



Addendum Questionnaire

Financial Planners Addendum 2009



Privacy Statement

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We will use the information you provide in this Addendum Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

IN ADDITION TO COMPLETING THIS ADDENDUM, PLEASE SUBMIT THE FOLLOWING ATTACHMENTS:

- COPY OF A5 BUSINESS DESCRIPTION AS PREPARED FOR YOUR AFS LICENSE APPLICATION
- REPRESENTATIVE STATEMENT OF ADVICE
- CURRENT APPROVED PRODUCT LIST
- CURRENT COPY OF FINANCIAL SERVICES GUIDE
- CURRENT COMPLAINTS REGISTER
- COPY OF CURRENT COMPLIANCE MANUAL
- COPY OF LATEST COMPLIANCE AUDIT
- COPY OF MARGIN LENDING OR GEARING GUIDELINES (if applicable)
- IF EXTERNAL AUTHORISED REPRESENTATIVE OPERATE UNDER THE AFSL PLEASE COMPLETE THE EXTERNAL AUTHORISED REPRESENTATIVE ADDENDUM
- DETAILS OF PROCEDURES IN PLACE FOR SELECTING AND APPROVING INVESTMENT PRODUCTS AND SERVICES UNDER THE AFSL, INCLUDING DETAILS OF MONITORING APPROVED PRODUCTS; PROCEDURES IN PLACE TO REMOVE APPROVED PRODUCTS FROM LIST
- PROVIDE DETAILS OF INVESTMENT COMMITTEE

SECTION 1: APPLICANT PROFILE

1. Are you a Licensed Dealer? Yes [] No []

2. Do you have any non-employed Authorised Representatives under your current AFS License? Yes [] No []

If YES: please provide total current number: _____

If NO: proceed to Question 5.

3. Do you require your non-employed Authorised Representatives to have their own PI policy? Yes [] No []

If NO: do you require cover in respect of Non-Employed Authorised Representatives? Yes [] No []

If YES: please have each non-employed Authorised Representative complete the attached Non-Employed Authorised Representative Addendum in order for the policy to extend to cover these Authorised Representatives.

4. Do you only engage non-employed Authorised Representatives who recommend investment products and investment strategies as per your current AFS License? Yes [] No []

5. Please provide your current AFS License Number: _____



6. Please provide details regarding the process of selecting your non-employed Authorised Representatives:

 _____ (if more space needed please provide separately)

7. What measures are in place to monitor the compliance of your non-employed Authorised Representatives on an on-going basis?

 _____ (if more space needed please provide separately)

8. Please supply details of training undertaken to meet your obligation for Authorised Representatives according to PIS 146:

 _____ (if more space needed please provide separately)

9. Has any person or entity seeking cover under this policy ever been investigated, disciplined, banned or disqualified?

Yes [] No []

If YES, please provide details: _____

SECTION 2: CLIENT & BUSINESS ACTIVITY PROFILE

1. (a) Client base by client size (based on last financial year)

Funds Under Management/ Administration (FUM / FUA) by Client	Number of Clients	By FUM / FUA \$
\$0 - \$250,000		\$
\$250,001 - \$500,000		\$
\$500,001 - \$1,000,000		\$
Over \$1,000,000		\$
TOTAL		\$

(b) Client base by client type (based on last financial year)

	Number of Clients	By FUM / FUA \$
First-time Investor		\$
High net worth individual		\$
- Young professionals		\$
- 45 years of age and over		\$
Investors approaching retirement		\$
Retirees		\$
Other (please specify)		\$

SECTION 3: PRODUCT PROFILE

1. Please list your top 5 Investment products that produced the most income for you in your previous financial year. If you rebate commissions as a matter of policy, please list the top 5 investment products for which you provide rebates.

Investment Products	Investment Products (Rebate applicable)
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

2. Do you disclose commission earned on each of the products recommended above to all of your clients? Yes [] No []
3. Do any of these institutions have a proprietary interest in your business? Yes [] No []
If YES, please provide full details on a separate page and confirm this is disclosed to all of your clients when recommending an investment product.
4. Do you have a financial or proprietary interest in any of the institutions / products listed above? Yes [] No []
If YES, please provide details: _____

SECTION 4: REMUNERATION

1. Please complete the following table:

Product Name	Type of Product/Investment	Total FUM/FUA	Total Commission Rate for this product	Projected Yield on this Product

2. Please complete the following table:

Total Gross Income (including fees and commissions):	\$
- Last Financial Year	
- Full Annual Estimate for Current Year	
Total FUM / FUA:	
- Last Financial Year	
- Full Annual Estimate	
- Annual in-force Risk Premium	

SECTION 5: BUSINESS ACTIVITY PROFILE

1. Please advise the percentage break-up of your total gross income (both fees & commission) between the following activities (please include income paid to Authorised Representatives):

Financial Planning / Portfolio Management / General Financial Advice	%
Life Insurance acting as an AFS License Holder / Representative	%
Superannuation Administration	%
Mortgage Originator / Broker / Mortgage Management (please advise if delegated authority)	%
General Insurance – NO COVER APPLIES	%
Securities Dealer / Stockbroker activities	%
Other (please specify)	%
TOTAL	100 %

2. Please list the top ten Fund Managers by FUM / FUA where you place your clients' investments:

1.	6.
2.	7.
3.	8.
4.	9.
5.	10.

If more space is required please provide on separate page on your Company's letterhead.

3. Please advise the main administration platform you currently use (for example, wraps, master trusts)

4. a) Client Investment Split:

	DIRECT BASIS	
A	Australian / Foreign Equities on a direct basis	%
B	Australian / Foreign Equities on a managed fund basis	%
C	Cash / Fixed Interest Securities :	
	- Government Bonds	%
	- Debentures, Capital Notes	%
	- Corporate Bonds	%
	- Income Securities	%
D	Government Bonds	%
E	Life Insurance	%
F	Absolute Return Funds (Hedge Funds)	%
G	Debentures	%
H	Derivatives	%
I	Listed Managed Investments (LMIs)	%

J	Listed Property Trusts (LPTs)	%
K	Managed Discretionary Accounts	%
L	Margin Lending	%
M	Mortgage Schemes / Mortgage Backed Securities	%
N	Tax Effective Schemes	%
O	Unlisted Managed Investments	%
P	Unlisted Property Trusts (e.g. syndicates) or direct property	%
Q	Other	%
	Direct Property	
	SUB TOTAL	%
	VIA PLATFORMS AND OTHER INVESTMENTS	
R	Wrap Accounts/Self Managed Superannuation	%
S	Master Trusts	%
	SUB TOTAL	%
	TOTAL	100%

b) Has the above allocation of FUM / FUA varied significantly in the past three years? Yes [] No []
If YES please provide details:

c) Other than in relation to A-E on a direct basis, do you recommend no more than 15% of your client's total FUM is invested in any one of the remaining investments listed above?

Yes [] No []

If NO, please provide full details:

_____ (if more space needed please provide separately)

d) Other than in relation to A-E, do you recommend no more than 15% of your client's total FUM is invested in any one of the remaining investments listed above?

Yes [] No []

If NO, please provide full details:

_____ (if more space needed please provide separately)

SECTION 6: AUSTRALIAN EQUITIES ON A DIRECT BASIS (Only complete if applicable)

1. Do you obtain external advice and/or view external analyst reports regarding investing into shares? Yes [] No []

If NO: please attach details of guidelines in place to ensure the investment on this basis is suitable to your client

2. Where direct equities form a significant part of the equities portion of a client's portfolio, do you ensure the investments are spread across more than five industries? Yes [] No []

If NO please provide full details: _____

3. What criteria do you use in selecting your client's share portfolio?

_____ (if more space needed please provide separately)

SECTION 7: MARGIN LENDING (Only complete if applicable)

1. Do you provide your clients with a copy of the current Product Disclosure Statement (PDS) for each funding provider when recommending margin lending products to any of your clients? Yes [] No []

2. Do you provide taxation advice on the implications of Margin Lending? Yes [] No []
If NO, do you refer them to a Qualified Accountant? Yes [] No []

3. Do any of your margin loans have an LVR of more than 50%? Yes [] No []

If YES please advise the maximum LVR recommended and include full details including the total number of clients and explanation regarding the rationale for this recommendation: _____

_____ (if more space needed please provide separately)

4. When recommending a gearing strategy to your clients, do you utilise:

(b) Home equity loans	Yes []	No []
(c) Margin loans	Yes []	No []
(d) Combination loans	Yes []	No []

5. Do you provide your clients with adequate details regarding the investment risk, interest rate risk and if applicable to the margin call risk? Yes [] No []

If NO, please explain why: _____

_____ (if more space needed please provide separately)

6. Please list the margin lending facilities you use: _____

_____ (if more space needed please provide separately)

SECTION 8: PRODUCTS (Only complete if applicable)

Tax Effective Schemes:

1. If you recommend these investment products, do you ensure the scheme has an ATO ruling? Yes [] No []

If NO, no cover is to apply.

Mortgage Backed Securities / Derivatives / Hedge Funds:

If you recommend these investment products to your clients, please provide the following in order for cover to be considered:

- List of all schemes recommended
- Sample PDS, SOA
- Client's needs analysis
- Offer document
- Investment objective
- The minimum investment amount
- Exit strategy for the investment
- Offer description
- Evidence of research undertaken in selecting this asset class (including S&P rating if applicable)

2. Do you provide your clients with a cooling-off period? Yes [] No []

If NO, please explain why:

(if more space needed please provide separately)

3. Do you disclose the credit risk to your clients at all times when recommending this investment product?

Yes [] No []

If NO, please explain why:

(if more space needed please provide separately)

4. What finance facilities are available in respect of this product?

Yes [] No []

Please provide details:

(if more space needed please provide separately)

5. Do you assess the investors suitability when recommending this product?

Yes [] No []

If NO, please advise why:

(if more space needed please provide separately)

Please provide a copy of disclaimers used in respect of this investment product.

6. Do you review the underlying financing structure of these investment products, or refer to qualified research opinions?

Yes [] No []

If NO, please advise why:

(if more space needed please provide separately)

7. (a) What is the highest projected yield of any of these products recommended? _____

(b) To what type of clients? _____

8. Please state your policy on any Authorised Representatives giving advice or making recommendations or pacing any clients' investments into any product not on your current Approved Product List: _____

SECTION 9: DISCRETIONARY PORTFOLIO MANAGEMENT (only complete if applicable)

1. Are you involved in client portfolio management on a discretionary basis? Yes [] No []

If YES, do you have an MDA extension on your AFS license?

Yes [] No []

Please detail your client profile into: Wholesale _____ % Retail _____ %

2. Do you have an Approved Products List? Yes [] No []

Please provide details of the investment strategy employed regarding Discretionary Portfolio Management:

 _____ (if more space needed please provide separately)

3. Client base by client type (based on last financial year):

	Number of Clients	By FUM \$
First-time Investor		\$
High net worth individual		\$
- Young professionals		\$
- 45 years of age and over		\$
Investors approaching retirement		\$
Retirees		\$
Other (please specify)		\$

SECTION 10: EMPLOYEE INFORMATION

1. Please state the following:

- (a) Total Number of Employees: _____
- (b) Number of Principals, Partners, Directors: _____
- (c) Number of qualified Employees: _____
- (d) Number of advisers including Principal: _____
- (e) Number of paraplanners: _____

SECTION 11: RISK MANAGEMENT

1. Do you have a Risk Management strategy in place? Yes [] No []

2. Do you have an Approved Products list? Yes [] No []

If YES: please advise the process by which a product is approved / recommended

 _____ (if more space needed please provide separately)

3. Has your Approved Product List changed from last year? Yes [] No []

If YES please provide details: _____

4. What action do you take when a product or investment is removed from your Approved Product List?

5. How is this communicated to your clients if they have invested in the product now removed from your Approved Product List?

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6. Do you conduct a needs analysis for all financial planning/ portfolio management clients and provide them with a SOA? Yes [] No []

7. Do you disclose the credit risk to your clients at all times when recommending an investment product? Yes [] No []

If NO, please advise:

_____ (if more space needed please provide separately)

8. Do you provide all your clients with a copy of a Financial Services Guide? Yes [] No []

9. Do you always issue a Prospectus or Product Disclosure statement about the investment product you recommend to your client when required to by law? Yes [] No []

10. Do you have a cooling off period for your clients when agreeing an investment strategy recommended by you? Yes [] No []

11. Do you fully disclose all charges applicable to the client in exiting an investment product or superannuation fund? Yes [] No []

If NO, please advise.

_____ (if more space needed please provide separately)

12. Do you deal in or recommend products or instruments in which **no** disclosure documents are provided in accordance with the Corporations Act to the client by the issuer (e.g. prospectus or product disclosure statement) and **no** product disclosure statement or statement of advice is provided to the client by you? Yes [] No []

If YES, please advise what products and/or instruments, why no disclosure is made and whether you require OUR written consent for cover to extend to these products and/or instruments:

_____ (if more space needed please provide separately)

13. Do you provide advice in respect of reverse mortgages? Yes [] No []

If YES, please provide full details:

_____ (if more space needed please provide separately)

14. Do you conduct random audits on your client's existing portfolio? Yes [] No []

15. How often do you conduct reviews on client's portfolio? _____

16. Who will be conducting audits on your client's portfolio? _____

17. Does a Para Planner prepare your plans? Yes [] No []

If Not who completes the plans? _____

18. Do you always ensure all of your clients sign an agreement/acceptance for any significant advice given? Yes [] No []

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19. Have there been or is there likely to be any ASIC-imposed actions or restraints against the Licensed Dealer or any of their past or current Authorised Representatives within the past five years? Yes [] No []

If YES please provide details: _____

20. When was your last compliance audit? _____

21. Were any issues identified? _____

If YES please specify and include actions taken to remedy: _____

22. Are there any outstanding issues or action (s) required? Yes [] No []

If YES please specify

DECLARATION

I the undersigned, after enquiry, declare the following:

- (1) I am authorised to complete the above information on behalf of the Insured named in the Proposal.
- (2) I have read this addendum and the accompanying documents and acknowledge the contents is the same and to be true and complete.
- (3) I agree that this Addendum, together with the Proposal and any other information supplied by us shall form the basis of any contract of insurance effected thereon, and I undertake to inform the insurer of any material alteration to these facts whether occurring before or after completion of such contract of insurance.
- (4) I agree that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Addendum.

Although the signing of this addendum does not bind the applicants to effect insurance, I acknowledge that the particulars and statements contained in this addendum and in the accompanying documents shall be the basis of the contract if a policy is issued

Company Name: _____

Signature: _____
(Partner/ Principal or Director)

Signatory Name: _____
(Please print)

Dated: _____



NON-EMPLOYED AUTHORISED REPRESENTATIVE ADDENDUM

Privacy Statement

DUAL Australia Pty Ltd is bound by the obligations of the Privacy Act 1988 as amended by the Privacy Amendments (Private Sector) Act 2000 regarding the collection, use, disclosure and handling of personal information. We will protect the privacy of your personal information.

We will use the information you provide in this Addendum Form (including any supplementary documentation) to consider your application for insurance, to determine policy terms, to assess a claim, etc.

We may disclose your personal information to third parties who we believe are necessary to assist us. These third parties will only use your personal information for the purposes we provided it to them (or if required by law). We may also be required to disclose your personal information to others for the purposes of public safety and/or law enforcement.

If you provide us with personal information about other individuals you must ensure that you obtain consent from those individuals to disclose that information to us.

You are entitled to access your personal information and request any correction if required.

In addition to completing this addendum, please submit Curriculum Vitae.

1. Have you within the past ten years been licensed or registered or held a Proper Authority in any State or Territory under any law which requires licensing or registration to deal or trade in securities as defined in the Corporations Law or acted as an investment adviser or for a Registered Life Insurance Broker? Yes [] No []

If YES, please advise below the name of the Dealer or Broker and whether the Proper Authority or License is current (attach copies)

2. Please provide the name of the Principal Licensed Dealer or AFS License number on whose behalf you act as Authorised Representative:

3. Are your Authorised Representative activities exclusive to this Dealer? Yes [] No []

4. Are you a member of a recognised Industry Association? Yes [] No []

If YES: please provide details:

5. Do you have an interest in or an association with any Financial Institution? Yes [] No []

6. Please provide your current AFS License Number: _____

7. Please provide details regarding any relevant experience and/or qualification as Authorised Representative:

8. Are you or have you been licensed, registered or authorised to carry on any business or profession for which a specific license, registration or Proper Authority is required by law? Yes [] No []



9. Have you ever been refused or restricted in your right to carry on any business or profession for which a specific license, registration or Proper Authority is required by law?

Yes [] No []

If YES, please provide full details:

10. Has any judgement including findings in respect of fraud, misrepresentation or dishonesty ever been made against you in any civil proceedings either whilst operating under the current or any previous Dealer's AFS License?

Yes [] No []

If YES, please provide full details:

11. Have you ever had an agency agreement cancelled either whilst operating under the current or any previous Dealer's AFS License?

Yes [] No []

If YES, please provide full details:

12. Have any claims (including claims for breach of professional duty or civil liability) ever been made against you in business either whilst operating under the current or any previous Dealer's AFS License?

Yes [] No []

If YES, please provide full details:

13. Are you aware of any claims or circumstances that could result in claims (including claims for negligence, breach of professional duty, civil liability or disciplinary proceedings) against you in business or any present or former Partner, Principal, Director, Proper Authority or Authorised Representative of the business either whilst operating under the current or any previous Dealer's AFS License?

Yes [] No []

If YES, please provide full details:

14. Please provide a total of your gross fees/income in Australian dollars:

Last Financial Year: \$ _____ Current Financial Year: \$ _____

DECLARATION

I the undersigned, after enquiry, declare the following:

- (1) I am authorised to complete the above information on behalf of the Insured named in the Proposal.
- (2) I have read this addendum and the accompanying documents and acknowledge the contents is the same and to be true and complete.
- (3) I agree that this Addendum, together with the Proposal and any other information supplied by us shall form the basis of any contract of insurance effected thereon, and I undertake to inform the insurer of any material alteration to these facts whether occurring before or after completion of such contract of insurance.
- (4) I agree that the Underwriters may use and disclose our personal information in accordance with the "Privacy Statement" at the beginning of this Addendum.

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Although the signing of this addendum does not bind the applicants to effect insurance, I acknowledge that the particulars and statements contained in this addendum and in the accompanying documents shall be the basis of the contract if a policy is issued

Company Name: _____

Signature: _____
(Partner/ Principal or Director)

Signatory Name: _____
(Please print)

Dated: _____