



## Mortgage Brokers Professional Liability

Mortgage and finance brokers, mortgage originators and mortgage managers provide advice and services in respect of loan products from a range of bank and non-bank lenders. In an environment set to become increasingly regulated AIG Australia provides a tailored insurance solution to meet these needs and provide protection in the current volatile economic environment.

### Key Exposures

- Insufficient investigation or assessment to determine the capacity of a borrower to repay the loan
- Non-disclosure of fees, commissions, conflicts of interest or benefits
- Breach of privacy legislation
- Misleading advertising
- Allegations of churning
- Failure to promptly lodge loan application or promptly advise borrower of rejection of loan application

### Covers

- Civil liability
- Misleading or deceptive conduct (including under the Trade Practices Act 1974, Corporations Act 2001, ASIC Act 2001 or similar provisions in the States' Fair Trading Acts)
- Intellectual property (including breach of copyright)
- Defamation
- Fraud or dishonesty of principals, partners, directors or employees (including theft of third party money or securities)
- Loss of documents cover up to the limit of liability
- Defence costs





### Standard Extensions

- Findings and awards by dispute resolution bodies
- Court attendance costs
- 30 day extended reporting period
- Property cover for lost documents – no breach of duty required (sublimited to \$250,000)
- Previous business name
- Quasi judicial costs (sublimited to \$100,000)
- Joint ventures
- Vicarious liability
- BusinessGuard Advisory Panel (providing limited free advice on matters which are relevant to the cover provided under this policy)

### Optional Extensions

- Employment practices liability (covering claims by employees made against the policyholder, or any principal, partner, director or employee)
- Fidelity (covering financial loss of the policyholder as a result of fraudulent or dishonest acts committed by an employee)

### Key Exclusions

- Delegated lending authority (unless specifically underwritten and approved by AIG)
- Failure to disclose conflicts or commissions
- Insolvency of any broker, dealer or bank
- Loan losses
- Valuation services
- Interest rate forecasts

### Limits

- Primary
- Up to \$25 million capacity

### Underwriting Information

- AIG Australia professional liability proposal form
- Full claims experience, including full details of all paid and outstanding matters
- Start up operations will require resumes for all principals, partners or directors and details of their past claims experience

### Target Market

- Members of the Mortgage and Finance Association of Australia or the Finance Brokers Association or Australia.
- Any firm that can demonstrate a positive approach to risk management

### AIG Australia

American International Group, Inc. (AIG), world leaders in insurance and financial services, is the leading international insurance organisation with operations in more than 130 countries and jurisdictions. AIG companies serve commercial, institutional and individual customers through the most extensive worldwide property-casualty and life insurance networks of any insurer. In addition, AIG companies are leading providers of retirement services, financial services and asset management around the world. AIG's common stock is listed in the U.S. on the New York Stock Exchange as well as the stock exchanges in Ireland and Tokyo.



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