



# Professional Indemnity Cover

## **For Mortgage Packagers and Correspondent Lenders**

**Distributed and Administered by**  
**Towergate Lifestyle, Suite 6 The South West Centre**  
**Troutbeck Road, Sheffield, South Yorkshire S7 2QA**  
**Tel: 0870 907 6790 Fax: 0114 250 0033**  
**Email: [lifestyle@towergate.co.uk](mailto:lifestyle@towergate.co.uk) – web site: [www.towergatelifestyle.co.uk](http://www.towergatelifestyle.co.uk)**  
**Towergate Lifestyle is part of the Towergate Underwriting Group Ltd**  
**Authorised and Regulated by the Financial Services Authority**

# Towergate Lifestyle

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

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

Fax the completed form for a written quotation to **0114 250 0033**

General email enquiries: **[lifestyle@towergate.co.uk](mailto: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](mailto:daniel.bower@towergate.co.uk)**

Send the completed proposal form with the appropriate method of payment to:

**Towergate Lifestyle**  
**6 The South West Centre**  
**Troutbeck Road**  
**Sheffield**  
**South Yorkshire**  
**S7 2QA**

Please make cheques  
payable to: **Towergate Lifestyle**

## Notes on completing the application form:

1. Complete the application making sure that no sections are left blank or the form will be rejected. If you do not require cover for any section or additional activities, please tick no - (if you are renewing an existing Towergate Lifestyle policy, it is important that the application form is returned to us before the renewal date or your existing policy will automatically lapse leaving you with a gap in cover)
2. Section 2 (Business Details) is very important in respect of our underwriting of the proposal form and you should make it clear in this section if you are providing any service that is considered to be giving or constitutes any advice. If you need cover for General Insurance and Non Investment Life activities you must select the £1.1 million aggregate limit
3. Please fax the completed application form to us requesting a quotation only – where possible we will reply the same day (if the quotation is acceptable to you, we must be in receipt of your signed acceptance and the original ink signed application form before we can issue any documents). If a change or mid term adjustment is made during the term of the policy, we will charge an administration fee of £35.00.
4. Decide on the method of payment
  1. If paying by cheque please enclose with the proposal form
  2. If using the monthly payment option please make sure the bank details are correct – a schedule of payments will be sent to you by Premium Credit Ltd
  3. Premiums can be paid by Credit Card

Note: If you choose to pay by Monthly Instalments, you will be entering into a Finance Agreement with Premium Credit Ltd and they will provide you with details of the Finance Agreement and a schedule of the dates of the monthly payments on or around the start date of the policy.

# Towergate Lifestyle

Professional Indemnity as of 1<sup>st</sup> December 2005

For Mortgage Packagers/Correspondent Lenders

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## Mortgage Advice and/or Packaging Activities

Cover under the Mortgage section is limited to:

Residential and Buy to Let Mortgages, Commercial Mortgages and Secured Loans.

Premium rates are calculated on **Mortgage related income** (see definition below) that was received in the applicants last complete financial year prior to inception or renewal of the policy. 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 Mortgage Related Income – Gross** Mortgage related income derived from **Procuration** fees, **Broker Arrangement** fees **Completion** and **Packaging** fees.

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## General Insurance and Non Investment Life business.

Cover provided for General Insurance and Non Investment Life activities under this policy is Limited to:

Buildings Insurance – Contents Insurance - Accident Sickness & Unemployment plans (ASU – ASR – MPPI - IIU) - Private Motor - Pet Insurance and Travel Insurance - Level and Decreasing Term Assurance – F.I.B.- Critical Illness - PMI (Private Medical Insurance) - PHI (Permanent Health Insurance) – Death in Service (note, group PMI, CI & DIS are allowable). (Please note that our cover does not extend to Commercial Insurance of any kind, Commercial Motor Fleet or Commercial Liability)

Premium rates for this section are calculated on the gross commission received from insurers in respect of the sale or distribution of the products shown above.

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.

The policy excess may differ for each activity subject to final underwriting

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Annual premiums and Monthly instalments will include Insurance Premium Tax at 5% and a **£35** Policy Fee

Annual premium cheques should be made payable to Towergate Lifestyle.

A Premium Instalment option is available on all premiums subject to a **8% (23.1% apr)** additional charge, which is included in the monthly payments shown. Monthly payments are collected over **10 months** and the premiums quoted may be subject to slight rounding differences. When paying by this method please note that you will be entering into a finance agreement with Premium Credit Ltd who will send you full details on acceptance.

Single premiums can be paid by Credit or Debit Card payments are subject to a 2.5% additional charge

If a change or mid term adjustment is made during the term of the policy, we will charge an administration fee of **£35.00**.

Please note that once your Professional Indemnity policy has been issued, cover cannot be cancelled mid term.

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# Towergate Lifestyle

## Mortgage Packagers and Correspondent Lenders

1<sup>st</sup> December 2005 – 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 the relevant method of payment is attached, i.e. single premium cheque, credit card details or the monthly Premium Instalment Facility section is completed. 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 has been accepted and/or the proposal has been accepted and/or the policy 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 application, 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 a PI policy is in force at the time of notification of the complaint or claim.

Please note that PI policies are issued as annual contracts and you cannot cancel the policy 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		Post Code
Please give details of any parent or other associated companies			
Telephone:		Mobile:	
Fax:		Email:	
<b>Full</b> Names of Sole Trader / Directors / Partners	Date Of Birth	Mortgage/Financial/Qualifications	Years Experience
If applicable please advise the name and qualifications of your compliance officer(s) and state how long he/she/they have held this position.			
		<b>Do Not Leave Blank</b>	

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<b>2 – Business details and FSA status - please complete all the relevant boxes – Are you:</b>			
A Sole Trader	Yes	No	
A Partnership or business requiring cover for more than one person	Yes	No	
A Limited Company	Yes	No	
A Mortgage and /or a Non Investment Insurance Network or Club <b>If yes you must provide full details or a business model on how the business functions</b>	Yes	No	
<b>Type of business – please complete all the relevant boxes:</b>			
Are you tied to a life office	Yes	No	If yes which life office:
Are you an Independent Financial Adviser	Yes	No	If yes which Network or state n/a:
<b>Please advise your FSA status – please complete all the relevant boxes:</b>			
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			
If no are you an Appointed Representative or	Yes	No	
An Appointed Introducer	Yes	No	
If you are not directly authorised which network or club are you a member of:			
How many Advisers/Consultants will be covered under this policy ( <b>You must complete this question and include yourself if appropriate</b> )	Consultants		
What level of service do you/they provide	Advised Sales	Non Advised Sales	

<b>3 – Packager details - Please tick the relevant boxes, are you:</b>			
A Mortgage Packager only	Yes	No	
A Mortgage Packager and Correspondent Lender	Yes	No	
True Lender using wholly owed funds	Yes	No	Company or group
Please provide details of Lenders you represent			
3.a - As a Packager and/or Correspondent Lender, do you or your employees or representatives have any direct contact with customers to whom you/they provide advice?	Yes	No	
If yes, which level of service you provide	Advised Sales	Non Advised Sales	
3.b - If No to 3.a above, can you confirm that in 100% of the business you process, the advice is provided to the customers by third party and fully authorised firms	Yes	No	
If no please provide further details			
How many qualified Technical and Administration staff do you employ		How many qualified mortgage Advisers do you employ or self employ	

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4 - Financial Details – Please provide information regarding Fee income in respect of chosen activities						
4.a - If you are an existing business please give details of your <b>Gross Mortgage &amp; Loan Related Fee</b> income and <b>Net Retained income</b> after paying broker fees. Please include <b>Procuration fees, Arrangement, Completion, Lending &amp; Packaging fees</b> or any other <b>commission or fees</b> received whilst undertaking the following chosen activities received over a three-year period in the spaces below. To determine the correct premium, <b>it is important that you disclose the month and year</b> . (If you are a new business project your income in the section 4.b) Please note that <b>Net income is NOT</b> net profit						
Mortgage and Loan activities		Whether you require these activities or not, you <b>must</b> answer these questions by ticking the relevant yes / no boxes below				
Please tick the activities you require cover for:		Residential Mortgages	Yes	No		
Insert the total income for all activities in the next section and insert the percentage for each activity in the section 4.c		Buy to Let Mortgages	Yes	No		
		Commercial Mortgages	Yes	No		
		Secured Loans	Yes	No		
From	Month / Year	To	Month / Year	Gross Fee Income	Net Retained Income	
Last Year	/		/	£	£	
This Year	/		/	£	£	
Next Year	/		/	£ anticipated	£ anticipated	
4.b - If you are a new business, project your first year Gross income and Net retained for premium calculation purposes and please enclose a brief financial business plan		£	Projected Gross income		£	Projected Net income
4.c - Please insert the approximate percentage of your Gross income for each activity requiring cover (total 100%)						
What percentage of your Gross income shown above is derived from Residential mortgages?				%		
What percentage of your Gross income is Buy to Let mortgages?				%		
What percentage of your Gross income is derived from Commercial mortgages?				%		
What percentage of your Gross income is Secured Loans?				%		
				100 %		
How many Mortgages are completed each year or are projected for your first year?				Mortgages		
What is the average gross case fee received or anticipated for each mortgage				£		
What is the largest mortgage completed? (if new business show N/A)				£		
How many Secured Loans are completed each year or are projected for your first year?				Loans		
What is the largest secured loan completed? (if new business show N/A)				£		
4.d						
Can you confirm that you do or will undertake formal compliance procedures for all activities chosen similar to that required for Residential mortgages when providing advice and throughout the sales or administration process? <b>If no, please explain what procedures are adopted relevant to your business on a separate sheet or at the end of the proposal form.</b>			Yes	No		
5 – Lenders Authorities						
Do you ever perform delegated authority identity checks on behalf of lenders for <b>any</b> loans or mortgages?			Yes	No		
6 - Mortgage Payment Protection Insurance (MPPI)						
Can you confirm that where appropriate you will operate good practice in respect of Mortgage Payment Protection Plans (MPPI) and confirm that MPPI cover will be discussed and recommended whether these plans will be provided or not			Yes	No		
<b>If no</b> , can you confirm that this is the full responsibility of the introducing Mortgage Broker?			Yes	No		

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<b>7 – General Insurance and Non Investment Life activities – (Non Investment Insurance Contracts) not available as a stand alone option under this proposal form - if stand alone cover is required please request the appropriate form</b>			
Do you want to include General Insurance and Non Investment Life activities under this policy? (If yes, please complete the income section and business split section below) - if you have answered no please go to Question 8			You <b>must</b> answer this question
Please note that this section excludes all FSA Regulated <b>Investment</b> activities.			Yes      No
From	Month / Year	To	Month / Year
Previous Year	/		/
Last Year	/		/
Next Year	/		/
		Gross Fee Income	Net Retained Income
		£	£
		£	£
		£	£
		anticipated	anticipated
		Gross Fee Income	Net Retained Income
If you are a new start up business project your first year Gross income and Net retained for premium calculation purposes		£	£
<b>For underwriting purposes, please indicate the approximate percentage split for the products sold below in the last complete financial year (or approximate split projected for the next financial year)</b>			
1 - Buildings and Contents			%
2 – Monthly Premium Accident Sickness & Unemployment (ASU – MPPI – ASR)			%
3 – Single Premium Accident Sickness & Unemployment (ASU – MPPI – ASR)			%
4 - Private Motor			%
5 - Individual or Family Travel Insurance and/or Pet Insurance			%
6 - Term Assurance and Family Income Benefit			%
7 - Critical Illness plans			%
8 - Permanent Health Insurance			%
9 - Private Medical Insurance			%
10 - Group DIS, CI, PMI, PHI			%
<b>TOTAL</b>			<b>100%</b>
<b>Please note that Commercial Business, Commercial Combined or any Commercial Fleet business is NOT covered under this policy and if these activities are an important requirement, you should not submit this proposal form</b>			
<b>Please provide the following additional information in respect of the above General Insurance and Non Investment Life activities so that we can underwrite the proposal quickly.</b>			
Do you place Insurance business directly with Insurers or Lenders			Yes      No
Do you place business with Third Party Administrators (e.g. Paymentsshield, Network Data, Ceta) If yes you must list <b>ALL</b> the agencies you are using below			Yes      No
1	5		
2	6		
3	7		
4	8		

<b>8 - Please select (tick) the Level of Indemnity required</b>	
Please tick one of the following boxes – for additional information refer to the rating guide	
£100,000 any one claim limited to £500,000 in the aggregate	<i>These limits are only available for Mortgage activities in isolation and, subject to income, are compliant with FSA requirements</i>
£100,000 any one claim limited to £1 million in the aggregate	
£100,000 any one claim for mortgages and £750,000 any one claim for General Insurance – The aggregate limit under this section is limited to £1.1 million	<i>This limit is for combined Mortgage and General Insurance activities and, subject to income, is compliant with FSA requirements</i>
£1 million any one claim limited to £3 million in the aggregate	<i>For Packagers with high incomes or those requiring higher levels of Indemnity</i>

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**9 - How do you wish to pay your premium? (if paying by single premium please attach cheque to application)**

Single Premium Cheque	Monthly Instalment Facility	Annual Premium by Credit/Debit Card
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**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 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 policy is in force.

**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 payable over 10 months and is subject to an 8% (23.1% apr) additional charge, which is included in the monthly payment detailed on the rating guide (if provided) or on the quotation. If you have chosen this option, please complete the details below:**

Bank Name & Address

Sort Code

Account Number

Account Name

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 policy commencement date.

**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 policy 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 policy start date 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.

**You should only sign if you agree to maintain payments.**

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
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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>Policy No</i>	<i>Premium</i>
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# Towergate Lifestyle

<b>10 – What date do you want your policy to start? (Insert start date or tick one other box &amp; do not backdate)</b>		
Start Date	or on renewal date of existing Towergate Lifestyle Policy	Or T.B.A.

<b>11 - Please answer the following questions carefully</b>			
Will you and/or your firm act in full compliance of the FSA Guidelines?	Yes	No	
Have you or your firm or any individuals therein ever been subject to MCCB, FSA or <b>any other</b> disciplinary procedures? <b>(If yes, you must attach full details - in this event, rates may change from those published).</b>	Yes	No	
Have you or your firm or any individuals therein ever had <b>any</b> complaints or claims made against you/them or are you/they aware of any circumstances that may give rise to a claim? <b>(If yes, you must attach full details - in this event, rates may change from those published).</b>	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	Yes	No	
Please provide details of your previous Professional Indemnity policy	Name of Insurer	Policy Number	Expiring Premium

**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 8 of the policy wording (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 terms and conditions of the policy.**

<b>12 – Declaration</b>	
<p>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.</p> <p>I / We declare that I / We have answered this questionnaire honestly and to the best of my/our knowledge and after <b>full enquiry</b> of all Principals, Partners, Directors, Employees and Consultants, I / We declare that I / We <b>are not</b> aware of any circumstance or matter that may give rise to a claim.</p> <p>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.</p> <p>I / We understand that in the event that the policy is not renewed, is cancelled or withdrawn by the underwriters, the current regulator will be notified.</p>	
<b>Full Name</b>	<b>Sign</b>
<b>Position</b>	<b>Date</b>
<b>N.B. APPLICATIONS MUST BE SIGNED WITHIN 30 DAYS OF THE PROPOSED START DATE AND CANNOT BE BACK DATED</b>	

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

<p><b>Notes section - Please use this space for additional information:</b></p>
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