

**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)

15. 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 is undertaken give the following details:

- a) What type of tax planning/consultancy services are offered (give examples)

- b) is there any involvement with aggressive tax schemes, including offshore schemes and film financing/partnership/scheme arrangements?

Yes No

- c) are multiple clients entered into the same schemes?

Yes No

- d) are all schemes agreed with HMRC?

Yes No

- e) if 'Yes', how often are schemes retrospectively checked to ensure they remain compliant?

f) what specialist qualifications and experience do those involved in this work have?

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, give the following details:

a) types of arrangements handled

b) typical and maximum values handled for each type of arrangement

c) Specialist qualifications and experience of those involved in this work

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)

23. Is the proposer authorised to undertake investment work by the FCA or any Designated Regulatory body? Yes No
 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) BS EN ISO 9000 Quality Systems or subject to a similar form of external assessment? Yes No
- b) The practice works to a professional code of ethics or practice, such as ICA, ACCA or similar? Yes No
- c) Written contract conditions are used in every case? Yes No
- d) The practice has written work instructions or checklists for the services provided? Yes No
- e) The practice has identified the risks associated with its field of work and taken action to minimise these risks? Yes No
- f) Management review working procedures at least every six months to ensure their continuing suitability? Yes No
- 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 No
- h) Records are kept of the original contract, subsequent amendments, verbal agreements and telephone conversations? Yes No
- i) Work done by staff is reviewed using spot checks and periodic reviews? Yes No
- j) Reviews of staff, partners, directors or members of LLPs are completed at least once every 12 months? Yes No
- k) Regular file reviews and audits are conducted at least once every 12 months for all fee earners, including principals? Yes No
- l) Staff and principals have training and development plans in place (e.g. participation in a Continued Professional Development programme)? Yes No
- m) Recruitment procedures include:
 - obtaining written references, Yes No
 - verifying qualifications and previous experience, Yes No
 - checking for any previous Professional Indemnity claims or circumstances? Yes No

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. Fidelity

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

Yes No

If 'Yes', state date, circumstances, amount and steps taken to prevent recurrence

Please note that Fidelity cover is subject to the Proposer's compliance with the following requirements:

Minimum Standards of Control

- a) all manually prepared cheques or other bank instruments drawn for more than £25,000 shall require two manually applied signatures to be added after the amount has been inserted,
- b) no cheque or instrument shall be signed until one signatory has examined the supporting documentation,
- c) in respect of 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,
- d) bank statements receipts counterfoils and supporting documents shall be checked at least monthly against cash book entries and the balance tested with cash and unpresented cheques independently of the Employees responsible at least monthly,
- e) 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,
- f) cash in hand shall be checked independently of Employees responsible at least monthly and additionally without warning every six months,
- g) 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,
- h) all authorities for the initialisation of written, telephone or facsimile 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.

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?
If 'Yes', give details

Yes No

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

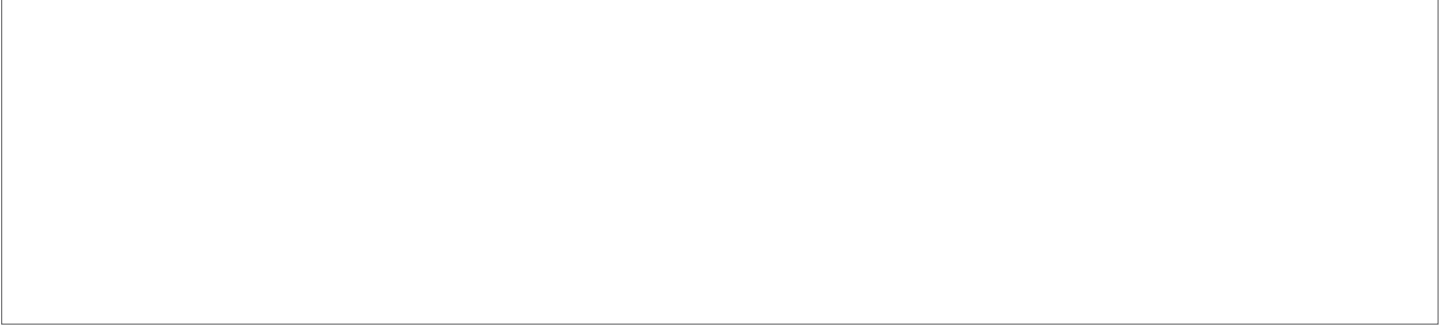
b) ever been declared bankrupt?

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

Yes No

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)

Do you wish to pay by monthly instalments?

Yes No

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.