

IMPORTANT NOTICE

Please read the following before proceeding to complete this Addendum

Your Professional Indemnity Insurance Policy is issued on a CLAIMS MADE basis.

1. Claims first made against you during the period of insurance and notified to the Insurer during that period of insurance, 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(3) of the *Insurance Contracts Act 1984* (Cth.) 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 period of insurance. 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 Contracts Act 1984* (Cth.)) 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 Contracts Act 1984* (Cth.), DUAL Australia Pty Ltd (DUAL) 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 Contracts Act 1984* (Cth.) 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 its business, ought to know; or
- as to which compliance with your duty is waived by their Insurer.

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

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 Addendum 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 Contracts Act 1984* (Cth.).

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 Circumstances or Events

If during the period of this policy, the Insured should become aware of any circumstance which may give rise to a Claim under the Policy and should during the period of this insurance written notice be given to the Insurer of such circumstance, any Claim which may be subsequently made arising out of the circumstance 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.

Completing this Addendum

- 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 Addendum 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 Addendum is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question.
- The Addendum must be completed, signed and dated by a person, who must be of legal capacity and authorised for the purpose of requesting statutory liability insurance for the firm who acts as a Proposer.

This Addendum DOES NOT BIND the Applicant or the Insurer to complete the insurance but will form part of any insurance.

Privacy Collection Statement

At DUAL, we are committed to protecting your privacy and complying with the *Privacy Act 1988* (Cth) ('Privacy Act').

We use your information to assess the risk of providing you with insurance, provide quotations, issue policies and assess claims, on behalf of the insurers we represent. We also use your information to administer any policies we have issued to you and may do so by mail or electronically, unless you tell us that you do not wish to receive electronic communications. If you do not provide us with full information, we may not be able to provide insurance or assess a claim. If you provide us with information about someone else, you must obtain their consent to do so.

We provide your personal information to the insurer we represent when we issue and administer your insurance. When providing a quotation or insurance terms, we will tell you if the insurer is overseas and if so, where they are. We may also provide your information to your broker and our contracted third-party service providers (e.g. claims management companies). We are part of Howden Group Holdings Limited and may provide your information to UK based Group entities who provide us with business support services. 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. We do not trade, rent or sell your information.

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. By providing us with your personal information, you consent to its collection and use as outlined above and in our Privacy Policy. Ask us for a copy of our Privacy Policy via email at privacy@dualaustralia.com.au or access it via our website using the following [link](#).

Section 1

Details of Proposer

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): _____

3. Do you have any authorised 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: _____

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

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

7. Do your Credit Representatives act exclusively on behalf of your License? Yes [] No []

If NO, please provide further details below: _____

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

If NO, please provide details: _____

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 | General Information

1. 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 details: _____

2. 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: _____

3. 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 Company, 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 []

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

If YES, please provide further details: _____

Section 3 | 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 Split (%)	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.

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:

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	100%

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/Percentage of total Income
\$0 < \$250,000	%
>\$250,000 <\$500,000	%
>\$500,000 < \$1,000,000	%
>\$1,000,000	%
Total	100%

If any credit contracts exceed \$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)? _____

8. Please advise the source of credit provider used:

Credit Provider	Percentage Split
i. Banks, Credit Unions, Building Societies	%
ii. Non-banking credit providers	%
iii. Non-APRA regulated credit providers	%
iv. Private Equity vehicles / superannuation funds	%
v. Off-shore Credit Providers	%
vi. Solicitors Funds (not covered)	%
Total	100%

For any credit providers disclosed in i) through vi) above, 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? 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: _____

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 ratio 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: _____

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?

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 4 | Risk Management

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|---|----------------------------------|---------------------------------|
| 1. Do you conduct due diligence when verifying documentation submitted in credit contract applications by your client? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| 2. Do you have signature rights to any banking accounts of which borrowers monthly and/or other payments are deposited? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |

If YES, please provide full details: _____

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|---|----------------------------------|---------------------------------|
| 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 [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| 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 [<input type="checkbox"/>] | No [<input type="checkbox"/>] |

If NO, please provide full details: _____

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|--|----------------------------------|---------------------------------|
| 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 [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
|--|----------------------------------|---------------------------------|

If NO, please provide full details: _____

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|---|----------------------------------|---------------------------------|
| 6. When hiring staff, do you conduct full background checks on applicants? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
| 7. Do you always require your clients to review and sign off the loan application before it is submitted to a lender? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |

If NO, please provide full further details: _____

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|---|----------------------------------|---------------------------------|
| 8. Do you always obtain verification of income from all loan applicants prior to entering into a credit contract? | Yes [<input type="checkbox"/>] | No [<input type="checkbox"/>] |
|---|----------------------------------|---------------------------------|

If NO, please provide further details: _____

Section 5 Indemnity Limit

Please select the amount of Indemnity required:

\$ 1,000,000 \$ 2,000,000 \$ 4,000,000 \$ 5,000,000

\$ 10,000,000 Other: _____

Section 6 Declaration

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

The undersigned declares that the statement and particulars in this Addendum 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 Addendum and the inception date of the insurance to which this Addendum 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 Collection Statement' at the beginning of this Addendum. The undersigned acknowledges that they have read the policy wording and associated endorsements and are satisfied with the coverage provided, including the limitations and restrictions on coverage. The undersigned agrees that this Addendum, 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

Full Name: _____

Position: _____

Signature: _____ Date: / /

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 INSURED'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 Addendum and correspondence).

How to contact DUAL:

[DUAL Australia Pty Ltd](#)

GPO Box 7101
Sydney NSW 2001
Australia

Phone: 1300 769 772 (If dialling from outside Australia +61 2 9248 6300)

Email: dualenquiries@dualaustralia.com.au

ANNEXURES: PLEASE ANNEX THE FOLLOWING DOCUMENTS TO THIS ADDENDUM

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

Also, if insufficient space has been provided in this Addendum for you to adequately answer any of the questions, please annex further supplementary pages.