



# **Professional Indemnity Mortgage & General Insurance Intermediaries**

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Authorised and regulated by the Financial Conduct Authority  
Company registration No: 07965879

## THE INSURANCE ACT AND THE DUTY OF FAIR PRESENTATION

The Insurance Act provides clarity around what information a purchaser of insurance has to provide to the Insurer, which of their staff is responsible for doing that and to whom they have to provide it. The new duty is now described as a 'duty of fair presentation', effectively requiring non-consumer Policyholders to undertake a reasonable search of information available to them, and defining what a Policyholder knows or ought to know. It is important to note that 'entering into an insurance contract' includes not only the main policy and each renewal of it, but any variations or amendments. Each time a contract is varied, the duty arises afresh in relation to that variation.

### **Fair Presentation and Material Circumstances**

Before the insurance policy takes effect you have a duty to make a fair presentation of the risk to be insured under the insurance policy.

A *fair presentation of the risk* is one:

- which;
  - a) discloses to the Insurer every material circumstance which the Proposer knows of or ought to know of, or failing that;
  - b) disclosure which gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purposes of revealing those material circumstances; or
  - c) disclosure which would be reasonably clear and accessible to the Insurer; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

The Proposal Form will form the basis of a contract between you and the Insurer. Inaccuracies or misrepresentations could lead to the policy being voided, and/or a claim being refused. If you have any doubt whether particular information or a material circumstance is relevant to Insurer's ability to underwrite your application for insurance, you should declare the information as soon as possible. A *material circumstance* is one that would influence the Insurer's decision as to whether or not to agree to insure you. If you are in any doubt as to whether a circumstance is material, you should immediately disclose it to the Insurer.

### **Remedies**

Importantly, the Act introduces a new system of proportionate remedies where the duty to make a fair presentation has been breached. The ability to avoid will be retained in some cases where the Insured breaches the duty to make a fair presentation in relation to disclosure/misrepresentation – see brief details below of how Remedies will apply.

### **Remedies for Material Non-Disclosure or Misrepresentation**

Consequences of a deliberate or reckless breach may be:

- a) the Insurer may avoid the contract and refuse all claims; and
- b) need not return any of the premiums paid

For example, an Insured deliberately conceals known and material information from its presentation of the risk and does not even provide sufficient information to put the Insurer on enquiry, making it an unfair presentation. This entitles avoidance but with no obligation to return premium.

### **Proportionate Remedies; for non-deliberate or reckless breaches**

1. If the Insurer would not have entered into the contract on any terms: the Insurer may avoid the contract and refuse all claims but must in that event return the premiums paid.
2. If the Insurer would have entered into the contract but on different terms (other than terms relating to the premium): the contract is to be treated as if it had been entered into on those different terms if the Insurer so requires, even if the Insured would never have accepted such terms.
3. In addition, if the Insurer would have entered into the contract but would have charged a higher premium (whether the terms relating to matters other than the premium would have been the same or different): the Insurer may reduce proportionately the amount to be paid on a claim.

In sub-paragraph (3) above, 'reduce proportionately' means that the Insurer need only pay on the claim X% of what it would otherwise have been under the terms of the contract (or, if applicable, under the different terms provided for by virtue of paragraph 2, because 2 and 3 can apply together). The calculation is as follows:

$$X = \frac{\text{Premium actually charged}}{\text{Higher Premium}} \times 100$$

### **Insurers Remedies for Fraudulent Claims**

The Act provides the Insurer with clear statutory remedies when an Insured submits a fraudulent claim. If a claim is tainted by fraud, the Insured forfeits the whole claim, they cannot recover the part of the claim that would genuinely have been payable.

The Act also provides that the Insurer may refuse any claim arising after the fraudulent act and can serve notice that it is treating the contract as terminated from the date the offence was committed. However, previous valid claims arising prior to the fraudulent act are unaffected.

The Insurer need not return premium following notice of termination based upon the submission of a fraudulent claim.

**If you need further clarification on the Insurance Act 2015 please do not hesitate to contact your Broker.**

## Guide to Completing this Proposal Form

When submitting this Proposal Form to your Broker or to The PI Desk, please make sure 'YOU' ('you' means the Proposer/the firm & its staff entitled to indemnity under this insurance contract) answer all questions fully leaving no blank spaces (if necessary comment as N/A, 'not applicable' or 'none'). If the form is not satisfactorily completed we will not provide any terms but may make further enquiries of you or will automatically decline.

If there is insufficient space to complete all answers, please continue at the end of the form or provide additional information on the firms headed paper. Providing as much information as possible will help Underwriters to understand the business and enable Insurers to offer terms quickly. Failure to provide Underwriters with relevant information in an appropriate manner may adversely influence the ability of Insurers to offer suitable terms.

**The form must be signed and dated by a Director, Partner or Principal or an identified Officer of the proposing entity.**

Insurance coverage is not effective until the Underwriters and/or Insurers have underwritten and accepted this Proposal Form, any subjectivities have been satisfied and the terms (or special terms) offered to the Proposer have been accepted in writing.

If the Proposer has not been trading for at least 3 years in this profession, please enclose CV's of all Directors, Partners and/or Principals. If the Proposer is a new start-up please provide full details of past experience, qualifications along with CV's.

Where available, email addresses, web site addresses, brochures, the Proposer's standard contract conditions and/or agreements should be provided to assist the underwriting process.

### Claims and/or Claims Circumstances

If the proposing firm has received any complaint(s) or claim(s) or is aware of any circumstance(s) that may give rise to a claim please provide full details and forward a complaints/claims log in a durable format which has been fully completed; is up to date and which should incorporate all complaints/claims/circumstances from inception of the business. Please also include any complaints/claims/circumstances notified to any predecessor firm and/or whilst conducting business for or on behalf of any other firm.

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 the notification of a complaint or claim to Insurers. Where a retroactive date is noted on the policy certificate/schedule, then no cover is provided for any matter arising from business conducted prior to the retroactive date. If a PI policy is allowed to lapse at renewal or mid-term, due to unpaid premiums, then cover is automatically cancelled and no cover is provided in any event.

Please note that Professional Indemnity Insurance schedules/certificates are issued as annual contracts and you cannot cancel the Insurance mid-term unless specifically agreed by Underwriters.

### New Business Start Up Venture

If this Proposal Form relates to a new business startup, please complete the questions by giving your best estimated information for your first year of trading. When estimating your projected fee income, we recommend that you provide a realistic estimate of what you think is achievable based on your business plan. If you exceed your projections the policy cover/limits can be amended.

### Retroactive Cover

If this is the first time you are submitting a proposal to The PI Desk, it is very important that you provide details of any retroactive date applying to your business. Where a retroactive date is stated on your expiring policy schedule, this will be applied on the quotation document and thereafter the policy schedule. In this event, the policy will only provide indemnity for claims arising from activities/work declared to the Insurer and which has been undertaken on or after the retroactive date shown. It is your responsibility to ensure that there is no work or liabilities arising from work undertaken prior to the retroactive date which needs to be covered under your policy.

### Predecessor Companies and/or Partners, Principals Previous Businesses

If cover is required in respect of liabilities arising out of predecessor companies or any Partners or Principals previous businesses, please include full written details within the Proposal Form. If there is insufficient space to provide this information, please include an additional page, covering letter or email with full details.

### Limits of Indemnity

You must arrange and maintain a limit of indemnity that is adequate to meet your regulatory requirements and any claims that may be brought against you both now and in the future. If you are subject to a minimum requirement by your professional body you must not take this as being adequate and the level of cover should meet the protection requirements of you and your business. We can provide quotations for any limit you request but will not accept any responsibility for the choice you make. If you are in any doubt as to what limit of indemnity will meet your business needs then please discuss this with your Broker.

**If you require any assistance in completing this form please contact your Insurance Broker in the first instance.**

**Please note that we will communicate with you preferably by email so please provide a valid and regularly used email address.**

## Submission / Contact Details

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Email the completed form to the Insurance Intermediary/Broker dealing with your Professional Indemnity Insurance

Alternatively, if you are dealing with the PI Desk Ltd, email to: [enquiries@thepidesk.co.uk](mailto:enquiries@thepidesk.co.uk)

Fax to: 0114 242 2372 or

Post to: The PI Desk Ltd, Suite B, Sheffield Business Centre, Europa Link, Sheffield, South Yorkshire, S9 1XZ

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For all Underwriting queries call on: 0114 242 1176

Larger cases, claims or technical queries contact: [roger.crowther@thepidesk.co.uk](mailto:roger.crowther@thepidesk.co.uk)

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## Proposer Details

<b>1. Name of the Person dealing with this Application Form</b>				
<b>2. Trading Name</b> of Insured firm(s), partnership(s), individual(s) as per the FCA register and any trading names and subsidiary companies to be included in this insurance ( <b>please include any predecessors in business for whom cover is required</b> )				
<b>3. Date of establishment</b> (and date of commencement if different) for all firms to be covered under this insurance				
FCA Number:		Are you: Directly Authorised <input type="checkbox"/>	Appointed Rep <input type="checkbox"/> or RI <input type="checkbox"/>	
<b>4. Main Office Address</b> with post code (please include any other trading addresses)				
Contact Telephone:		Mobile:		
Email Address:				
Web Address:				
<b>5. Name of all Directors, Partners or Principals</b>	<b>D.O.B.</b>	<b>Qualifications in full</b>	<b>Date qualified</b>	<b>Number of years in this capacity</b>
<b>6. Please state the total number of :</b> (including part time workers)				
Principals, Partners, Directors				
Technical / Sales Staff / Employed Consultants (excluding Administration Staff)				
Self Employed Individuals (RI's)				
Appointed Representatives – please list at the end of the form				
Administrative and all other staff				
Do the Directors / Principals of the firm have at least 3 years' experience trading in this profession? If this is a new start up business and / or where any Principal has less than 3 years' experience, please attach full CV's				<input type="checkbox"/> Yes <input type="checkbox"/> No

## Income

7. Please give the amount of the total **Gross Turnover** which should include Brokerage, Commissions and Fees received by the firm for the last 4 financial years shown in your prepared accounts as well as an estimate for the current year – This should include all the **Gross income** generated by Appointed Representatives (*Please do not insert Nett Profit figures*)

	Please insert ALL Actual Year Ends (dd mm yyyy)	Gross Turnover £
Last Complete Financial Year		
Previous Financial Year end		
Previous Financial Year end		
Previous Financial Year end		
Please advise / estimate what the firm expects to receive to the next financial year end. This should include the total gross brokerage / commission / fee income the firm expects to achieve to the next year end.		

## Business Activities

8. In respect of the above declared income(s) please state the percentage split of business relating to the following activities conducted in the last financial year - if you are a new start up business show projected numbers in your target market for the next 12 months (Please ensure the total equals 100%).

### Mortgage, Loan and Insurance Business

Percentage of Income

Residential Full Status Mortgages	%
Residential Interest Only Mortgages (Not Buy to Let)	%
Sub Prime Business	%
Buy to Let Mortgage Business	%
Lifetime Equity Release and/or Home Reversion Plans	%
Islamic Law Compliant Home Purchase Plans	%
Secured Loans / Second Charge Loans / Unsecured Loans	%
Bridging Loans	%
Commercial Mortgage / Loan Business / Development Finance & Associated Consultancy	%
Crowd Funding / Peer to Peer Finance	%
Asset Finance	%
Hire Purchase / Invoice Factoring and Discounting	%
Mortgage Related General Insurance (Home Insurance / B & C)	%
Pure Protection Business / Life & Critical Illness / PHI / Relevant Life Business	%
Private Medical Insurance	%
Commercial Insurance*	%
Other – If your work / activities cannot be identified above please give an accurate description of your professional services below or at the end of the form:	%
<div style="border: 1px solid black; height: 40px; width: 100%;"></div>	%

**\*Please note no cover will be provided for any single premium PPI or Commercial Insurance unless otherwise agreed**

**Business Activities - continued**

9. Please give the largest Mortgage and / or Loan arranged in the last three years

£

*Please note - If the company is newly established give an approximation based on your target market*

**Overseas Clients**

10. Are all Mortgages / Loans arranged for properties physically situated in the UK?

Yes

No

11. Can you confirm that all Mortgages / Loans / General Insurance and Protection Advice is:

a) offered only in relation to UK regulated Banks, Lending Institutions and Insurers and

b) offered only where repayments are being made from a UK bank account?

Yes

No

12. Has the firm ever arranged, or does it expect to arrange any Mortgage or Loan for British Expats?

Yes

No

13. Has the firm ever arranged, or does it expect to arrange any Mortgage or Loan for non-UK passport holders living overseas?

Yes

No

14. Has the firm ever conducted business with non-UK based Lenders / Financial Institutions or transacted any business in relation to any overseas based property? If YES, please provide full details in the space below or at the end of the form.

Yes

No

15. Other than Let / Commercial property business, has the firm ever advised any client to borrow for investment purposes. If YES, please provide full details in the space below or at the end of the form.

Yes

No

16. Has the firm ever conducted or intends to conduct business with any clients connected with Russia, Belarus or the Ukraine and / or connected with Russian Oligarchs and / or with any Politically Exposed Persons and / or with anyone from Sanctioned countries? If YES, please provide full details in the space below or at the end of the form.

Yes

No

17. If ANY business with Overseas Clients and / or Foreign Nationals is conducted, please describe the full compliance process below, the specific systems used and confirm that 100% of cases are peer reviewed and go through full identity and AML / Sanction checks and are signed off by the Principal of the firm.

## Risk Management & Compliance

18. Is the firm authorised by any Regulator, linked to or a member of any Trade Association or Professional Body?

Yes  No

Name of Regulator or Professional Organisation(s)	Date Joined	Authorisation Number

19. Who is responsible for the compliance, risk management and monitoring of advice within the firm?

20. Does the firm employ the services of a Third-Party Compliance Firm? If YES please provide the name of the Third Party Compliance Firm.

Yes  
 No

21. What percentage of files are checked by your Third Party Compliance Firm?

22. Has the firm or any individual faced an FSA / FCA investigation, disciplinary action or has its / their authorisation ever been suspended, withdrawn or declined by the Financial Conduct Authority or by any other Regulator or Professional Body? (If YES please provide the date and full details in the space below or at the end of the form).

Yes  
 No

23. Can you confirm that you:

- a. undertake appropriate KYC and Sanction checks on all your clients and
- b. have robust systems, controls and screening processes in accordance with FCA regulatory requirements?

Yes  
 No

24. Can you confirm you have robust processes in place to identify Vulnerable Clients and assist in the prevention of financial crime?

Yes  
 No

25. How often does the firm review its advisers against the firms Vulnerable Client policy and sign off training and competence in this respect?

26. Does the firm keep all client sales files and associated documentation, and will the firm hold indefinitely in a durable and reproducible format? If No, or if the firm has lost, destroyed or has no access to certain files, please provide full details at the end of the form (including, where applicable, how many years ago files were lost or destroyed).

Yes  
 No

- 27.** Has the firm ever provided advice on or transacted any Investment and/or Pension business irrespective of whether such business was regulated or not? If YES please provide details in the space below or at the end of the form.  Yes  No

**28. Changes to Business**

- Do you expect there to be any material changes to, or in, your firm in the next 12 months including but not limited to  Yes
- a. The sale of the Business / Company
  - b. De-authorisation from the FCA or other Associations
  - c. More than 50% growth of the Company
  - d. An increase of RI's or Appointed Representatives  No
- If YES please provide details in the space below or at the end of the form.

- 29.** Has any Partner, Principal or Director ever been made personally bankrupt or been associated with any business which has ceased trading either voluntarily or compulsorily? If YES please provide details in the space below.  Yes  No

- 30.** Is any Principal, Partner or Director of the proposing firm, Partner, Principal or Director of any other company / firm? If YES please provide details in the space below.  Yes  No

- 31.** Has the firm ever transacted any business or advised on any product whilst operating as a Member Firm or Representative of a Mortgage, IFA or Investment Network (if YES please provide full details below)  Yes  No

Name of Network(s)	From	To	Reason for Leaving

## Mortgage Business

32. In respect of any Mortgage/Loan conducted, can you confirm that in all cases the firm has and always will carry out appropriate suitability/affordability/evidence of income checks and that this is clearly documented on every file? If No, please state how such requirement is evidenced in the space below.

Yes  
 No

33. In respect of any regular repayment mortgages arranged that extend into retirement, can you confirm that the firm has and always will adequately assess the borrower(s) ability to make regular and / or structured capital payments after retirement and / or until the end of the mortgage term? If No, please provide more information in the space below.

Yes  
 No

34. In respect of any **Residential** Interest Only Mortgages conducted, are the reasons for such transactions fully recorded in your suitability letters and the relevant warnings given for the need to make structured capital repayments during the term and/or the need to pay the full outstanding balance at the end of the term? If No, please provide more information in the space below.

Yes  
 No

35. How many **Residential** Interest Only Mortgages have been arranged in the last 7 years?

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36. If the firm conducts Equity Release, Home Reversion, Lifetime or Retirement Interest only business, how many cases have been arranged in the last 7 years?

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37. Before any Equity Release contract is arranged, are all other financing options fully considered and any advice given clearly outlined in your suitability letters?

Yes  
 No

38. Are witnesses but specifically family or dependents always (where appropriate) invited to interviews and given the opportunity to assist in the financial situation?

Yes  
 No

39. What is the largest Equity Release contract conducted and the average equity Release contract conducted over the last 3 years?

Largest £	
Average £	

40. Can you confirm that every case is peer reviewed by a suitably qualified or compliance person and signed off prior to or post completion?

Yes  
 No

If 'No' to any of the questions in the section above, please provide a full explanation in the space below including details of the systems & processes you have in place when conducting / arranging Mortgages / Home Reversion / Lifetime business:

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**Non-Investment Insurance Contracts, Life & Pure Protection, General Insurance Business**


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41. Does the firm require cover for Non-Investment Insurance, Protection business, General Insurance business? If YES please complete all questions below. If No please go to the next section.  
 Please Note: If No is selected underwriters will assume no cover is required for past business.
- Yes  
 No
- 

42. If you use any industry software or online systems to conduct General Insurance and Pure Protection business, please provide details of the systems used in the space below.

43. Is full training provided for all staff conducting Protection & General Insurance business?
- Yes  
 No
- 

44. When arranging Home Insurance, in all cases are rebuild costs of the property always taken into consideration and the dangers of underinsuring the property clearly explained to the client?
- Yes  
 No
- 

45. Does the firm operate a robust renewal and diary system with adequate controls to identify renewal dates when transacting its General Insurance business?
- Yes  
 No
- 

46. In relation to any Protection and PMI/Health business, are all clients Medical Question responses checked for accuracy and are the clients always invited to check and confirm all answers are correct?
- Yes  
 No
- 

47. In relation to any Private Medical and Health Insurance business that is being switched, is a full coverage comparison completed in every case and where the replacement policy is quoted on worse terms and has specific exclusions or waiting periods, are these terms clearly explained to the client and is such evidence held on file.
- Yes  
 No
- 

If 'No' to any of the questions above, please provide a full explanation in the space below including details of the systems & processes you have in place when conducting any of the above business:

**Existing Professional Indemnity Insurance –**
**Please Leave this question blank if your policy is currently with the PI Desk**

48. Has the firm previously been insured for Professional Indemnity?  Yes  
 No

Name of Insurer:

Start date of your policy:  Expiry date:

Indemnity limit: £  Excess:

Premium Paid excluding IPT: £

Retroactive date:  This SPECIFIC date can be found on your expiring Policy Schedule

Please note it is a condition precedent that this question is answered fully and correctly as failure to do so will prejudice the rights of the firm in the event of a claim arising in the future

**Limit of Indemnity required for this PI Insurance Proposal**

49. What limit of indemnity is required?

£500,000 in the aggregate  Mortgage/Loan Business Only

£750,000 in the aggregate  Minimum required for FCA regulated MCD Credit Intermediaries

£1.85 Million in the aggregate  Mortgage/Loan & Non-Investment Insurance Contracts combined

If another limit is required – please advise £

50. When do you want this insurance to start?

Start Date:  Or on renewal date of your existing PI Desk Insurance Contract  Or T.B.A.

**Previous Claims & Circumstances**

51. Whether successful or not - Has the firm ever received any complaints or claims for any alleged negligent act, error or omission? If YES, please provide details at the end of the form and / or provide your up-to-date complaints / claims register.  Yes  
 No
52. In all its trading years, has the proposer ever received any Subject Access Requests for any Mortgage, Loan, Equity Release Contract, Protection Contract and / or General Insurance business? If YES, please provide full information at the end of the form and / or provide your up-to-date complaints / claims register.  Yes  
 No
53. Are any of the Partners, Directors, Principals or employees, after full enquiry of all areas of the proposer's business, aware of any matter or circumstances that may give rise to a claim against the firm, its predecessors in business or any present or past Partner, Principal, Director or Employee?  Yes  
 No
54. Has any previous Insurer, declined a proposal for renewal for this firm or any Director / Principal / Partner, imposed special terms, cancelled any insurance or been unable to offer renewal terms for any reason?  Yes  
 No

If YES to any part of the above question - please give full details on the supplementary sheet at the end of the form and provide a full up to date complaints / claims register showing amounts paid and current status

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## Notice to the Proposer

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Please read the following carefully

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### Data Protection

At The PI Desk Ltd we recognise our responsibility to treat your personal information with care and to comply with all relevant legislation. For full details please refer to our Privacy Notice which governs how we use and protect your personal information. The Privacy Notice will be provided with any quotation but in the meantime it is available on request or can be obtained from our website [www.thepidesk.co.uk](http://www.thepidesk.co.uk).

### Duty of Fair Presentation and Disclosure of Material Circumstances:

Since an Insurance Contract is based upon the **Duty of Fair Presentation**, it is important that those seeking insurance should provide full disclosure of any material circumstance to Insurers and that any changes to this information should be updated throughout the period of insurance. The Courts will find a circumstance to be 'material' where it would affect the judgement of a prudent Insurer as to whether or not to accept the risk at the particular terms offered. You are reminded that if you are in doubt whether or not any circumstance is material we recommend that you disclose the information to Insurers.

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### Declaration

I hereby confirm that I am authorised to complete this Proposal Form on behalf of all parties entitled to coverage under this insurance and understand that signing this Proposal Form does not bind the Proposer or the Insurer to complete and/or enter into any binding contract of insurance.

I declare that all Principals, Partners and / or Directors have read, understood and agreed that all the statements and particulars given, including those answers written for me by any other person and that to the best of my / our knowledge and belief, the contents of this Proposal Form, all attached additional information and other particulars which have been given separately to Underwriters and / or Insurers by me or our agents are true and complete and that no material circumstances have been omitted, suppressed, misrepresented, or misstated.

I undertake to inform the Underwriters and / or the Insurers of the change to any material circumstance that occurs prior to the point at which this insurance contract has been agreed and / or prior to the inception of the policy.

I agree that Underwriters and / or the Insurers may contact any previous Insurers for further information and / or clarification if required.

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### Signed for and on behalf of the firm by:

Full Name:	<input type="text"/>	Position:	<input type="text"/>
Signature:	<input type="text"/>	Date:	<input type="text"/>

**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 save a copy for your records***

**Supplementary Sheet - Additional Information in support of this Proposal Form.****Complaints/Claims/Circumstances etc.**

Please provide details of any complaints / claims / potential claims / circumstances / Subject Access Requests

If easier, please forward a copy of your complaints register. Details required would be as follows

Date notified	Client Name / brief details of claim or circumstance / amount paid / open / closed