

**Professional Indemnity Insurance
for Accountants
Proposal Form**

Professional Indemnity Insurance for Accountants Proposal Form

Please read the following carefully before completing this proposal form. To present a clear and unambiguous picture and to ensure that underwriters understand the nature of your risk:

- An Individual or a Partner, Principal or Director of the Firm/Company must complete the proposal form in ink.
- Where a question is not applicable to your particular circumstances, please write N/A
- If there is insufficient space to answer questions please use an additional sheet and attach it to this proposal form
- Completing and signing this proposal form does not bind you, or insurers, to complete this contract of insurance,
- If this proposal relates to a new business or venture, please complete the questions as far as possible, giving estimated income and information about your anticipated activities

Please ensure that **all** relevant sections of the Proposal are completed

1. Name under which practice is conducted: ('The Proposer')

2a.) Addresses of all offices (including postcode and telephone no) and percentage of total fees in each

b.) Website Address

3. Specify to which professional body the practice belongs

ICAEW ☐

ICAI ☐

ICAS ☐

ACCA ☐

ATT ☐

AAT ☐

Other (Please specify)

4. Date commenced

5a.) During the past 6 years, has the name of the Proposer been changed or has any amalgamation, acquisition or take-over taken place or have any Principals departed, retired or died?

Yes ☐

No ☐

If 'Yes', give details

b.) Give details below of any predecessor firms for which cover is required

6. Give details below of

a) **Principals** and

b) **consultants** under a contract of service with the Proposer

Full name	Age	Qualifications	Date qualified	Number of years in this capacity with the Proposer
a.)				
b.)				

7. Give details below of previous business experience, as appropriate, or attach curricula vitae

Newly established practice – complete for all Principals

Existing practice – complete for each Principal who has held such position with the Proposer for less than 5 years

Name	Period engaged in previous occupation	Name of firm/company	Profession or business	Position Held

8. Where the Proposer is a sole principal, give details of the arrangements for office supervision when the Proposer is absent

9. State number of other permanent staff

a) **qualified**

i full-time part-time

b) **all others**

i full-time part-time

10. Is cover required for Partners' Previous Business in respect of any partner named in 6a?

(This extension covers liability incurred as a partner in a previous accounting practice)

Yes ☐ No ☐

If 'Yes', state

a) for which partners	b) name of previous business	c) date partner left business	d) Limit of Indemnity required

11. State gross fees (including those paid to sub-contractors) for work undertaken

Clients domiciled in	Last financial year	Previous financial year	Forthcoming year (estimated) for new and existing practices
a) the UK	£	£	£
b) Europe excluding the UK*	£	£	£
c) the USA, its territories and possessions and Canada*	£	£	£
d) Australia*	£	£	£
e) Asia*	£	£	£
f) elsewhere*	£	£	£
Total of a to f above	£	£	£

* State countries, amounts involved and nature of work undertaken for clients domiciled outside the UK

12. Is the represented in any way outside the UK?

If 'Yes', state where and how (e.g. by subsidiary company, local office, local representative or by any other person or concern holding a power of attorney on behalf of the practice)

Yes ☐ No ☐

13. State the approximate percentage of last year's gross fees and of the fees estimated for the forthcoming year (including those paid to sub-contractors) payable in respect of

		Last year	Forthcoming year
a) work for banks, finance houses, hire purchases and credit sales organisation, building societies and any other covers providing finance		%	%
b) auditing	i of public companies	%	%
	ii of other clients	%	%
c) preparation of accounts	i of public companies	%	%
	ii of other clients	%	%
d) compliance taxation	i of public companies	%	%
	ii of other clients	%	%
e) tax planning and consultancy*		%	%
f) insolvency, liquidation and receiverships		%	%
g) management consultancy**		%	%
h) computer consultancy**		%	%
i) insurance and building society commissions		%	%
j) executorships and trusteeships		%	%
k) investment advice and other Financial Services work ***		%	%
l) directorships		%	%
m) company registrar work		%	%
n) mergers, acquisitions, take-overs and disposals		%	%
o) payroll services		%	%
p) probate		%	%
q) all other work**		%	%
		100%	100%

* i.e. specialist taxation work for which a specific fee is charged, including advice on tax efficient schemes involving offshore trusts, film financing etc.

*** If there are any fees in relation to **13k** (investment and other Financial Services work) a Financial Services Questionnaire must be completed. This is available from your broker.

r) For any activities where you have answered nil above, but have undertaken work in the past 6 years please provide details below

s) ** If fees are received in connection with **13g 13h** or **13q** give brief details of the type of work undertaken in the box below

14. State

a) month of financial year end

	Last financial year	Estimate for current financial year	Estimate for forthcoming financial year
b) largest total fee any one client or group	£	£	£
c) average fee per client or group	£	£	£

If the Proposer anticipates any major change in c or d in the forthcoming year give details in the box below

15. If work is undertaken for public companies or where the largest fee declared last year in 14c exceeds £50,000, give the following details:–

- a) name of client(s)
- b) nature of business of the client(s)
- c) nature of the services provided by the Proposer to such client(s)

16. Does the Proposer undertake or has the Proposer undertaken work of any description for any of the following

- i) Banks, investment funds or schemes and other Financial Institutions
- ii) Insurance Companies, Lloyd's Syndicates, Lloyd's managing or members' agents or Underwriting Agencies
- iii) Any 'off-shore' companies
- iv) Entertainment industry clients or sporting professionals

Yes ☐ No ☐

Give details of the name(s) of clients, fees earned and the services provided in the box below

17. If tax planning and consultancy work is undertaken, has been undertaken or will be expected to be undertaken in the future, please confirm the type of work and the split between personal and commercial and complete the questionnaire attached

18. Are any Principals, consultants or employees members of any Professional Body's taxation faculty?

Yes

No

19. What registers are maintained by the Proposer in relation to taxation deadlines? (for example, in connection with the dissolution of partnerships)

20. If insolvency, liquidation and receivership work is undertaken or will be expected to be undertaken in the future, please confirm below and complete the questionnaire attached at the end of this proposal form.

21. If commissions are received in connection with general insurance mediation please provide full details, including FCA status, i.e. FCA authorised, Appointed Representative, Introducer Appointed Representative or other

22. Have you ever been involved in, arranged or advised on:

a) pension transfers, alternatively secured pensions or Qualified Recognised Pension Schemes?

Yes ☐ No ☐

b) pension fund administration or management?

Yes ☐ No ☐

c) offshore bonds, structured products or unregulated collective investment schemes?

Yes ☐ No ☐

d) investment vehicles designed specifically for tax mitigation reasons?

Yes ☐ No ☐

e) high risk investments (including but not limited to hedge funds, split capital, emerging markets, venture capital, etc.)?

Yes ☐ No ☐

f) any investment products where the provider or fund is insolvent or has a known liquidity problem or has otherwise failed?

Yes ☐ No ☐

g) equity release or home reversion type products?

Yes ☐ No ☐

h) self-certification mortgages?

Yes ☐ No ☐

If 'Yes' to any of the above, please complete a Financial Services Questionnaire (available from your broker)

Yes ☐ No ☐

23. Is the proposer authorised to undertake investment work by the FCA or any Designated Regulatory body?

If 'Yes', state the Authorising Body and the category of authorisation

24. If fees are declared in question 13k 'investment advice or other financial services work' state the percentage breakdown of the amount declared:

a) independent financial advice*	%
b) restricted financial advice*	%
c) introduction to a financial adviser	%
d) introduction direct to a product provider**	%
	100%

*If any fees are declared for a or b please complete a Financial Services Questionnaire (available from your broker).

** If any fees are declared for d please state below:

- i) the terms upon which the introduction is made
- ii) the names of the providers
- iii) type of products
- iv) whether the provider gives advice
- v) the values invested
- vi) number of clients

25a.) State gross fees paid to sub-contractors

Last year	Forthcoming year (estimated) for new and existing practices
£	£

b) Give the following details of sub-contractors in the box below:—

- i) name(s)
- ii) qualifications
- iii) Limit of Indemnity of own Professional Indemnity Insurance

c) Is there any written agreement between the Proposer and sub-contractors?

Yes ☐ No ☐

d) Describe what work is sub-contracted and how the Proposer reviews such work in the box below

26. If there is not a resident Principal at each of the Proposer's offices, state the addresses concerned and give details of how any such office is supervised

27. Can you confirm that:

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| a) The practice is accredited to (or in the process of accreditation to) BSEN ISO 9000 Quality Systems or subject to a similar form of external assessment? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b) The practice works to a professional code of ethics or practice, such as ICA, ACCA or similar? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c) Written contract conditions are used in every case? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d) The practice has written work instructions or checklists for the services provided? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| e) The practice has identified the risks associated with its field of work and taken action to minimise these risks? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| f) Management review working procedures at least every six months to ensure their continuing suitability? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| g) Prior to contracts being accepted the practice checks that contract specifications and customer requirements can be met by ensuring that they have the technical ability to undertake the contract, the resources and time? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| h) Records are kept of the original contract, subsequent amendments, verbal agreements and telephone conversations? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| i) Work done by staff is reviewed using spot checks and periodic reviews? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| j) Reviews of staff, partners, directors or members of LLPs are completed at least once every 12 months? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| k) Regular file reviews and audits are conducted at least once every 12 months for all fee earners, including principals? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| l) Staff and principals have training and development plans in place (e.g. participation in a Continued Professional Development programme)? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| m) Recruitment procedures include: | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • obtaining written references, | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • verifying qualifications and previous experience, | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| • checking for any previous Professional Indemnity claims or circumstances? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If 'No' to any of the above, give details below.

28. Has the Proposer or any member of staff, past or present, been the subject of any disciplinary proceedings by any professional or regulatory body? Has the Proposer dismissed or is the Proposer considering dismissing any member of staff?

Yes ☐ No ☐

If 'Yes', give details below

29. Additional Questionnaires for completion

a) Has the Insured suffered any loss during the past five years through fraud or dishonesty of any employee? If 'Yes', please complete the Arch Accountants Fidelity Questionnaire

Yes ☐ No ☐

b) Does the Insured currently purchase a Separate Cyber Insurance Policy?
If 'No' please complete the Arch Accountants Cyber Questionnaire

Yes No

c) Is tax planning and consultancy work is undertaken or will be expected to be undertaken in the future?
If 'Yes' please complete the Arch Accountants Tax Planning Questionnaire

Yes No

d) Is insolvency, liquidation and receivership work is undertaken or will be expected to be undertaken in the future?
If 'Yes' please complete the Arch Accountants Insolvency Questionnaire

Yes No

30. Does the practice undertake work for any firm, company or organisation in which any Principal holds a position whereby he or she is able to make major policy decisions on behalf of such firm, company or organisation?

Yes ☐ No ☐

If 'Yes', give details

31. Has the Proposer any other Professional Indemnity insurance in force?

Yes ☐ No ☐

If 'Yes', state

a) name of insurer

b) renewal date

32. Limit on Indemnity required

£250,000 ☐

£500,000 ☐

£1,000,000 ☐

£

Other

(please specify)

Limits up to £10m available

33. Does the Proposer wish to contribute towards each and every claim?

If 'Yes', tick amount required £1,000 ☐

£2,500 ☐

£5,000 ☐

£10,000 Other £

(please specify)

Note. In most cases, a contribution will be compulsory

34. Has any insurer in respect of the risk to which this proposal relates ever

a) declined a proposal, refused renewal or terminated an insurance?

Yes ☐ No ☐

b) required an increased premium or imposed special conditions?

Yes ☐ No ☐

If 'Yes', in either case, give details

35. Has any person for whom this insurance is proposed:

a) ever been convicted of or charged with (but not yet tried in respect of) a criminal offence other than a motoring offence?

Yes ☐ No ☐

b) ever been declared bankrupt?

Yes ☐ No ☐

c) ever been a principal of a business which has gone into insolvent liquidation or been the subject of a receivership or an administration order?

Yes ☐ No ☐

If 'Yes', provide details and dates

36a.) Has any claim been made against the Proposer or any Principal, consultant or employee during the last ten years in respect of the risks (other than those referred to in Question 29) to which this proposal relates?

Yes ☐ No ☐

If 'Yes', give details (by separate note if preferred)

Date of claim	Brief details of each claim	Cost (if any) of claim paid	Estimated outstanding cost

b) What action has been taken to prevent a recurrence of the situation which gave rise to each claim?

37. Is any principal, consultant or employee, after enquiry, aware of any circumstances which might

a) give rise to a claim against the Proposer or any predecessors in business or any of the present or former principals?

Yes ☐ No ☐

b) otherwise affect the Company's consideration of this insurance?

Yes ☐ No ☐

If 'Yes', give details including maximum potential cost (by separate note if preferred)

IMPORTANT NOTICE CONCERNING DISCLOSURE

In arranging this policy you must have provided us with a fair presentation of the risks to be insured. This means you must have clearly disclosed all material facts which you, your senior management and or persons responsible for arranging the Policy knew or ought to have known. If you have not made a fair presentation, this could mean that part or all of a claim may not be paid. Please be aware that in some circumstances, if you have not made a fair presentation of the risk, we may avoid the contract and the premium may not be returned. You must also make a fair presentation to us when the policy is to be renewed.

The duty of disclosure continues up until the Insurance has been concluded and “resurrects” in the event of any amendment to the risk during the policy period or any extension/renewal. It may also be that the terms of the policy include specific ongoing disclosure conditions or warranties which effectively extend the duty of disclosure post inception of the policy.

DECLARATION

It is declared that to the best of the knowledge and belief of the insured the statements and replies set out herein are true and that no material facts have been misstated or suppressed. The insured undertakes to inform insurers of alterations to any facts which are or become material before inception of the contract of insurance.

Name and Position:

Signature:

Date (day) (month) (year)

A COPY OF THIS PROPOSAL SHOULD BE RETAINED BY YOU FOR YOUR OWN RECORDS

ADDITIONAL INFORMATION

Use this space to provide further information in support of answers given to questions in this Proposal.
Please state question number clearly.

Accountants Fidelity Questionnaire

- 1) Has the Proposer suffered any loss during the past five years through fraud or dishonesty of any employee?

Yes ☐ No ☐

If 'Yes', please state date, circumstances, amount and steps taken to prevent recurrence in the box below.

- 2) Does the firm always require satisfactory references when engaging employees?

Yes ☐ No ☐

- 3) Does the proposer have authority to handle client monies and if yes what procedures are in place to mitigate against fraud

Yes ☐ No ☐

- 4) Please confirm how often are checks carried out on all cash book entries with paying in books, receipts, counterfoils and vouchers are reconciled with bank statements

- 5) If your firm provides payroll services on behalf of your clients, please can you clarify the processes involved in connection with the protection of client funds in the box below.

Please confirm that your firm's compliance with the following Minimum Standards of Control requirements:

- a) no cheque or instrument shall be signed until one signatory has examined the supporting documentation
- b) Employees receiving cash or cheques in the course of their duties shall be required to remit all monies received or bank in full on the day of receipt or the next banking day
- c) cash in hand shall be checked independently of Employees responsible at least monthly and additionally without warning every six months
- d) Two factor authentication process is utilized for all online transactions
- e) no one individual shall be permitted to release computer initiated transfer authorities to the bank. A second person of higher authority must be required to check and then release instructions. Entries by each person must be controlled by unique passwords held by each individual related to the user authorisation and the appropriate authorities are to be built into the computer program being used
- f) in respect of all manually prepared cheques, computer or machine prepared cheques or other bank instruments for more than £25,000 supporting documentation shall be examined and authorised before requisition is input and also shall require one manually applied signature to be added after the cheque or instrument is prepared,
- g) all electronic transfers or transfer instructions for more than £25,000 shall require the bank to call back to an authorised person to verify instructions before the transaction is commenced.
- h) Validation is required for the identification of any new payees and authenticity of any changes to existing payees

If any such facts, expectations and or beliefs materially change before your Professional Indemnity policy takes effect, you are to provide details of such changes to your broker in order to comply with your obligations to provide a fair presentation of risk to be insured under this policy.

By signing this declaration you are confirming that the above minimum standards of control are met by the firm, if you cannot confirm these statements are true then please provide further clarification.

Signed By:..... Dated:

Company:.....

Additional information:

Accountants Cyber Questionnaire

- 1) Are you a sole trader? ☐ Yes ☐ No
- 2) Do you hold or transfer Client monies and /or offer Payroll Services? ☐ Yes ☐ No
- 3) Does the Proposer currently purchase a Separate Cyber Insurance Policy? Yes No

If 'Yes' please advise Limit of Indemnity applicable

£

- 4) Has the Proposer suffered a Cyber event(s) (circumstance/claim/loss) during the past five years? ☐ Yes ☐ No

If 'Yes', please complete the table below

Date	Circumstances	Claim amount / cost
Steps taken to prevent recurrence(s):		

- 5) Is the Proposer aware of any matter(s), incident(s) or event(s) that could reasonably lead to any Cyber loss or claim? Yes No

Yes If 'Yes', please complete the table below:

Date	Circumstances	Claim amount / cost

Steps taken to prevent recurrence(s):

6) Please confirm compliance with the following statements:

STATEMENTS	Yes	No
Mobile devices with access to client data are encrypted		
Payment card data does not touch any part of the Proposer's network in plain text format		
Proposer subscribes to an anti-virus service		
Proposer patches their systems as and when updates become available		
Two factor authentication process is utilised for any online business related transactions involving client monies and / or payroll		
Validation is required for the identification of any new payees and the authenticity of any changes to existing payees		
Dual authorisation / sign off is required for payments (N/A for Sole Practitioners)		

If you cannot confirm compliance to any of the above please provide details below (additional Information box)

DECLARATION

It is declared that to the best of the knowledge and belief of the insured the statements and replies set out herein are true and that no material facts have been misstated or suppressed. The insured undertakes to inform insurers of alterations to any facts which are or become material before inception of the contract of.

Signed By:..... Dated:

Company:.....

IMPORTANT NOTICE CONCERNING YOUR DUTY TO MAKE A FAIR PRESENTATION OF THE RISK

Before the Professional Indemnity Policy renews, you have a duty to make a fair presentation of the risks to be insured under your Professional Indemnity Policy.

A fair presentation of the risk is one:

- which:
 - discloses to us every material circumstance which you know of or ought to know of; or
 - gives us sufficient information to put us on notice that we will need to make further enquiries for the purpose of revealing those material circumstances,
- which makes that disclosure referred to above in a manner which is reasonably clear and accessible to us; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

A material circumstance is one that would influence our decision as to whether or not to agree to insure you and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material you should disclose it to us.

The following "Work Profile" forms part of your insurance contract. It is a record of answers specifically provided to us and also some assumptions we have made about you and your Business. The information recorded in this document has been material to our assessment of:

1. Your eligibility for this insurance Policy
2. The terms and conditions to apply to Your Policy
3. Your insurance premium.

IMPORTANT INFORMATION

Please be aware that we cannot provide insurance in circumstances where to do so would be in breach of any financial or trade sanctions imposed by the United Nations or any government, governmental or judicial body or regulatory agency.

IMPORTANT INFORMATION ABOUT YOUR DECLARATION

This Supplementary Work Profile Questionnaire and such other information together form the "Proposal".

You shall ensure that the Proposal contains such information as is reasonably necessary to enable us to:

Properly assess the risks to the insured under this Policy; and

Decide whether and, if so, to what extent that we will provide you with insurance cover in respect of such risks referred to in (a) above.

If you are in any doubt as to whether any information is material, it should be disclosed. Failure to disclose such facts could invalidate the Policy or result in a claim not being paid.

Please complete the work profile form and statements below

Insolvency Practitioners Work Profile

For the last financial year period please provide a breakdown as follows:

Type	Number of 'live' appointment	% split (based on gross fee income for last financial year)	Maximum asset value
a) Receiverships, Administrations, Other Court or Fixed Charged Receiverships			
b) Liquidations- Creditors Voluntary Members Voluntary Company Voluntary Compulsory			
c) Bankruptcies			
d) Individual Voluntary Arrangements (IVA's)			
e) Proceeds of Crime Act, Drug Trafficking Offences Act and Criminal Justice Act			
f) Pure Consultancy work where there is no formal insolvency appointment			
g) Other (please specify)			

Arch Insurance (UK) Ltd - Insolvency Practitioners Questionnaire

Work Profile Statements

- 1) For any appointments where the Asset Value exceeds £10,000,000, please provide details.
- 2) Please confirm that you have not acted for any Banks, Financial Institutions or Quoted Plc's, if you have please advise details.
- 3) Where you undertake Administration or Receivership appointments do you always delegate responsibility for the arrangement, maintenance and administration of insurance in respect of the entity under Receivership to a FCA regulated Insurance Broker? YES / NO, If No Please advise details.
- 4) Please confirm that you are NOT regulated by the FCA (Financial Conduct Authority)?
- 5) Please advise details of number of cases handled per table below:

Year	Current Year	Previous Year	Prior Year	2nd Prior Year	3rd Prior Year
No of Appt's					
No currently Outstanding					
Asset value of largest appt					

DECLARATION AND UNDERTAKING

I/We declare that every statement and particular contained within this proposal form:

- which is substantially correct, and
- which is matter of expectation or belief, is made in good faith.

If any such facts, expectations and/or beliefs materially change before your Professional Indemnity Policy takes effect I/we undertake to provide details of all such changes to your Broker in order to comply with my/our obligation to provide a fair presentation of the risk to be insured under the Professional Indemnity policy.

Signed By:..... Dated:

Company:.....

Arch Insurance (UK) Ltd - Insolvency Practitioners Questionnaire

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
Registered Office: 5th Floor, Plantation Place South, 60 Great Tower Street, London EC3R 5AZ