



MPC Renewal Application

2020-2021

Errors & Omissions Insurance exclusively for licensed mortgage broker members in good standing with Mortgage Professionals Canada (MPC)

IMPORTANT INFORMATION:

- Coverage is subject to receipt of completed, signed and dated application and payment.
- All Sections of the Application must be completed.
- This policy covers Mortgage Brokers/Administrators only. Lending operations are excluded.
- THIS APPLICATION FORMS PART OF ANY POLICY OF INSURANCE TO BE ISSUED. **KNOWINGLY PROVIDING INCOMPLETE OR FALSE INFORMATION WILL VOID COVERAGE.**

NOTE: You may find that it might be easier to reply to several questions on a separate sheet of paper or an e-document attachment.

1. Name of Applicant: _____

a. Type of Business: _____

b. Date Established: _____

License Number: _____

Street Address: _____

City: _____

Province: _____

Postal Code: _____

More than 1 location?

If yes please attach detailed list.

2. a) What best describes your operations? i.e. Mortgage Broker, Mortgage Administrator, etc.

b) Please provide a short narrative describing your operations for which Errors & Omissions Insurance is required. In other words, tell us about yourself, your history, your plans. What do you do best?

c) Do you operate as a franchisor, or are you a franchisee part of a Network?

If yes, provide complete details on a separate sheet.

d) Are you affiliated with a group of mortgage brokers?

If yes, provide complete details on a separate sheet.

e) Is the applicant or any employee/partner involved in any other form of business, other than Mortgage Broker activities? i.e. real estate, legal firm

If yes, attach details on a separate sheet or electronic document.

3. List all former Predecessor Firms, Names Purchased or Dissolved, including that the Applicant has had any form of interest in, now or in the past 5 years. Attach a separate list if necessary.

Name of Firm	Date Established	Date Ceased Operations

4. a) How many Trust Accounts does the Insured have/control?

Please describe the use/size/amount of activity of these accounts?

Who in the organization has control and access?

b) Are signed Borrower Disclosure Statements required on all Private Mortgage Transactions?

c) Are Borrowers required to sign Lender Commitment Letters for all Private Mortgage Transactions?

If answer to a) or b) was 'no', attach a separate page(s) fully detailing in what specific circumstances such agreements would not be required.

d) Do you have **written** Practice Standards/Procedures in place, which apply to all Owners/Partners/Broker/Agents/Employees or Affiliates?

Name/Position of Person responsible to maintain these Documents:

Section 6 Private Lending

Please indicate the **percentage of revenues** derived from the following:

Operation	Percentage of Total Business Revenue
Mortgage Broker	%
Mortgage Administration	%
Mortgage Syndication	%
Other (provide details on a separate sheet)	%
Must total 100%	100%

If you provide Mortgage Administration services please provide the following:

Size of Funds in Dollars	Percentage of Commercial	Percentage of Residential
\$	%	%

Do you have a non-arm's length or exclusive association with the following lenders: a private lender, mortgage syndicators, exempt market dealer or mortgage investment corporation?

If yes, please explain

Please indicate the **percentage of revenues** derived from the following funding sources:

Type of Lender	Number of mortgages	Revenue/commission
Institutional - Banks, Trusts, Credit Unions, Insurance or Mortgage Finance Companies		
Private Lenders		
Regulated Mortgage Investment Corporations (MICs)		
Non Reporting Friends and Family MIC's		
Qualified Syndicated Mortgages		
Non-Qualified Syndicated Mortgages		
Other including Exempt Market Dealers (provided details on a separate sheet)		

- a) Does the applicant or any employee/partner lend their own funds on mortgages?
- b) Does the applicant or any employee/partner have authority to fund mortgages on behalf of any lender?

If yes, provide a separate sheet with lenders name(s), and revenues generated.

Note: There is no coverage for lending operations under this policy.

- c) Are signed Investor Disclosure Statements required in all instances?
- d) Are Lender Commitment Letters required in all instances?

If answer to c) or d) was 'no', attach separate page(s) fully detailing in what specific circumstances such agreements would not be required.

If you work with Private Lenders, Syndicators or MIC's, on a **separate paper** please provide a short narrative describing how you screen or approve private lenders, mortgage syndicators and MIC's. Do you have a pre-approved list that your agents and brokers can only source? What steps do you take to protect both borrowers, lenders and your operation from being involved in a future dispute?

If you use sub-brokers or Exempt Market Dealers (EMD's) to market investment opportunities in either Syndicated Mortgages or MIC's, please provide, on a separate sheet, the following:

- Full legal names of sub-brokers.
- Full legal name(s) of EMD's that you work with.
- Percentage of MIC or Syndicate business brought to you by such 3rd parties?
- Do you obtain proof of Errors & Omissions (E & O) insurance, and, where applicable, Financial Institution Bond (FIB) from all 3rd parties that you deal with?

Section 7

1. Does the Applicant or any Employee/Partner offer **Mortgage Life Insurance**?

In what provinces does applicant carry a **Restricted Life License**?

Name of Insurer: _____ Renewal Date?

2. How many **Registered and/or Licensed Mortgage Brokers or Agents** are associated with the Firm?

Brokers: _____ Agents: Full time _____ Part time _____

I confirm that all above are Members in Good Standing with Mortgage Professionals Canada, and that such standing will be maintained at all times during the term of this Policy:

Coverage can be declined or cancelled if Applicant or any Licensed Employee/Agent/Partner is not compliant with MPC membership requirements.

Complete Agent List – Provide a Separate Schedule/Spreadsheet or complete chart below

Full Legal Name	Broker License #	MPC #

3. Liability Limit Requested: _____

RDA is not obligated by this application to offer Liability Limits as requested.

4. Prior Insurance Information

Name of Insurer: _____ Policy #: _____ Expiry Date: _____

Please provide copy of prior insurers 5 year claims experience report. If not available, please complete section below.

LIST ALL CLAIMS FOR APPLICANT OR ANY AGENT IN LAST 5 YEARS, UNDER THIS OR ANY PRIOR ENTITY			
Date of Loss	Nature of Allegation	Amount Paid	Open/Closed
IF INSUFFICIENT SPACE, ATTACH EXTRA SHEET(S)			

5. Has Applicant (under present or any prior operating name) ever had insurance coverage declined, cancelled, or refused renewal?

If yes, provide the reason or provide copy of cancellation or non-renewal notice if available.

6. Has Applicant ever operated as a Mortgage Broker or Administrator *without Errors & Omissions Insurance in place* for any period of time in the last 5 years?

If yes, provide full explanation.

7. Has Applicant or any agents/employees/partners past or present ever been the recipient of any allegations of professional negligence in any form, whether or not such allegations were deemed to have merit?
8. Is Applicant or any agent/employee/partner aware of any facts, circumstances or situations which may give rise to a claim?
9. Has Applicant or any agent/employee/partner ever been the recipient of any allegation of Fraud, ever been investigated for Fraud, ever implicated in Fraud?
10. Has Applicant or any agent/employee/partner ever had their License revoked or suspended by FSCO/FSRAO for any reason?

In order to bring our Policy Holders the most cost effective plan, all of our correspondence is provided electronically, including new and renewal applications, invoicing, and policy documents. We will use the email address specified by you for all communications. You must notify us promptly of any change to your email address. The policy holder agrees that it will hold RDA Inc. and its employees harmless with respect to any failure to communicate or provide documents that arise as a consequence of the failure of the Policy Holder to ensure up to date contact information, including email, is maintained with RDA.

The Policy Holder further agrees that all such documents transmitted electronically by RDA Inc to the electronic address supplied are good and sufficient, and replace all other means, including hard copies. The Policy Holder accepts that such electronic delivery is sufficient to meet all reporting requirements under the Policy.

I agree to receive all correspondence including Policy Documents Electronically:

APPLICANTS CONSENT TO THE TRANSMISSION OF THE INFORMATION CONTAINED IN THE APPLICATION FORM

I hereby acknowledge that the information collected in the application Form is acquired by my insurance broker to be transmitted to the insurance company for the sole purpose of obtaining an insurance policy, and will be kept confidential.

Moreover, I authorize the Insurer and/or Service Providers to:

- Conduct verification, using outside sources as necessary, of the information contained in the Application Form, in attached documentation and in subsequently provided documentation;
- In the event of a claim, transmit the submitted and verified information to loss adjuster, lawyers or other similar offices for the purposes of investigating, defending, negotiating or settling any claims, as required.

DECLARATIONS AND SIGNATURE

The Undersigned declares that, to the best of their knowledge and belief, the statements set forth herein are true and correct and that reasonable efforts have been made to provide sufficient information to facilitate the proper and accurate completion of this form. The Undersigned further agrees that if any significant change in the condition of the Applicant is discovered between the date of this Application and the effective date of the policy, which would render this Application form inaccurate or incomplete, notice of such change will be reported without delay, in writing, to the Insurance Manager.

The Undersigned understands and agrees that the signing of this Application form, and/or forwarding monies relating to this application in no way binds the Insurer and/or its appointed Agent to provide coverage for the Applicant. Coverage will commence only at the date and time that a Certificate of Insurance is issued by the Insurer and/or its appointed Agent.

Although the signing of this application form does not bind the Applicant to purchase the insurance, the Undersigned agrees that this form and the information provided herein shall be the basis of the contract of insurance should a Policy be issued, and further that this Form shall attach to and become part of the Policy.

It is also understood and agreed by the Undersigned that should a policy be issued, the inclusion then or subsequently of more than one Insured under the Policy Certificate shall not in any way increase the Insurers Liability under the Policy, nor shall any Limit or Coverage under the Policy be increased by the inclusion of more than one insured.

The Undersigned has reviewed and personally completed **all sections** of this application, and affirms that the information provided herein is accurate in all respects. It is further agreed that should any material fact be found later to be false or inaccurate, the Underwriters can, at their sole discretion, rescind this application and Void any Policy of Insurance of which it forms part.

The Undersigned agrees, should it not be possible to provide Terms soled based on this application and any supplementary information, to provide any/all of the following:

- AIR (FSCO/FSRAO Filings)
- Claims Experience Letters/Prior Insurer Letters.

NAME OF APPLICANT: _____

SIGNATURE OF APPLICANT: _____ *Electronic Signatures are Permitted*

Title of Applicant: _____

Date Signed:

Forward this completed Form to the Appointed Servicing Agent

RDA INC.

290 Rowntree Dairy Road, Woodbridge, ON, L4L 9J7
Telephone: (905) 652-8680; Toll Free: 1-800-479-6450
Email: MortgageProsCan@rdainsurance.com
Website: www.rdainsurance.com

Coverage is subject to receipt of completed, signed and dated application and payment.

All Sections of Application must be completed. THIS APPLICATION FORMS PART OF ANY POLICY OF INSURANCE TO BE ISSUED. COVERAGE AND PREMIUM SUBJECT TO ADJUSTMENT SHOULD INFORMATION ARISE THAT WOULD HAVE CAUSED THE UNDERWRITERS TO REVIEW, RECONSIDER, OR REJECT RISK ALTOGETHER. KNOWINGLY PROVIDING INCOMPLETE OR FALSE INFORMATION WILL VOID POLICY.