

PROFESSIONAL LIABILITY INSURANCE PROGRAM
FOR MEMBERS OF THE MORTGAGE BROKER
ASSOCIATION OF BC (MBABC)



mbabc.ca | mortgage brokers
association of bc



Renewal Application

SECTION 1: APPLICANT INFORMATION

- 1. Name of Licenced Brokerage:** _____
(The E&O policy must be issued in the name of the brokerage licensed with FICOM)
- 2. Is the Brokerage applicant a corporate member of MBABC in good standing?** YES NO
- 3. If "YES" to the question above, please provide your MBABC membership number:** _____
- 4. Brokerage Information:**
Phone # _____ Fax # _____ Email _____
Mailing Address _____
City _____ Province _____ Postal Code _____
Website Address _____
- 5. Have there been any acquisitions/mergers or change in name in the last five years?** YES NO
(If "YES", please provide the name of the past brokerage firm and also declare if there has been a claim reported on the previous firm/acquired firm or merging firm in the last 3 years)

SECTION 2: UNDERWRITING INFORMATION

- 6. Do any of the Brokerage's licenced sub-mortgage broker / agents arrange private mortgages with individual private lenders, licensed mortgage syndicators or private lending corporations (i.e., Mortgage Investment Corporations/Trusts)?** YES NO
If "YES", please complete the Private Lending Supplementary Questionnaire starting on page 7.
- 7. Number of office locations:** _____ **Is the primary office location:** Owned Leased Home-based
- 8. Year the Brokerage was first licenced:** _____
- 9. Name of the Principal Broker:** _____

SECTION 3: BROKERING & ADMINISTRATION ACTIVITIES AND GROSS REVENUES

11. Please indicate the applicant's gross revenues/fees/commissions in the tables provided below:

IMPORTANT NOTE: Please enter your fees/commission earned and NOT the total mortgage volumes/values arranged.

Mortgage Brokering Activities	Prior Year Fees/ Commissions Earned	Forecast Current Fiscal Year Fees/Commissions	Percent of Total (Current Year)
A. Types of Mortgages Arranged <i>(DO NOT ENTER MORTGAGE VOLUMES ARRANGED IN FIELDS PROVIDED; ONLY ENTER FEES / COMMISSIONS)</i>			
Residential Mortgages	\$	\$	
Construction Mortgages *	\$	\$	
Commercial or Industrial Mortgages	\$	\$	
Totals for Section A <i>* NOTE – Construction mortgages should include all types of lending for construction projects. Do NOT include Residential or Commercial construction mortgages in the Residential or Commercial categories under section A.</i>	\$	\$	100% <i>(must total)</i>

Mortgage Funding Sources	Prior Year Fees/ Commissions Earned	Forecast Current Fiscal Year Fees/Commissions	Percent of Total (Current Year)
B. Mortgage Funding Sources <i>(DO NOT ENTER MORTGAGE VOLUMES ARRANGED IN FIELDS PROVIDED; ONLY ENTER FEES / COMMISSIONS)</i>			
Mortgages placed with Institutional Lenders <i>(Banks, Trusts and others)</i>	\$	\$	
Mortgages placed with Private Lending Investment Corporations <i>(i.e., M.I.C.s, Trusts)</i>	\$	\$	
Mortgages placed with Licensed Mortgage Syndicators	\$	\$	
Mortgages placed with Individual Private Lenders	\$	\$	
Mortgages funded "In-house" with own and/or related company sources	\$	\$	
Totals for Section B <i>NOTE: Total of section A. must match the Totals for section B.</i>	\$	\$	100% <i>(must total)</i>

Mortgage Administration Activities	Prior Year Fees/ Commissions Earned	Forecast Current Fiscal Year Fees/Commissions	Percent of Total (Current Year)
C. Mortgage Administration Services <i>(Enter N/A if the applicant does not administer mortgages)</i>			
Administration of Residential Mortgages	\$	\$	
Administration of Commercial or Industrial Mortgages	\$	\$	
Totals for Section C	\$	\$	100% <i>(must total)</i>

Construction Mortgages Please skip questions 12 to 14 if you entered "0%" for construction mortgages in question #11.**

12. If the Brokerage arranged construction mortgages in the past 3 years then please provide the types of construction projects funded as an approximate percentage of the total construction mortgage volume for the Brokerage:

Project Type Being Funded	% of Volume
Individual mortgagors for their own occupancy or property development purposes (i.e., mortgagor will sell the property)	%
Property Developers for Marketing Purposes – Individual residential projects	%
Property Developers for Marketing Purposes - Multiple unit residential <i>(i.e., subdivisions or condos)</i> or commercial developments	%
	100% (must total)

13. Is the lender always responsible for making the decision to advance funds to the borrower? YES NO

If "NO", please explain who has the authority to advance funds on behalf of the lender: _____

14. Is the Brokerage responsible for the site visits before releasing the funds or advising the lender to release the funds? YES NO

If "YES", please complete the following:

a. Provide the details on how the site visits are conducted: _____

b. Does the Brokerage keep a record of all the correspondence with the Lender regarding Brokerage site visits? YES NO

c. If "NO", give reasons why records are not maintained: _____

15. Please provide the following details about your brokerage:

a. Does the Brokerage have any business operations in the USA? YES NO

If "YES", note that US operations are not covered under this policy. *Please contact PROLINK at 800.663.6828 to further discuss your options.*

b. Is the Brokerage or any of its Sub-Mortgage Broker(s) / Agent(s) involved in any other professional activity other than mortgage brokering? YES NO

If "YES", please note that you or any mortgage sub-mortgage broker(s) / agents under this policy is **NOT** covered for any liability for any professional services other than as a licenced mortgage broker/associate.

16. What type of client file system does the Brokerage utilize?

Hardcopy File System (i.e., paper based) Electronic Mortgage Origination System (e.g., Filogix, D&H, MorWEB)

Other: _____

17. Loss Experience:

a. Is the Brokerage or any of its sub-mortgage broker(s) / agents or employees aware of any, allegations facts, circumstances or situations involving the Brokerage or any of its sub-mortgage broker(s) / agents or employees which may reasonably give rise to a claim? YES NO

b. Are there any professional liability losses reported, paid or outstanding in the last 3 years against the Brokerage or any of its sub-mortgage broker(s) / agents or employees? YES NO

c. Has the Brokerage ever received any claims or complaints with respect to allegations of invasion of privacy, identity theft, theft of information, breach of information security, or been required to provide notification to individuals due to an actual or suspected disclosure of personal information? YES NO

d. Has the Brokerage notified consumers of a data breach incident in accordance with a data breach notification law in the past three (3) years? YES NO

If "YES" to any of these questions, please attach an additional page with full details including the date of any claim or allegation along with the amount of any claim.

IT IS ACKNOWLEDGED AND AGREED THAT ANY LOSS ARISING FROM A MATTER DISCLOSED, OR WHICH SHOULD HAVE BEEN DISCLOSED IN A OR B ABOVE, IS EXCLUDED FROM COVER, ALL WITHOUT LIMITING ANY OTHER REMEDY AVAILABLE TO THE INSURER FOR NON-DISCLOSURE IF THE APPLICANT ANSWERED IN THE AFFIRMATIVE TO A OR B ABOVE.

18. Has the Brokerage or any of its sub-mortgage brokers / agents:

- a. Had their license suspended or terminated by a regulatory authority? YES NO
- b. Ever been called before an investigative committee for disciplinary proceedings for professional misconduct by a professional society/board or any statutory registration board? YES NO
- c. Been censured or fined by a regulatory authority? YES NO

If "YES" to any of these questions, please attach an additional page with full details including dates.

19. Please let us know if you would like to renew with the same limits as last year, OR complete the chart below:

SAME AS EXPIRING COVERAGE

OR

Limits Requested:	
<input type="checkbox"/>	\$ 500,000 per claim/ \$1 million aggregate
<input type="checkbox"/>	\$1 million per claim/ \$1 million aggregate
<input type="checkbox"/>	\$1 million per claim/ \$2 million aggregate
<input type="checkbox"/>	\$2 million per claim/ \$2 million aggregate

Deductible Opted For:	
<input type="checkbox"/>	\$1,000
<input type="checkbox"/>	\$2,500
<input type="checkbox"/>	\$5,000
<input type="checkbox"/>	\$10,000

SECTION 4: COMMERCIAL OFFICE INSURANCE & LOSS HISTORY INFORMATION

20. Does the Brokerage currently maintain a Commercial Office insurance policy? YES NO

21. If the Brokerage does not purchase Commercial Office insurance through PROLINK, is the Brokerage interested in receiving a Commercial Office insurance quote? N/A YES NO

If "YES", please provide details below.

22. Current Insurer: _____ **Premium:** _____ **Policy #:** _____
Basic Contents Limit of Coverage: _____ **CGL Limit:** _____ **Expiry Date:** _____

23. Has any insurer ever declined or cancelled any coverage, for the Brokerage in the past? YES NO

If "YES" please provide details: _____

24. Commercial Insurance Policy loss history for past 3 years, please provide details below: (Attach Additional Page(s) if Necessary)

Year	Insurer	Loss Detail(s)	Number of Loss(es)	Total Amount(s) Paid

IMPORTANT NOTICE TO APPLICANT:

This is an application for insurance and the insurer is not obligated to accept the applicant for coverage. If a policy is issued, one signed copy of the application will be attached to the policy or certificate. Signature on the application form and submission of a premium payment does not bind the insurer to complete an insurance transaction with the applicant. This policy provides Errors and Omissions insurance that applies on a claims-made basis. The following provides a general description of this coverage and is subject to the terms and provisions of the actual policy.

- A. The policy will not cover any losses from incidents which take place before the Retroactive Date, if any, or after the expiration of the policy period (subject to the Extended Reporting Period provision).
- B. The policy will provide coverage for losses from incidents which take place on or after the Retroactive Date, if any, but before the beginning of the policy period only if the insured did not know of the incident before the beginning of the policy period.
- C. The policy will not cover any loss for which a claim is first made after:
 - 1. The expiration of the policy period or its earlier termination date, if any; or
 - 2. The Extended Reporting Period if any and then only in accordance with the terms described in the policy.
- D. The policy will only cover claims which are first made:
 - 1. During the policy period; or
 - 2. During an Extended Reporting Period if any and then only in accordance with the terms and conditions described in the Extended Reporting Period Section of the policy.
- E. Please request a copy of the Policy and review the terms and conditions to obtain more information.
- F. The limits for Defence Costs are over and above the liability and will not reduce the limit of liability.

Disclosure and Consent:

As part of my application for insurance I consent to the collection and use of personal information required for the purposes of considering my application for insurance by the insurer and the authorized insurance broker for Ontario Applicants, LMS PROLINK Ltd., and/or the authorized insurance broker for applicants outside of Ontario, The PROLINK Insurance Group Inc., the insurer and the broker are authorized to collect, use, and disclose personal information and provide such personal information to third parties, as required for the purpose of underwriting this application for insurance, as permitted by the relevant provincial and federal privacy laws or other applicable laws, and as required by the applicant’s association and/or governing body. I understand that at any time I may ask to review the personal information pertaining to my application for insurance and the insurer and broker will be obligated to provide me with any information I am entitled to receive under the relevant provincial and federal privacy laws or other applicable laws. I have reviewed the information in this Application, gathered information from all partners/directors/ officers/ employees/agents under this entity whether present or prior regarding their knowledge or awareness of any claims or situations which may give rise to any claims. The Claim Information Forms, if any, that are attached to this Application include the details of:

- A. All facts, situations, and incidents which have occurred in the past and which may reasonably be expected to result in a claim, suit or arbitration against us (the Applicant);
- B. All facts, situations, and incidents which have occurred in the past and which may reasonably be expected to result in a claim, suit or arbitration against us (the applicant) in the future. All such claims, suits and incidents have been reported to our (Applicants) current or prior insurer(s). It is understood and agreed that all such claims, suits, arbitrations, fact situations and incidents will be excluded from coverage under any policy issued by the insurer.

It is understood and agreed that failure to provide true and complete response to any of the questions, statements or request for information in this Application or to provide any other information material to this Application may, at the sole option of the insurer, result in the voiding of the insurance policy issued in reliance on this Application and /or denial of coverage for specific claims asserted against us (the Applicant) or any other insured under the policy. The undersigned on behalf of the Applicant and all other insureds under this policy issued by the insurer, hereby waives any defense to an action by the insurer for voiding or revoking of the policy based upon misrepresentation of fact or failure to disclose material information in connection with this Application. The Applicant agrees to hold the insurer harmless from all loss as a result of any such misrepresentation or failure to disclose, including, without limitation, all costs and attorney fees incurred by the insurer in connection with said action for voiding or revoking the policy.

I HEREBY DECLARE that the above statements and particulars are true to the best of my knowledge, that I have not suppressed or misstated any facts and I agree that this application shall form part of the insurance policy. I also acknowledge that I am obligated to report any changes that could affect the disclosures in this application that occur after the date of signature, but prior to the effective date of coverage.

Applicant’s Signature: _____ Name (please print): _____ Date: _____

PLEASE COMPLETE AND RETURN THE APPLICATION THROUGH ONE OF THE FOLLOWING METHODS:

- ✓ Via EMAIL please send to: **MBABC@LMS.ca**
- ✓ Via FAX please send to: **800 595 1649 attn. MBABC INSURANCE PROGRAM MANAGER**
- ✓ Via MAIL please send to: **PROLINK Insurance Group Inc.
480 University Ave. Suite 800 Toronto, ON. M5G 1V2**

Check this box to confirm that you are authorized to complete the application on behalf of the mortgage brokerage.

PLEASE CONTACT THE MBABC PROGRAM MANAGER USING THE INFORMATION IN THE FOOTER IF YOU ARE HAVING ANY DIFFICULTY WITH THIS APPLICATION

PRIVATE LENDING SUPPLEMENTARY QUESTIONNAIRE

Please complete the following table:

NOTE - The following table relates ONLY to mortgages arranged with single INDIVIDUAL PRIVATE LENDERS ("IPLs"). M.I.C.s, licenced syndicators and lending in-house funds are NOT classified as IPLs and are NOT to be entered in this table.

Type Of Mortgage Arranged With An Individual Private Lender ("IPL")	Prior Year Fees/Commissions Earned from IPLS	Forecast Current Fiscal Year Fees/Commissions earned from IPLS	Total Number of Mortgages Arranged In Past 3 Years with IPLS	Largest Mortgage Arranged In Past 3 Years with an IPL	Average Size of Mortgage Arranged In Past 3 Years with IPLS
Residential Mortgages					
Construction Mortgages					
Commercial/Industrial Mortgages					
Enter N/A if the Brokerage does not arrange the type of mortgage with an individual private lender.					

1. Is the Brokerage or any mortgage broker / submortgage brokers involved in the arrangement of Investors into a mortgage fund (i.e., Mortgage Investment Corporation/Trust)? YES NO

a. If "YES", provide the revenues generated from managing/administering the fund: \$ _____

b. If "YES", provide the total asset size of the mortgage fund(s): \$ _____

NOTE: Arranging or placing investors into a mortgage fund is not a Professional Service covered under this policy. Please SKIP questions 2, 3 and 4 if the brokerage does NOT arrange any mortgages with individual private lenders.

2. Does the Brokerage or any mortgage broker/ submortgage brokers solicit individual private lenders to fund private mortgages through the Brokerage? YES NO

If "YES", what are the current processes the brokerage has in place to disclose the risks associated with private lending and acknowledgment of these risks by the private lender? _____

3. Please provide details on the criteria used by the brokerage to assess whether an individual private lender is an appropriate source of funding for a particular mortgage transaction?

4. Does the brokerage require the individual private lender to sign a Disclosure Form / Statement for each mortgage the individual private lender arranges through the brokerage? YES NO

If "YES", please submit a copy of the standard Disclosure Form/Statement that the Brokerage requires individual private lenders to sign.

5. Has the Brokerage or any of its mortgage brokers / submortgage brokers been granted authority by any private lender to fund mortgages on their behalf without receiving prior written approval from the lender? YES NO

If "YES", please provide the details: _____

6. Are appraisals from independent appraisers obtained for all mortgages arranged with private lenders? YES NO

If "NO", explain under which circumstances the Brokerage does not obtain an appraisal from an independent appraiser. Complete your full answer on a separate document and submit with this application.

7. If "NO" to question 6, does the private lender provide a written approval confirming that they waive any requirement to have an appraisal from an independent appraiser? YES NO