



In association with



## **Professional Indemnity Cover For Mortgage & Finance Intermediaries**

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

# Towergate Lifestyle

<b>If you need any assistance completing the form please call the PI team.</b>	
<b>For all General Underwriting queries</b>	0114 250 0011
<b>Fax:</b>	0114 250 0033
<b>General email enquiries:</b>	<a href="mailto:lifestyle@towergate.co.uk">lifestyle@towergate.co.uk</a>
<b>Larger cases, claims or technical queries contact:</b>	Daniel Bower
<b>Telephone:</b>	0114 280 2965
<b>Email:</b>	<a href="mailto:daniel.bower@towergate.co.uk">daniel.bower@towergate.co.uk</a>
<b>Email the completed form to: <a href="mailto:lifestyle@towergate.co.uk">lifestyle@towergate.co.uk</a> or</b>	
<b>Fax to: 0114 250 0033 or</b>	
<b>Post to: Towergate Lifestyle, Suite 6 The South West Centre, Troutbeck Road, Sheffield, S7 2QA</b>	

## FSA Regulated Mortgages and Non Regulated Mortgage / Loan Activities

Rates are calculated on the total of any **FSA Regulated Mortgage Income and Non Regulated Mortgage & Secured Lending 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 and target market.

**Definition of FSA Regulated Mortgage Income (Section 3) – Gross Income** derived from Procuration fees, Commission, Broker Arrangement fees, Completion and Packaging fees in respect of any Regulated Mortgage activity including Lifetime Equity Release, Reversionary Schemes & Islamic Law Compliant Home Purchase Plans. If you have any Sales Consultants/RI's and/or Appointed Representative firms you must declare their income.

**Definition of Non Regulated Mortgage & Secured Lending Income (Section 3) – Gross Income** derived from Procuration fees, Commission, Broker Arrangement fees, Completion and Packaging fees in respect of any Residential Buy to Let Mortgage, Commercial Mortgage, Bridging Finance and Secured Loan. If you have any Sales Consultants/RI's and/or Appointed Representative firms you must declare their income. The excess applying to Residential Buy to Let Mortgages is usually the same as the Regulated Mortgage excess shown on the schedule but the excess for Commercial Mortgages, Bridging Finance and Secured Loans will be a minimum of £2,500, or the excess shown in the schedule if higher.

Please note we no longer provide cover for Unsecured Loans – if you have an ongoing requirement for this activity please contact us.

**Debt Management Business** – this activity can be covered but is limited to introducing only (giving no advice) and is subject to a sub limit of Indemnity of £100,000 in the aggregate. The excess is £1,000 each and every claim/claimant, or the excess shown in the schedule if higher. If you require cover to conduct this activity on a fully advised basis please contact us for the relevant proposal form.

**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 4)

If cover is required for **General Insurance and Non Investment Life** business, income generated for these activities should be included in Section 4. 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, 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 / Pure Protection business – Professional Indemnity cover is limited to Payment Protection Plans, Accident Sickness and Unemployment plans (ASU or MPPI or ASR or IIU) paid on a monthly instalment basis, 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 6<sup>th</sup> April 2006 in all cases. If you have any Sales Consultants/RI's and/or Appointed Representative firms you must declare their income. Please note that we no longer provide cover for any Single Premium Payment Protection Plan attaching to a Mortgage or Secured Loan – if you have an ongoing requirement for this activity please contact us.

This proposal is not suitable for Independent Financial Advisers and cover excludes 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 considering your cover requirements. If you need IFA cover please contact us.

Cover can be extended to Commercial Insurance subject to an additional questionnaire. Please note the excess for Commercial Insurance activities will be a minimum of £2,500 or the excess shown in the schedule if higher.

**The excesses, premiums and limits of indemnity are always subject to final underwriting, in particular when Non Regulated Mortgage & Secured Lending activities or additional questionnaires are required. If you require further details relating to any of the activities shown above please refer to the Policy Terms and Conditions.**

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.

# Towergate Lifestyle

## Professional Indemnity Questionnaire

For Mortgage and/or Non Investment Insurance Contracts

TLIF/PS 1<sup>st</sup> November 2009 – 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 an 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			
Date firm established			
Trading Address			
Please detail any previous trading names cover is required for – please provide full information. Continue on a separate sheet if necessary	Name of Firm	Date firm established	
Email			
Telephone		Mobile	
Fax		Website	

Please note that wherever possible we will be communicating with you by email so please provide your direct email address

Full Names of Sole Trader / Directors / Partners	Age	Mortgage/Financial/Qualifications	Years Experience

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

Please tick all boxes that apply – are you a: Directly Authorised Firm  Mortgage Packager  Appointed Representative

Please provide details of your FSA registration number (insert 'TBA' if currently applying)

Please state the name of your Principal if you are an Appointed Representative of any Network or Firm

How many Administration Staff, Sales Consultants, or AR firms will be covered under this Insurance – please insert the numbers below

Admin Staff

Sales Consultants / RI's

Appointed Representatives

If you outsource your compliance, please provide the name of the firm used

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## 3 – Financial Details – Regulated Mortgage and Non Regulated Mortgage & Secured Lending Income

Please confirm the date of your financial year end

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*For definition of Income – see notes on page 2. If you are a new business please project income for underwriting purposes*

Do you require cover for FSA Regulated Mortgage activities? (if Yes please declare your Gross income details below) Yes  No

Gross Fees/Income earned in:	Previous Year	Last Complete Financial Year	Current/ Next year (projected)
<b>Regulated Mortgage Income</b>	£	£	£

Do you require cover for Non Regulated Mortgage & Secured Lending? - i.e. Buy to Let & Commercial Mortgages, Bridging Finance and Secured Loans? (if Yes please declare your Gross income details below) Yes  No

Gross Fees/Income earned in:	Previous Year	Last Complete Financial Year	Current/ Next year (projected)
<b>Non Regulated Income</b>	£	£	£

*In respect of the above declared income(s) please state the number of cases completed for each of the following activities in the last financial year - if you are a new start up business show projected number in your target market for the next 12 months*

How many cases were:

Residential Full Status Mortgages	<input type="text"/>	cases
Sub Prime and Self Certification Mortgages	<input type="text"/>	cases
Interest Only Mortgages	<input type="text"/>	cases
Lifetime Equity Release and/or Reversionary Mortgages	<input type="text"/>	cases
Islamic Law Compliant Home Purchase Plans	<input type="text"/>	cases

*If you have requested cover for Non Regulated Mortgage & Secured Lending business please complete the following also*

Residential Buy to Let Mortgages	<input type="text"/>	cases
Non Regulated Secured Loans	<input type="text"/>	cases
Other Non Regulated Secured Lending (Commercial Finance and Bridging Loans)	<input type="text"/>	cases

**Please note we no longer provide cover for Unsecured Loans – if you have an ongoing requirement for this activity please contact us**

In respect of Self Certification Mortgages/Loans can you warrant that in all cases you have and always will carry out appropriate 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

Can you warrant that you are not aware of any occasion whereby clients have mis-represented their income on a Self Certification Mortgage and/or Loan? Yes  No

In respect of Interest Only Mortgages, can you warrant that you have and always will warn clients of the danger of not making regular capital repayments and/or not making any provisions for the full repayment of the capital at the end of the mortgage term? Yes  No

In all cases is it your standard practice to fully advise your clients of the consequences of giving false information? Yes  No

If you conduct Non Regulated Mortgage and Loan activities (Residential Buy to Let, Commercial Mortgages, Bridging Finance and Secured Loans) can you warrant that you operate good practice and compliance procedures for all non-regulated products similar to those 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 Yes  No

Please give the following figures based on business transacted in the last year. If the company is newly established give an estimate based on your target market

Highest Value Mortgage / Loan	£ <input type="text"/>	Average Value Mortgage / Loan	£ <input type="text"/>
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Do you require cover for Introducing Debt Management Business to third parties? Yes  No

If YES please disclose the income derived from such activities in the last 12 months

Do you require cover for Sale and Rent Back business? Acceptance will be subject to an additional questionnaire which will be sent to you separately Yes  No

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## 4 – Financial Details – Non Investment Insurance Contracts

Please note this proposal form is NOT suitable for Independent Financial Advisers conducting Pension and Investment business.

4.a Do you require cover for Non Investment Insurance Contracts? – see definitions on page 2.

If Yes complete the Gross commission income details below. If cover is not required tick No opposite Yes  No  and go to next section.

Unless otherwise agreed, Non Investment Insurance business is limited to General Insurance/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) and/or Non Investment Life/Pure Protection Business.

**Commercial Insurance business is not automatically covered** - if cover is required tick the appropriate box below and we will provide the relevant additional questionnaire. (Do not include any Commercial Insurance income in the section below).

Gross Fees/Commission earned in:	Previous Year	Last Complete Financial Year	Next Year (projected)
<b>Non Investment Insurance Income</b>	£	£	£

Please complete the percentage of income split for each of the following activities in the last financial year. If you are a new start up business show approximate projected split in your target market for the next 12 months

General Insurance / Personal Lines Business - see definitions on page 2

Percentage of income  
 %

Non Investment Life / Pure Protection Business - see definitions on page 2

%

Total 100 %

**Please note we no longer provide cover for any Single Premium Payment Protection Plan attaching to a Mortgage or Secured Loan – if you have an ongoing requirement for this activity please contact us**

Please tick if you use any of the following systems

CETA

Paymentshield

Select & Protect

Source

Trigold

4.b Do you require cover for Commercial Insurance?

Acceptance will be subject to an additional questionnaire which will be sent to you separately

Yes  No

Please note the excess for Commercial Insurance activities will be a minimum of £2,500 or the excess shown in the schedule if higher

4.c Do you require cover for Will Writing?

Acceptance will be subject to an additional questionnaire which will be sent to you separately

Yes  No

## 5 – Please select (tick) the Limit of Indemnity required

Tick

£500,000 in the aggregate

*This minimum limit is available for Mortgage/Loan activities in isolation and, subject to your income, is compliant with FSA requirements*

£1 million in the aggregate

*£1 million normally required to satisfy lenders packager agreements*

£1.75 million in the aggregate

*This limit is for Non Investment Insurance Contracts and/or combined Mortgage and Non Investment Insurance Contracts and subject to income, is compliant with FSA requirements*

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

**Details of Previous Insurer** - please provide the details below

Name of Insurer

Renewal Date

Premium Paid

£

If you have not had previous insurance, are you a new start up business?

Yes  No

If No, were all your previous activities covered under another firm or Network?

Yes  No

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

Start Date

On existing Towergate  
renewal date

Or tick if TBA

## 7 – 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 will be available to underwriters in the event of a complaint?

Yes

No

**If No please detail why in the notes section at the end of the form**

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

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 sections that have been left blank before submission to us. It is important that you disclose all material facts as failure to disclose such facts may result in claims not being met. If you are in any doubt whether a fact is material you should disclose it. You are also reminded that all claims or circumstances must be notified to us in accordance with the policy terms and conditions which are available on request or from our website.**

## 8 – Declaration

I / We hereby warrant that all advice has been / is / will be given in strict accordance with the terms & provisions of the Financial Services Authority and where appropriate any prior regulator(s). 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, Consultants and Appointed Representatives, 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  
and keep a copy for your own records**

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**9 – How do you wish to pay your premium?** Whatever payment method you have chosen, please note that payment will not be taken until you have been provided with and accepted our written quotation.

Single Premium Cheque

Monthly Instalment Facility

Annual Premium by Credit/Debit Card

Please complete one of the following payment methods

I enclose a cheque made payable to Towergate Lifestyle for the annual premium of:

£

Please note that if you have sent us payment by cheque, it is a Financial Services Authority requirement that cheques are banked within 24 hours of receipt. The fact that a cheque has been banked does not imply that the premium has been accepted and/or the proposal has been accepted and/or the Insurance is in force. In view of this FSA requirement please **do not** POST DATE cheques or they will be returned to you.

**Or I prefer to pay the premium by instalments using the monthly payment option below**

**The Premium Instalment Facility administered by Premium Credit Ltd is a Finance Agreement, is payable over 10 months and is subject to an 8.5% (24.8% apr) additional charge, which is included in the monthly payment detailed on the quotation. If you have chosen this option, please complete the details below:**

Bank Name & Address	
Sort Code	
Account Number	
Account Name	

If you choose to pay by Monthly Instalments you will be entering into a Finance Agreement with Premium Credit Ltd. On acceptance of your application for premium instalments, **Premium Credit Ltd** will write to you enclosing details of your **Finance Agreement** and a schedule of monthly payments. Your first instalment will be collected on or around the commencement date of this Professional Indemnity Insurance.

**Please note** that if your Bank or Building Society does not honour your direct debit request for any reason, **Premium Credit Ltd** will charge an administration charge in line with current clearing bank charges. A schedule outlining default fees will be included in the welcome pack from **Premium Credit Ltd** when you take out each new loan. Any default fees will be added to the collection amount when your original payment is re-presented to your bank. If the second or subsequent request for payment fails, your account with **Premium Credit Ltd** will be closed and all cover under the Insurance will lapse. It is very important that you notify us if you change your address or move your bank account.

You should be aware that dependent on the start date of this Insurance and the date the finance agreement commences, two payments may be collected in one month. Call us if you require further information.

The account holder must sign and date the box opposite to confirm their agreement to the collection of monthly payments from the above bank account. <b>You should only sign if you agree to maintain payments.</b>	Print Name	
	Signature	Date

**Or I prefer to pay the Annual premium payment by Credit or Debit Card details below**

**Premiums paid by Credit or Debit Card are subject to a 2.5% additional charge – Please complete the details below (Please note this option cannot be used for monthly payments)**

Please indicate Type of Card	Access / MasterCard	Visa	American Express	Debit Card
Card Number			Expiry Date	
Start Date (if given on Card)			Issue Number (Switch Only)	
Name as it appears on the Card				
Signature of Card Holder				Date

**For Towergate Lifestyle Office Use Only**

<i>Insured name</i>	<i>Client Ref</i>	<i>Certificate No</i>	<i>Premium</i>
			£

# Towergate Lifestyle

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