



Mortgage and/or Non Investment
Insurance Contracts
Professional Indemnity Cover

In association with



**For Mortgage Intermediaries, Firms
And Individuals**

Towergate Lifestyle
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Towergate Lifestyle is a trading name of the Towergate Underwriting Group Ltd
Authorised and Regulated by the Financial Services Authority

EQI Insurance

If you need any assistance completing the form please call the PI team.

For all General Underwriting queries **0870 907 6790**

General email enquiries: **lifestyle@towergate.co.uk**

Larger cases, claims or technical queries contact: **Daniel Bower**

Telephone: **0114 280 2965**

Fax: **0114 250 0033**

Email: **daniel.bower@towergate.co.uk**

Fax the completed proposal form for a quotation to 0114 2500033

Or post to Towergate Lifestyle, Suite 6 The South West Centre, Troutbeck Road, Sheffield, S7 2QA

Professional Indemnity Insurance Proposal

For Mortgage and/or Non Investment Insurance Intermediaries, Firms or Individuals

Mortgage / Loan Activities

Rates are calculated on the total **Mortgage / Loan Related Income** (see definitions below) that was received in the applicants last complete financial year prior to inception or renewal of the PI Insurance. If the applicant is in the first trading year or is due to start trading, income should be estimated as accurately as possible, using projections based on the proposed business activities.

Definition of Regulated Mortgage Income (Section 3) – Gross income derived from Procuration fees, Broker Arrangement fees Completion and Packaging fees for any Regulated Residential mortgage activities including Lifetime Equity Release, Reversionary Schemes & Islamic Law Compliant Home Purchase Plans. If you have any Company Representatives and/or Appointed Representative firms you must declare their income.

Definition of Non-Regulated Mortgage / Loan Income (Section 4) - Gross income for the activities you have selected derived from Procuration fees, Broker Arrangement fees Completion and Packaging fees for Residential Buy to Let Mortgage, Commercial Mortgage/Finance, Bridging Loan/Finance and Secured & Unsecured Loan activities. If you have any Company Representatives and/or Appointed Representative firms you must declare their income for all activities selected.

IMPORTANT NOTE – Cover will only be provided for the activities you have selected and where you have declared the relevant gross income.

Non Investment Insurance Contracts (Section 5)

If cover is required for **General Insurance and Non Investment Life activities**, income generated for these activities should be included in Section 5. Unless otherwise agreed, General Insurance Professional Indemnity cover is limited to Personal Lines Insurance being a Regulated Non Investment product purchased by individuals in their private capacity (and not purchased for their trade, business or profession) including Buildings Insurance, Contents Insurance, Accident Sickness and Unemployment plans (MPPI or ASU or ASR or IJU), Personal Accident, Private Motor, Private Motor GAP and PPI, Individual or Family Travel Insurance, Pet Insurance and Individual Let property Insurance arranged on Residential properties.

Non Investment Life and Pure protection business Professional Indemnity cover is limited to Term Assurance, Family Income Benefit, Critical Illness (CI), Private Medical Insurance (PMI), Permanent Health Insurance (PHI), Non Investment Premium Backed Long Term Care Insurance and Death in Service (DIS), (note, group PMI, CI, PHI & DIS are also allowable). Pension Term Assurance is automatically covered but is subject to a retroactive date of 6th April 2006 in all cases.

Cover does not extend to any FSA regulated Investment business, including but not limited to Flexible Unit Linked Life, Whole of Life, Pension and Investment business and commission income derived from the sale of such products should not be included when calculating your cover requirements. If you have any Company Representatives and/or Appointed Representative firms you must declare their income.

Cover can be extended to Commercial Insurance (acceptance/cover may be subject to an additional questionnaire) but only if the income is not more than 15% of the total income declared in the General Insurance / Non-investment Life activities section. Higher Commercial income levels can be covered but only by agreement with Underwriters. Where you have indicated that cover is required for Commercial Insurance, the relevant additional questionnaire will be sent to you for completion and return where necessary. A minimum self-insured excess of £2,500 applies for this activity.

The self-insured excesses, premiums and limits of indemnity are always subject to final underwriting, in particular when Non Regulated activities or additional questionnaires are required.

Will Writing Cover

Will Writing cover is available under the General Insurance and Non Investment Life business section as an additional activity provided that 5 years claim free experience can be shown and fees are less than £5,000 per annum. The additional premium for this activity is £100 plus IPT – the limit of indemnity is restricted to £250,000 in the aggregate with a minimum Will Writing section self-insured excess of £2,500.

If a change or mid term adjustment is made during the period of Insurance, Towergate Lifestyle will charge an administration fee of £35.00 and once your Professional Indemnity Certificate has been issued, it cannot be cancelled mid term.

EQI Insurance

Professional Indemnity Questionnaire For Mortgage and/or Non Investment Insurance Contracts

1st May 2008 – version 1

Important Information – Please read carefully:

To prevent underwriting difficulties, and to speed up processing, it is very important that all sections are correctly completed. Any sections left incomplete will mean that the application form will be returned to you for amendments. You should be aware that you are not on cover until a fully completed application form has been received and accepted by underwriters and a quote has been accepted by you with the relevant method of payment attached, i.e. single premium cheque, credit card details or bank details have been provided. Please note that it is a FSA requirement that cheques are banked within 24 hours of receipt. The fact that a cheque has been banked does not imply that the premium and/or the proposal has been accepted and/or the Insurance is in force.

You have a duty at all times to notify us if you become aware of any circumstances that may give rise to a claim. In the event that any such circumstances occur before the proposed start date of this insurance, rates may change from those published or those already offered. Please forward all details of the circumstances or complaint, including correspondence from the complainant and any other information you feel is relevant.

Professional Indemnity (PI) policies respond on a claims-made basis, which means that cover is only provided for matters arising where Professional Indemnity Insurance is in force at the time of notification of the complaint or claim. Please note that Professional Indemnity Insurance Certificates are issued as annual contracts and you cannot cancel the Insurance mid-term.

If you require any further information or assistance in completing the application form, please contact your Insurance Broker or the Professional Indemnity team at Towergate Lifestyle.

Please keep a copy of this fully completed form for your records.

1 – General Information

| Trading name(s) of the Insured/ Applicant/Proposer | | | |
|--|---------------|-----------------------------------|------------------|
| Trading Address | | | |
| Date firm established | | | |
| Please detail any previous trading names cover is required for – please provide full information | | | |
| Telephone: | Mobile: | | |
| Fax: | Email: | | |
| Web Site address: | | | |
| Full Names of Sole Trader / Directors / Partners | Date Of Birth | Mortgage/Financial/Qualifications | Years Experience |
| | | | |
| | | | |
| | | | |

2 – Business details and FSA status - please complete all the relevant boxes

| | | | | | |
|---|-------------|-------------|---|--------------------------------|--------------------------|
| Are you an Appointed Representative | | | | Yes | No |
| If yes are you an AR of (Please tick) | Pink | Sesame | Other (if 'Other' please contact the PI team before continuing) | | |
| Are you directly authorised or applying for direct authorisation with the FSA | | | | Yes | No |
| If yes please provide details of your firms FSA registration number (insert 'TBA' if currently applying) | | | | | |
| Are you (Please tick all boxes that apply) | Sole Trader | Partnership | Ltd Company | Packager or Satellite Packager | Network or Mortgage Club |
| How many Administration staff will be covered under this Insurance | | | | Staff | |
| How many individual sales consultants will be covered under this Insurance (include yourself if appropriate) | | | | Consultants | |
| If applicable - how many Appointed Representatives are tied to you or your firm | | | | AR's | |
| Please advise the name and qualifications of your compliance officer(s) and state how long he/she/they have held this position. (If you are a Self-Employed sole trader this will normally be yourself) | | | | Do Not Leave Blank | |

EQI Insurance

| 3 - Financial Details – Regulated Mortgage Activities Gross Fee Income | | | | | |
|--|----------------------|-------------------------------------|---|-----|----|
| Do you require cover for Regulated Mortgage activities (if yes complete the Gross Fee income details)? If cover is not required tick no opposite and go to next section. | | | You must answer this question yes or no | | |
| Please note that this section relates only to those activities defined under the Definition of Regulated Mortgage Income below. | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Yes</td> <td style="width: 50%; padding: 5px;">No</td> </tr> </table> | Yes | No |
| Yes | No | | | | |
| Definition of Regulated Mortgage Income - Gross income derived from Procuration fees, Broker Arrangement fees Completion and Packaging fees for any Regulated Residential Mortgage activities including Lifetime Equity release, Reversionary Schemes & Islamic Law Compliant Home Purchase Plans. If you have any Company Representatives and/or Appointed Representative firms you must declare their income - If you are a new business please project income for underwriting purposes. | | | | | |
| <i>Gross Fees/Income earned in:</i> | <i>Previous Year</i> | <i>Last Complete Financial Year</i> | <i>Next year (projected)</i> | | |
| Regulated Mortgage Income | £ | £ | £ | | |
| <i>Please complete the percentage of income split for each of the following activities in the last financial year or if you are a new start up business show projected split for the next 12 months</i> | | | | | |
| Residential full status Mortgages | | | % | | |
| Self Certification Mortgages | | | % | | |
| Other non status, sub prime and/or adverse Mortgages | | | % | | |
| Lifetime/Equity Release and/or Reversionary Mortgages | | | % | | |
| Islamic Law Compliant Home Purchase Plans. | | | % | | |
| Total | | | 100 % | | |
| How many regulated mortgages were completed last year or are projected for your first year | | | Mortgages | | |
| What is the largest case completed (if new start-up insert N/A) | | | £ | | |

| 4 – Financial Details – Non-Regulated Mortgage/Loan Activities Gross Fee Income | | | | | |
|--|----------------------|-------------------------------------|---|-----|----|
| Do you require cover for any Non-Regulated Mortgage/Loan activities (if yes select the activities you require cover for from the list below and complete the Gross Fee income details)? If cover is not required tick no opposite and go to next section. | | | You must answer this question yes or no | | |
| IMPORTANT NOTE – Cover will only be provided for the activities you have selected and where you have declared the relevant gross income below. | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Yes</td> <td style="width: 50%; padding: 5px;">No</td> </tr> </table> | Yes | No |
| Yes | No | | | | |
| Definition of Non-Regulated Mortgage / Loan Income - Gross income for the activities you have selected below and derived from Procuration fees, Broker Arrangement fees Completion and Packaging fees for Residential Buy to Let Mortgage, Commercial Mortgage/Finance, Bridging Loan/Finance and Secured & Unsecured Loan activities. If you have any Company Representatives and/or Appointed Representative firms you must declare their income for all activities selected - If you are a new business please project income for underwriting purposes. | | | | | |
| | | | <i>Tick below if Cover required</i> | | |
| Residential Buy to Let Mortgages | | | <input type="checkbox"/> | | |
| Commercial Mortgages | | | <input type="checkbox"/> | | |
| Bridging Finance | | | <input type="checkbox"/> | | |
| <i>Gross Fees/Income earned in:</i> | <i>Previous Year</i> | <i>Last Complete Financial Year</i> | <i>Next year (projected)</i> | | |
| BTL / Commercial / Bridging Income | £ | £ | £ | | |
| | | | <i>Tick below if Cover required</i> | | |
| Secured Loans | | | <input type="checkbox"/> | | |
| Unsecured Loans | | | <input type="checkbox"/> | | |
| <i>Gross Fees/Income earned in:</i> | <i>Previous Year</i> | <i>Last Complete Financial Year</i> | <i>Next year (projected)</i> | | |
| Secured / Unsecured Loan Income | £ | £ | £ | | |
| How many non regulated cases were completed last year or are projected for your first year | | | Mortgages/Loans | | |
| What is the largest non regulated case completed (if new start-up insert N/A) | | | £ | | |
| If you require cover for any Non Regulated additional activities, can you warrant that you operate good practice and compliance procedures for non-regulated products similar to that for regulated products when providing advice and throughout the sales process? If you cannot confirm that you operate such procedures, please detail why in the notes section at the end of the form. | | | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 5px;">Yes</td> <td style="width: 50%; padding: 5px;">No</td> </tr> </table> | Yes | No |
| Yes | No | | | | |

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5 – Financial Details – Non Investment Insurance Contracts

| | | |
|---|---|----|
| Do you require cover for General Insurance and Non Investment Life activities (if yes complete the Gross commission income details and complete the % split of income)? If cover is not required tick no opposite and go to next section. | You must answer this question yes or no | |
| If you have any Company Representatives and/or Appointed Representative firms you must declare their income for all activities selected. | Yes | No |

Unless otherwise agreed, General Insurance Professional Indemnity cover is limited to Personal Lines Insurance being a Regulated Non Investment product purchased by individuals in their private capacity (and not purchased for their trade, business or profession) including Buildings Insurance, Contents Insurance, Accident Sickness and Unemployment plans (MPPI or ASU or ASR or IIU), Personal Accident, Private Motor, Private Motor GAP and PPI, Individual or Family Travel Insurance, Pet Insurance and Individual Let property Insurance arranged on Residential properties. **Commercial Insurance Activities** can be included by ticking the appropriate box below and disclosing the relevant commission income.

Non Investment Life and Pure protection business Professional Indemnity cover is limited to Term Assurance, Family Income Benefit, Critical Illness (CI), Private Medical Insurance (PMI), Permanent Health Insurance (PHI), Non Investment Premium Backed Long Term Care Insurance and Death in Service (DIS), (note, group PMI, CI, PHI & DIS are also allowable). Pension Term Assurance is automatically covered but is subject to a retroactive date of 6th April 2006 in all cases.

(Please note that cover under this section excludes FSA Regulated Investment activities and is NOT suitable for Independent Financial Advisers conducting Personal Pension and Investment business)

| Commission income earned in: | Previous Year | Last Complete Financial Year | Next Year (projected) |
|---|---------------|------------------------------|-----------------------------|
| GI & Non-Investment Life income | £ | £ | £ |
| <i>Please complete the percentage of income split for each of the following activities in the last financial year or if you are a new start up business show projected split for the next 12 months</i> | | | <i>Percentage of income</i> |
| Home Insurance business (Buildings and Contents) | | | % |
| Monthly premium Accident Sickness & Unemployment insurance - (MPPI, ASU, ASR, IIU) | | | % |
| Single premium Accident Sickness & Unemployment insurance – attaching to Mortgages | | | % |
| Single premium Accident Sickness & Unemployment insurance – attaching to Secured Loans | | | % |
| Other Personal Lines business as detailed above | | | % |
| Non Investment Life/Protection business – see definitions note above | | | % |
| | | | 100 % |

| | | | | | |
|--------------------------|------|---------------|------------------|--------|-------|
| Please tick systems used | CETA | Paymentshield | Select & Protect | Source | D & D |
|--------------------------|------|---------------|------------------|--------|-------|

| | | |
|---|---|----|
| Do you require cover for Commercial Insurance – (if yes complete the Gross commission income details below). If cover is not required tick no opposite and go to next section. Acceptance/cover may be subject to an additional questionnaire which will be sent to you if necessary. * Limited cover applies – see below | You must answer this question yes or no | |
| | Yes | No |

| Commission income earned in: | Previous Year | Last Complete Financial Year | Next Year (projected) |
|------------------------------|---------------|------------------------------|-----------------------|
| Commercial Insurance | £ | £ | £ |

*** Limited Cover applies** - Please note that Commercial Insurance is limited to 15% of the total income declared in section 5 - if outside this criteria, cover may still be available but not without full referral to Underwriters. Please note the self-insured excess for Commercial Insurance activities will be a minimum of £2,500 in all cases.

When calculating the premium, we will add together all income declared in sections 3, 4 and 5

6 – Additional Activities – Will Writing

| | |
|---|---|
| Will Writing (Limited Cover can be included as an additional activity under section 5 above provided that 5 years claims free experience can be shown and fees are less than £5,000 per annum) if outside this criteria, cover is not available – Please note the additional Premium is £100 plus IPT | If you require Will Writing cover please Tick this box |
|---|---|

7 - Please select (tick) the Limit of Indemnity required

| | Tick | |
|-------------------------------|------|--|
| £500,000 in the aggregate | | <i>This minimum limit is available for Mortgage/Loan activities in isolation and, subject to your income, is compliant with FSA requirements</i> |
| £1 million in the aggregate | | <i>£1 million normally required to satisfy lenders packager agreements</i> |
| £1.5 million in the aggregate | | <i>This limit is for stand alone General Insurance or combined Mortgage and GI activities and, subject to income, is compliant with FSA requirements</i> |

Please note that high incomes may require individual quotations with higher limits of indemnity.

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8 – When do you want this Insurance to start (Insert start date or tick one other box & do not backdate)

| | | |
|------------|--|-----------|
| Start Date | or on renewal date of existing Towergate Lifestyle PI Insurance | Or T.B.A. |
|------------|--|-----------|

9 - Please read and answer the following questions carefully

| | | |
|--|-----------------|------------------|
| Will you and/or your firm act in full compliance of the FSA Guidelines? | Yes | No |
| Can you warrant that in 100% of the cases you require cover for you hold/own the files and these are/will be available to underwriters in the event of a complaint? If no please state why below | Yes | No |
| Have you or your firm or any individuals therein ever been subject to MCCB, FSA or any other disciplinary procedures, enforcement action or been required by regulators to undertake any remedial action in the conduct of your business activities? (If yes, you must attach full details). | Yes | No |
| Have you or your firm or any individuals therein ever had any complaint or claim made against you/them or are you/they aware of any matter or circumstance that may give rise to a claim? (If yes, you must attach full details). | Yes | No |
| Has any insurer ever declined to offer insurance, imposed any special terms or cancelled / voided an insurance policy for the Firm, Proposer, any Partner, Principal or Director? (If yes, you must attach full details). | Yes | No |
| In respect of Self Certification Mortgages/Loans can you warrant that in all cases you have and always will carry out independent suitability / affordability checks on your clients and warn them of the dangers of mis-stating their income and that this is clearly documented. | Yes | No |
| Are you after full enquiry aware of any matters or circumstances whereby clients have mis-represented their income on a Self Certification Mortgage and/or Loan? | Yes | No |
| Please provide details of your previous Professional Indemnity Insurance (PII) | Name of Insurer | PII Number |
| | | Expiring Premium |

Towergate Lifestyle would like to keep you informed by telephone, post or email of selected products and services available from us and carefully chosen suppliers. If you don't wish us to do so, please tick.

Important Information - This questionnaire forms the basis of the insurance contract – so before signing the declaration please complete any section that has been left blank before returning. Any agreement entered into by you with any third parties (including Insurers) may prejudice your cover in the event of a claim. We draw your attention to exclusion 4.10 of the policy terms and conditions (available on request or from our website). You are also reminded that all claims or circumstances must be notified to us in accordance with the policy terms and conditions.

10 – Declaration

I / We hereby warrant that all advice has been / is / will be given in strict accordance with the terms and provisions of the Mortgage Code as published and updated by the MCCB and/or those as published and updated by the FSA and I / We also warrant that if cover is required for non-regulated products I / We operate good practice and compliance procedures for non-regulated products similar to that for regulated products when providing advice and throughout the sales process.

I / We declare that I / We have answered this questionnaire honestly and to the best of my/our knowledge and after **full enquiry** of all Principals, Partners, Directors, Employees and Consultants, I/We declare that I / We **are not** aware of any circumstance or matter that may give rise to a claim.

I / We declare that I / We have not withheld any material information that would affect the underwriters judgement of this insurance and I / We undertake to inform Towergate Lifestyle of any material alteration to these facts occurring before the completion of the contract of insurance.

I /We understand that in the event that the Insurance is not renewed, is cancelled or withdrawn by the underwriters, the current regulator will be notified.

| | |
|------------------|-------------|
| Full Name | Sign |
| Position | Date |

N.B. APPLICATIONS MUST BE SIGNED WITHIN 30 DAYS OF THE PROPOSED START DATE AND CANNOT BE BACK DATED

Please take a couple of minutes to check the information on the proposal form

EQI Insurance

Notes section - Please use this space or attach a separate sheet to provide additional information: