Assured:

The Parties are free to choose the law applicable to this Insurance Contract. Unless specifically agreed to the contrary, this insurance shall be subject to English Law.

Any enquiry or complaint should be addressed in the first instance to your Broker. If you are not satisfied with the way a complaint has been dealt with, you may ask the Complaints and Advisory Department at Lloyd's to review your case without prejudice to your rights in law. The address is:

Complaints and Advisory Department, Lloyd's, One Lime Street, London EC3M 7HA. Telephone: 020 7327 6950

If you have any other details that you believe are important please advise us on a separate sheet of paper