

Premium Refunds Identification Requirements

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Risk and Compliance

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Lumley Finance Premium Funding Refunds

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DOCUMENT CONTROL

Version	Date	By	Notes
1.0	7/08/2009	Peter Dyer	New Document

1. Using these procedures

1.1. Insurance Intermediaries

1.1.1 We are insurance intermediaries that arranges for clients to borrow funds from Lumley Finance to pay insurance premiums. We must follow the procedures that Lumley Finance require when requesting a refund from Lumley Finance, including a refund for over-payment. These procedures apply to the first refund request per loan contract period and do not need to be applied to subsequent refund requests during the same contract period. All staff that request refunds must read these procedures. We keep a record of who has read these procedures.

1.2. Reason for these procedures

1.2.1 Money laundering is the process by which criminals attempt to conceal the true origin and ownership of money or other assets gained from crime. It allows criminals to disguise the true origins of their money.

1.2.2 Terrorist financing involves providing funds for terrorist activity. Terrorist activity has as its main objective intimidation of governments and populations.

1.2.3 The Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) (the AML/CTF Act) was introduced to reduce the risk of money laundering and terrorism financing occurring through a wide range of financial services, gambling and bullion dealing in Australia.

1.2.4 The AML/CTF Act requires Lumley Finance to conduct a customer identification procedure where a refund is requested for an over-payment or cancellation of an insurance policy to mitigate the risk that the customer is engaging in money laundering through the refund process. These procedures must be followed for the first refund request during each loan contract.

1.3. What do we have to do?

1.3.1 Lumley Finance has appointed our firm as its agent to identify those who request a refund from Lumley Finance as part of a premium funding arrangement. As agent, our firm must fully comply with Lumley Finance's requirements regarding identification and verification of the identity of the borrower requesting a refund.

1.3.2 It is also important that we notify Lumley Finance of difficulties we experience in identifying borrowers, of discrepancies in the borrower's identification information and about doubts we have about people's identity or source of wealth so that Lumley Finance can manage its obligations under the AML/CTF Act.

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1.4. These procedures are mandatory

- 1.4.1 We must follow these procedures for the first refund request per loan contract period and failure to follow them may lead to refusal by Lumley Finance to refund monies owed to the borrower.
- 1.4.2 Lumley Finance will sample our compliance with these procedures as well as perform its own assurance checks on refunded premiums to validate that the procedures are being followed correctly.
- 1.4.3 Incorrectly completed refund requests will be detected by Lumley Finance which will impact negatively on our relationship with Lumley Finance.
- 1.4.4 If a member of our staff fails to follow these procedures this may lead to disciplinary procedures, or perhaps dismissal, depending on the circumstances.
- 1.4.5 We will cooperate with law enforcement and regulatory bodies regarding our compliance with the requirements of Lumley Finance.

2. The identification and verification procedure

2.1. Purpose

- 2.1.1 The purpose of these procedures is to gather the identification information required by Lumley Finance. Lumley Finance require this to comply with the AML/CTF Act.
- 2.1.2 The procedure includes an *identification* step and a *verification* step with the objective of establishing whether the Borrower is who he, she or it claims to be.
- 2.1.3 The procedure does not need to be repeated if a Borrower seeks a refund more than once on the same premium funding contract. Lumley Finance will not accept copies of identification documents used for previous refunds relating to earlier premium funding contracts.

2.2. Our personal knowledge

- 2.2.1 If we know the Borrower personally or through a long course of dealing we are still required to ensure that the Borrower successfully completes the identification and verification procedure, including production of current and valid identification documents. Long standing relationships do not allow us to skip a step in the identification and procedure. There are no exceptions to this requirement.

2.3. Description of our process

- 2.3.1 A client who wants to borrow funds from Lumley Finance to fund insurance premiums is called an “Borrower”.
- 2.3.2 “We” and “Our” in this procedure means our firm, the insurance intermediary.
- 2.3.3 When we administer the identification and verification procedure we are acting as the agent of Lumley Finance.
- 2.3.4 All Borrowers requesting a refund from Lumley Finance must successfully complete the identification and verification procedure.
- 2.3.5 Where a Borrower cannot successfully complete the identification and verification procedure their refund request must not be submitted to Lumley Finance. We must immediately notify Lumley Finance of any Borrower who fails the identification and verification procedure.

2.4. Identification and verification

- 2.4.1 We *identify* the Borrowers by asking them for information about who they are such as name, date of birth, residential address, registered office, principal place of business, nature of business activities, names of directors, names of beneficial owners.
- 2.4.2 We *verify* that information by completing procedures set by Lumley Finance. In some cases Lumley Finance completes the verification (for example through getting its own ASIC search). In other cases we help Lumley Finance by obtaining the verification information from the Borrower.
- 2.4.3 There are different procedures for:
- Individuals and sole traders;
 - Companies;
 - Trusts;
 - Partnerships.

Individual Identity Form



Completion of the Individual Identification Form is required for:

- Individuals who are Borrowers
- Individuals who are trustees
- One individual from any partnership.

Name		
Other names used		
Residential Address		
Date of Birth		
Sole trader – registered business name		
Document used to verify identity	Current Australian Passport	Number
	Current Australian Driver's Licence	Number
	Other (describe)	
Copy of identification document attached	Yes	

Signature Date	Signature of the intermediary Date
Name and address of the signatory	Name and address of the signatory

Individual Identity Form

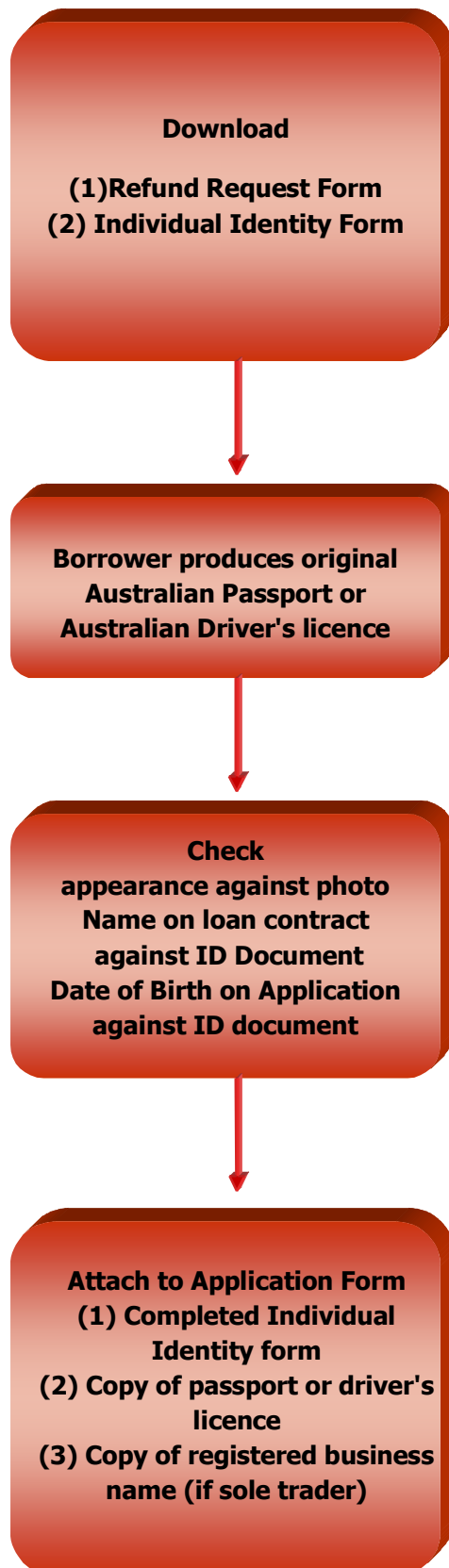


Instructions to Intermediaries:

You must make a copy of the identification document (the passport or driver’s licence) and stamp or note the copy of the document “Original cited [date] by [name]” and initial the stamp or note.

You must complete the following checklist for the verification document:

Current Australian Passport or Current Australian Driver’s Licence Or Other (describe)		Document Number	Issue date of document (must be an Australian passport which is current or lapsed within past two years or a current driver’s licence). Any other document used must also be current.
Photograph checked Yes/No	Date of Birth Checked Yes/No	Name checked Yes/No	Address checked (if available on document) Yes/No
Describe relationship between Applicants if more than one applicant e.g. Husband & Wife.			



**Use (1) and (2) for Individuals
Use (1) and (2) for Sole Traders
Use (2) for Individuals acting as
trustees**

3. Follow this process where the borrowing client is an individual

3.1. Requesting a Refund

3.1.1 You need to download (1) the Lumley Finance Refund Request Form and (2) the Individual Identification Form from the Lumley Finance website and ensure that:

- the Borrower completes and signs both using their normal signature; and
- supplies their verification documents.

3.1.2 All Borrowers who are individuals must provide the following information on their Lumley Finance Refund Request Form:

- Their true name and if they use more than one, all of their names;
- Their date of birth;
- Their permanent residential address and post code (PO Boxes not accepted).

3.2. Verification information

3.2.1 We are required to verify the identification information provided by the Borrower using the following documents:

- Most preferred, the Borrower's current and valid passport, or an Australian passport that is current or which has only lapsed within the past two years;
- Next preferred, the Borrower's current and valid Australian driver's licence with a photograph.

3.2.2 We cannot rely on the presentation of a copy passport or a copy driver's licence by the Borrower. We must see the original passport or driver's licence.

3.2.3 Lumley Finance prefers that we do not to accept alternative documents for verification of identity but we can contact Lumley Finance to discuss exceptions to these requirements.

3.2.4 We record on the Individual Identity Form in the space provided details of the identification document and that we performed the following comparisons using the document produced by the Borrower for verification of their identity:

- Whether the photograph on the document is of the Borrower;

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- Whether the name on the document is same as the Borrower's name on the Lumley Finance Contract;
- Whether the date of birth on the document is the same as provided by the Borrower on the Lumley Finance Refund Request Form;
- Whether the residential address on the document (if there is one on the document) is the same as provided by the Borrower on the Lumley Finance Refund Request Form (addresses on passports often do not exist or are different because people do move addresses).

3.3. Sole Traders

- 3.3.1 If the Borrower is a sole trader with a registered business name we need to obtain a copy of the certificate of business name registration.

3.4. Discrepancies and unusual matters

- 3.4.1 If the photograph, name or date of birth or address on the document is different to the Lumley Finance contract or refund request Form then the Borrower should be asked for an explanation. If the explanation is not sufficient then we must contact Lumley Finance for further instructions. All explanations of discrepancies should be recorded on the space provided on the Identification Form.
- 3.4.2 If the name on the document is different to the name on the contract or refund request because the person has changed their name through deed poll or through marriage then the Borrower must produce their deed poll for change of name or their marriage certificate.
- 3.4.3 We are required to advise Lumley Finance if we have:
- Any doubts about the identity of the Borrower or Borrowers;
 - Any concerns or suspicions regarding the authenticity or legitimacy of the Borrower's activities which are the subject of the professional services provided by us.

3.5. Persons acting as agents for Borrowers who are individuals

- 3.5.1 Lumley Finance does not accept refund requests completed by one individual for another individual.

3.6. Record making and keeping

- 3.6.1 The original documents produced to us to verify identification will be photocopied and attached to the refund request, including the copy of the business name registration. Each copy identification document will be

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stamped or noted with the following words “Original cited [date] by [name]” and the stamp or note initialled by the person completing the identification and verification procedure.

- 3.6.2 All the documents produced to us to verify identification will be photocopied and sent to Lumley Finance with the refund request. We will also keep our own records of these documents provided.

Company Identification & Disclosure Certificate



Full name of company as registered with ASIC		
Relationship between Applicants if more than one applicant		
Company ACN		
Full address of registered office		
Full address of principal place of business		
Names and addresses of directors	Name	Address
Details of beneficial owners (Note- these persons must be individuals, corporate beneficial owners are not accepted)	Name	Address
Complete authority to act form	Yes	

I certify that the beneficial owners of this company, as at the date of this certificate are as set out above.

Signature of a director or secretary of the company Date	Signature of the intermediary Date
Name and address of the signatory	Name and address of the signatory

Authority to Act



Completion of the Authority to Act Form by the professional firm is required for:

- A company
- A trustee which is a company
- A partnership.

Name of Borrower			
Name of person authorised to act for Borrower			
Basis of authority to act	By virtue of status as a director (not available for corporate trustee)	Yes	No
	By virtue of status as a Company secretary(not available for corporate trustee)	Yes	No
	Company resolution is required for all borrowings greater than \$25,000 (attach)	Yes	No
	Company resolution required for all corporate trustees	Yes	No
	Resolution of partner's meeting	Yes	No
	Other (describe)	Yes	No

Completed by	
Date	
Name of Intermediary completing this firm	

Download
(1) Refund Request Form
(2) Identification & Disclosure Certificate for Company
(3) Authority to Act Form

Use (1), (2), and (3) for Proprietary Companies

Use (2) and (3) for Proprietary Companies acting as trustees

Borrower completes (1) and (2)
You complete (3) and co-sign (2)

You provide the corporate tree if beneficial owners are not direct shareholders shown on ASIC search

Lumley Finance performs the ASIC Search to determine :
Registered office
Names of directors
Principal Office
Status as proprietary company
Business name registration

Lumley finance compares the application form, the identification & disclosure certificate and the ASIC search

4. Follow this process where the borrowing client is a company

4.1. Requesting a Refund

4.1.1 You need to download (1) the Lumley Finance Refund Request Form (2) the Identification and Disclosure Certificate for Companies Form and (3) the Authority to Act Form from the Lumley Finance website and ensure that the person making the refund request for the Company completes and signs (1) and (2) using their normal signature.

4.2. The authorised representative of the company

4.2.1 The authorised representative of the company making the refund request must sign (1) the Lumley Finance Refund Request Form and (2) the Company Identification Form for and on behalf of the Borrower with their usual signature.

4.2.2 The individual making the refund request on behalf of the company must provide written proof of their authority to act on behalf of the company in making the request. You need to complete the Authority to Act Form based on the written proof of authority to act that is provided. People generally will be authorised to act on behalf of the Company because they:

- Are a director; ¹
- Are the company secretary;
- Have a company resolution confirming that the authorised representative of the company.

4.2.3 Where there is more than one company making the refund request, we are required to identify each company and supply details of the relationship between them.

4.3. Verification

4.3.1 Lumley Finance will complete the verification of the Borrower's information once it receives the refund request using ASIC searches.

4.3.2 Lumley Finance may ask us for further information about the Borrower as required.

¹ You may decide it is prudent that all directors should sign the Lumley Finance Refund Request Form – this provides added protection to both Lumley Finance and our firm.

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4.4. Discrepancies and unusual matters

4.4.1 If the details on the refund request form differ from information we have about the Borrower in the course of providing premium funding services then we must ask the Borrower for an explanation. If the explanation is not sufficient then we must contact Lumley Finance for further instructions before proceeding with the refund request. All explanations of discrepancies should be recorded on the space provided on identification form.

4.4.2 We are required to advise Lumley Finance if we have:

- Any doubts about the identity of the Borrower or Borrowers;
- Any concerns or suspicions regarding the authenticity or legitimacy of the Borrower's activities which are the subject of the premium funding services we have provided.

4.5. Record making and keeping

4.5.1 The originals of (1) the Lumley Finance Refund Request Form (2) the Company Identification Form and (3) the Authority to Act Form must all be sent to Lumley Finance. We will also keep our own records of these documents provided.

Trust Identification & Disclosure Certificate



Full name of the trust					
Relationship between Borrower if more than one borrower					
Business name of the trust (if any)					
Country in which trust is established					
Date trust established					
Name and address of each trustee (one of whom must be identified in accordance with Lumley's procedures)		Name		Address	
Names of beneficiaries or identify class of beneficiaries		Name			
		Name			
		Name			
Trust deed		Please attach a certified copy of schedule to the trust deed showing above information			
Attach trust deed schedule	Yes	Verify the identity of one trustee	Yes	Complete authority to act form	Yes

I certify that the beneficiaries of this trust, as at the date of this certificate, are as set out above.

Signature of the trustee Date		Signature of the intermediary Date	
Name and address of the signatory		Name and address of the signatory	

Authority to Act



Completion of the Authority to Act Form by the professional firm is required for:

- A company
- A trustee which is a company
- A partnership.

Name of Borrower			
Name of person authorised to act for Borrower			
Basis of authority to act	By virtue of status as a director (not available for corporate trustee)	Yes	No
	By virtue of status as a Company secretary(not available for corporate trustee)	Yes	No
	Company resolution is required for all borrowings greater than \$25,000 (attach)	Yes	No
	Company resolution required for all corporate trustees	Yes	No
	Resolution of partner’s meeting	Yes	No
	Other (describe)	Yes	No

Completed by Date	
Name of intermediary completing this form	

Download
(1) Refund Request Form
(2) Identification & Disclosure Certificate for Trust
(3) Authority to Act Form

Use for all Trusts

Borrower completes (1) and (2)
You complete (3) and co-sign (2)

Copy of registered business name

Copy of extract of trust deed showing date of establishment, where established, trustees names and the names of the beneficiaries

Lumley Finance - compare the disclosure certificate with the details in the trust deed

Identification of one trustee as either an individual or as a proprietary company

5. Follow this process where the borrowing client is a trust

5.1. Requesting a Refund

5.1.1 You need to download (1) the Lumley Finance Refund Request Form (2) the Trust Identification Form and (3) the Authority to Act Form from the Lumley Finance website and ensure that the person making the request for the Company completes and signs (1) and (2) using their normal signature.

5.2. The authorised representative of the trustee

5.2.1 Where the trustee is an individual, otherwise the authorised representative of the trustee, must complete the required information on (1) the Lumley Finance Refund Request Form and (2) the Trust Identification Form.

5.2.2 The person making the refund request must sign (1) the Lumley Finance Refund Request Form and (2) the Trust Identification Form for and on behalf of the Borrower with their usual signature.

5.2.3 The trustee making the refund request must provide written proof of their authority to act on behalf of the trust in making the request. You need to complete the Authority to Act Form based on the written proof of authority to act that is provided. People will be authorised to act on behalf of the trust because they:

- Are the trustee; or
- Have a resolution from the company in its capacity as trustee confirming that the authorised representative may enter into the borrowing arrangement in the name of the trust. ²

5.2.4 We complete the Authority to Act Form.

5.3. Verification of the existence of the trust

5.3.1 We must obtain a copy of the original trust deed or the latest trust tax return, make a copy of the document and stamped or noted with the following words “Original cited [date] by [name]” and the stamp or note initialled by the person completing the identification and verification procedure.

5.4. Verification of the identity of the trustee

5.4.1 Verifying the identity of one of the trustees will require you to download more forms from the Lumley Finance website.

² Required from all corporate trustees

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5.4.2 If there is only one trustee, then we use either the Individual Identity Form or the Identification and Disclosure Certificate for Companies form to verify their identity.

5.4.3 If there is more than one trustee then we can select any one of them and verify the identity of that one trustee using either the Individual Identity Form or the Identification and Disclosure Certificate for Companies form. We do not need to verify the identity of all trustees.

5.4.4 Lumley Finance may ask us for further information as required.

5.5. Discrepancies and unusual matters

5.5.1 If the details on the contract or refund request differ from information we have about the Borrower in the course of providing premium funding services then the Borrower should be asked for an explanation. If the explanation is not sufficient then we must contact Lumley Finance for further instructions. All explanations of discrepancies should be recorded on the space provided on identification form.

5.5.2 We are required to advise Lumley Finance if we have:

- Any doubts about the identity of the Borrower or Borrowers;
- Any concerns or suspicions regarding the authenticity or legitimacy of the Borrower's activities which are the subject of the professional services we have provided.

5.6. Record making and keeping

5.6.1 The original documents produced to us to verify the existence of the trusts and the identity of the trustee will be photocopied and attached to the refund request. Each copy identification document will be stamped or noted with the following words "Original cited [date] by [name]" and the stamp or note initialled by the person completing the identification and verification procedure.

5.6.2 These documents will be sent to Lumley Finance with the Lumley Finance Refund Request Form. We will keep our own records of these documents.

Partnership Disclosure Certificate



Full name of partnership					
Business name of the partnership					
Country where the partnership was established					
Date partnership was established					
Name of professional association which regulates this partnership					
If the partnership is not regulated by a professional association (e.g. lawyers or accountants) then the names and addresses of each partner (one of whom must be identified in accordance with Lumley's procedures)	Name		Address		
Partnership agreement		Please attach a certified copy of the partnership agreement showing above information			
Attach partnership agreement	Yes	Verify the identify one partner	Yes	Complete authority to act form	Yes

I certify that the partners in the partnership, as at the date of this certificate, are as set out above.

Signature by one partner Date		Signature of the intermediary Date	
Name and address of the signatory		Name and address of the signatory	

Authority to Act



Completion of the Authority to Act Form by the professional firm is required for:

- A company
- A trustee which is a company
- A partnership.

Name of Borrower			
Name of person authorised to act for Borrower			
Basis of authority to act	By virtue of status as a director (not available for corporate trustee)	Yes	No
	By virtue of status as a Company secretary(not available for corporate trustee)	Yes	No
	Company resolution is required for all borrowings greater than \$25,000 (attach)	Yes	No
	Company resolution required for all corporate trustees	Yes	No
	Resolution of partner's meeting	Yes	No
	Other (describe)	Yes	No

Completed by Date	
Name of intermediary completing this form	

Use for Partnerships

Download
(1) Refund Request Form
(2) Identification & Disclosure Certificate for Partnerships
(3) Authority to Act Form



Borrower completes (1) and (2)
You complete (3) and co-sign (2)



Copy of registered business name



If not regulated by a professional association obtain copy of extract of partnership agreement showing existence of partnership (and thus who the partners are) Alternatively, minutes of a partners meeting



Identification of one partner as an individual

Compare the disclosure certificate with the business name registration and the details in the partnership agreement

6. Follow this process where the borrowing client is a partnership

6.1. Requesting a Refund

6.1.1 You need to download (1) the Lumley Finance Refund Request Form (2) the Partnership Identification Form and (3) the Authority to Act Form from the Lumley Finance website and ensure that the person making the request for the Company completes and signs both using their normal signature.

6.2. Authority to act on behalf of the partnership

6.2.1 The individual making the refund request must provide written proof of their authority to act on behalf of the partnership in making the request. You need to complete the Authority to Act Form based on the written proof of authority to act. We accept a resolution from a meeting of the partnership confirming the authorised representative as proof of authority to act. Partnerships that are managed by a committee of management may supply a resolution from a meeting of that committee as proof of authority to act.

6.2.2 We complete the Authority to Act Form.

6.3. Verification of the existence of the partnership

6.3.1 We must obtain a copy of the original partnership deed or the latest partnership tax return, make a copy of the document and stamped or noted with the following words “Original cited [date] by [name]” and the stamp or note initialled by the person completing the identification and verification procedure.

6.4. Verification of the identity of the trustee

6.4.1 Verifying the identity of one of the partners will require you to download the Individual Identity Form from the Lumley Finance website.

6.4.2 We only need to verify the identity of one of the partners.

6.4.3 Lumley Finance may ask us for further information as required.

6.5. Discrepancies and unusual matters

6.5.1 If the details on the contract or refund request differ from information we have about the Borrower in the course of providing premium funding services then the Borrower should be asked for an explanation. If the explanation is not sufficient then we must contact Lumley Finance for further instructions.

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All explanations of discrepancies should be recorded on the space provided on identification form.

- 6.5.2 We are required to advise Lumley Finance if we have:
- Any doubts about the identity of the Borrower or Borrowers;
 - Any concerns or suspicions regarding the authenticity or legitimacy of the Borrower's activities which are the subject of the premium funding services we have provided.

6.6. Record making and keeping

- 6.6.1 The original documents produced to us to verify the existence of the partnership and the identity of the partner will be photocopied and attached to the refund request. Each copy identification document will be stamped or noted with the following words "Original cited [date] by [name]" and the stamp or note initialled by the person completing the identification and verification procedure.
- 6.6.2 These documents will be sent to Lumley Finance with the Lumley Finance Refund Request Form. We will keep our own records of these documents.