# Applying for a credit licence: Details of professional indemnity insurance

As a credit licensee, you will need to have arrangements in place for compensating your clients for any loss they might suffer if you breach your obligations under the *National Consumer Credit Protection Act 2009*. For most applicants, the way to comply with this obligation is to have adequate professional indemnity (PI) insurance cover.

Regulatory Guide 210 *Compensation and insurance arrangements for credit licensees* (RG 210) will help you to understand your obligation.

In assessing your application for a credit licence, ASIC must form a view about your ability to comply with the PI insurance obligation. To assist us in forming this view, we will ask you to complete the following questionnaire about your PI insurance. We will also ask you to provide us with a certificate of currency (a summary of your policy, available from your insurer or insurance broker) for your PI insurance.

In completing the questionnaire, we suggest that you refer to RG 210. If you are then unsure about how to complete the questionnaire, we also suggest that you consult your insurance broker or insurer.

**Questionnaire: Details of professional indemnity insurance**

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| Applicant’s name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| Policy number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| 1 | In completing this questionnaire, have you consulted with the applicant’s insurance broker and/or insurer? | ❑ Y ❑ N |
| 2 | Does the policy cover multiple entities and/or individuals?  If yes, please attach a list of the insureds that are (or will be) credit licensees, and state the number of insureds that are credit representatives and/or other (e.g. ABC Pty Ltd and XYZ Ltd are credit licensees, four credit representatives). For ‘other’, please briefly explain why these insureds are included on the policy, the nature of business and whether an Australian financial services (AFS) licence is held. | ❑ Y ❑ N |
| 3 | Is the excess/deductible of the policy at a level that the applicant can confidently sustain as an uninsured loss? | ❑ Y ❑ N |
| 4 | What is the applicant’s actual or expected revenue from credit activities relating to consumers (including revenue received by any credit representatives) for the last financial year, or next financial year? | $\_\_\_\_\_\_\_\_\_\_\_\_ |
| 5 | Does the policy cover loss or damage suffered by consumers because of breaches of obligations under the *National Consumer Credit Protection Act 2009* or of licence obligations, by both the applicant and its representatives? | ❑ Y ❑ N |
| 6 | Are all of the credit services and products that the applicant will offer under an Australian credit licence covered by this policy? | ❑ Y ❑ N |
| 7 | Does the policy cover losses relating to activities for which an Australian credit licence is not required?  If yes, please attach an explanation that describes those other activities and the proportion of credit licensed compared to non-credit licensed activities covered by the policy. | ❑ Y ❑ N |
| 8 | Does this policy provide automatic run-off cover for at least 12 months after the policy expires or the applicant ceases business?  If no, please attach an explanation that describes the applicant’s efforts to obtain this cover. | ❑ Y ❑ N |
| 9 | Does the policy provide cover with a limit (per claim and in the aggregate) at least equal to the maximum compensation liability that may be awarded by the external dispute resolution scheme(s) to which the applicant and its representatives belong?  You will need to refer to the relevant external dispute resolution scheme(s) for details of the maximum compensation liability.  If yes, please complete:  Per claim sub-limit: \_\_\_\_\_\_\_\_\_\_\_\_ Aggregate sub-limit: \_\_\_\_\_\_\_\_\_\_\_\_ | ❑ Y ❑ N |
| 10 | Does the policy cover awards made by the Federal Court under the small claims jurisdiction? | ❑ Y ❑ N |
| 11 | Does the policy cover fraud and dishonest conduct of representatives, employees and agents? | ❑ Y ❑ N |

**Declaration**

I understand it is the applicant’s obligation to have adequate arrangements for compensating consumers and declare that the insurance policy meets the requirements of Regulatory Guide 210 *Compensation and insurance arrangements for credit licensees* (RG 210).

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*Signature Capacity (e.g. director/partner/individual)*

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*Print name Date*