



# Professional Indemnity Insurance **Run Off Cover Only**

**For Mortgage Intermediaries, Firms  
And Individuals**

Distributed and Administered by  
Towergate Lifestyle, Suite 6 The South West Centre  
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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 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. The applicant's / insured's name on the application form must correspond with the name on the previous years policy
3. The premium will be calculated on your last financial years income based on the 12 months trading prior to joining a Network or ceasing to trade (part years are not acceptable) prior to the renewal date of the policy. The activities covered should be Mortgages, General Insurance and Non Investment Life business or Combined activities but in any event can only be the same as the expiring policy - you cannot add an activity at the time of applying for Run Off if that activity was not previously insured. Please note that the minimum level allowed for mortgage activities is now £100,000 any one claim limited to £500,000 in the aggregate with a maximum level available of £1 million in the aggregate. For combined mortgage and general insurance/non investment life activities the level will be £100,000 any one claim limited to £1.1 million in the aggregate.
4. 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)
5. Decide on the method of payment
  - a. If paying by cheque please enclose with the proposal form
  - b. 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
  - c. 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.

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## Professional Indemnity Run Off Cover at 1<sup>st</sup> December 2005

For past Mortgage, General Insurance and Non Investment Life activities

### Mortgage Activities

Annual premium rates are calculated on the last years **Mortgage income** (see definition below) that was received in the applicants last complete financial year prior to inception or renewal of the policy.

**Definition of Mortgage Income** – **Gross** Mortgage related income derived from **Procuration** fees received from Lenders or packagers, **Broker Arrangement** fees **Completion** and **Packaging** fees for work undertaken on behalf of lenders. This income should be inserted in the mortgage section of the form.

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### General Insurance & Non Investment Life Activities

Calculate the Gross commission income received from the sale of all General Insurance and Non Investment Life business for the last financial year. Commission should be inserted in the General Insurance and Non Investment Life section of the form

Where cover is required for combined Mortgage and General Insurance and Non Investment Life activities, the income will be added together in order to determine the Annual premium payable.

### General Insurance & Non Investment Life activities are limited to:

Buildings Insurance – Contents Insurance - Accident Sickness & Unemployment plans (ASU – ASR – MPPI) - 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 cover does not extend to Commercial Insurance of any kind, Commercial Motor Fleet or Commercial Liability)

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Additionally, 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 derived from the sale of such products should not be included when calculating your cover requirements.

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

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On combined activities policies, a policy excess will be imposed on both sections, subject to underwriting – the excess may vary for each section dependent on fees generated and the terms offered by underwriters.

The Annual premium quoted 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. Monthly payments are collected over **10 months** and the premiums 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 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 a 10% deduction will be applied to your expiring premium each subsequent year the policy is renewed although this will be subject to our minimum premium at that time.

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

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## Professional Indemnity Insurance Run Off Cover Questionnaire

For Mortgage and/or General Insurance and Non Investment Life activities

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 – Personal Details

Name(s) of the Insured			
Date Firm Established	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

### 2 - Please indicate the reason for Run Off cover by completing the appropriate box and inserting the relevant date

I/We will be ceasing to trade or have ceased trading from \_\_\_\_/\_\_\_\_/\_\_\_\_ and require Mortgage Professional Indemnity Run Off cover. (Please complete the relevant sections you require cover for on the following pages)

**OR**

I/We are now covered under another companies mortgage professional indemnity policy but require Run Off cover from the date of \_\_\_\_/\_\_\_\_/\_\_\_\_ for advice given in respect of past activities written under my / our own MCCB or FSA registration number and business name. (Please complete the relevant sections you require cover for on the following pages)

**Please Note** –where appropriate, the start date will be the renewal date of your existing Towergate Lifestyle policy

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<b>3 - Financial Details</b>		
Do you require <b>Run Off cover</b> for Mortgage activities If yes complete section 3.a (if no go to section 3.b)	Yes	No
<b>3.a - Please give details of the Mortgage Gross Fee Income in respect of: Arrangement Fees, Procurement Fees, Completion fees and / or Packaging Fees during the last 12 months of trading</b>		
Please show Residential Mortgage Gross fee income for the last full trading year	£	
Please show Buy to Let Mortgage Gross fee income for the last full trading year (if required)	£	
Please show Commercial Mortgage Gross fee income for the last full trading year (if required)	£	
Please show Secured Loans Gross commission income for the last full trading year (if required)	£	

<b>3.b - Do you require Run Off cover</b> for General Insurance and Non Investment Life activities - If yes, please complete the following section and section 3.c. (if no please go to section 4)	Yes	No
Please show General Insurance and Non Investment Life business Gross commission for the last full trading year.	£	
<b>For underwriting purposes, please indicate the approximate percentage split for the products sold below in the last full trading 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, Individual or Family Travel Insurance and/or Pet Insurance		%
5 - Term Assurance and Family Income Benefit		%
6 - Critical Illness plans		%
7 - Permanent Health Insurance		%
8 - Private Medical Insurance		%
9 - 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>		
Will Writing (Limited Cover can be included as an additional activity under this section provided that 5 years claims free experience can be shown and fees are less than £5,000 per annum) if outside this criteria, cover is not available – Please note the additional Premium is <b>£100 plus IPT</b>	If you require Will Writing cover please <b>Tick this box</b>	<input type="checkbox"/>

<b>3.c - 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>		
Did you place your business directly with Insurers or Lenders	Yes	No
Did you place business with Third Party Administrators (e.g. Paymentsshield, Network Data, Ceta) If yes you must list <b>ALL</b> the agencies you have used below	Yes	No
1	4	
2	5	
3	6	

**Please note that if ANY of the activities selected above were not covered under your expiring policy, you cannot add them at this time and cover them under the Run Off policy.**

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## 4 - 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>5- Please answer the following questions carefully</b>			
Have you and/or your firm at all times acted in full compliance with regulator 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.**

**6 – Declaration**

I / We hereby warrant that all advice has been 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.

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

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

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

<b>Full Name</b>	<b>Sign</b>
<b>Position</b>	<b>Date</b>

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

**Notes section - Please use this space for additional information:**