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INSURANCE BROKERS

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Proposal Form for Accountants Professional Indemnity Insurance

IMPORTANT INFORMATION REGARDING COMPLETION OF THIS FORM

Method Of Completion

- This proposal form may be completed in ink or electronically, provided you print out an original and sign and date the declaration;
- ALL questions must be answered (if necessary comment as “not applicable” or “none”);
- Please review the complete document before signing and dating the declaration;
- Please post the original form to us after taking a copy for your records. A faxed or electronic copy will enable work to commence on your behalf straight away.

Presentation

- Insurers see many proposals during the course of a working day and it is therefore important that your proposal form is completed fully, clearly and accurately. First impressions really do count here;
- If there is insufficient space in the proposal form or simply to provide underwriters with a better understanding of your experience, expertise or activities, please supply additional information on your letter headed paper;
- CV’s of your principals should be supplied if you have not previously been insured or if any principal has been in their current position fewer than five years;
- Standard contract conditions, brochures or other marketing material should be supplied if this helps to describe the activities undertaken or the potential professional liabilities faced;

Disclosure

- You have a legal duty to disclose to insurers all material information which may affect their judgement in determining whether to provide you with insurance and if so on what terms. In the case of renewal of existing insurance arrangements, this includes any material changes to information already disclosed to insurers;
- If you are in any doubt as to whether or not information is material, you should disclose it, even if there is no specific relevant question in the proposal form;
- It is particularly important to disclose all potential professional negligence claims that may be made against you and to notify your current underwriters of such matters as appropriate;
- Failure to disclose material information may give underwriters the right to avoid any contract of insurance they may subsequently issue, with the consequence that you will not be protected for any claims notified under that insurance.

PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM
PROFESSION – ACCOUNTANTS

1. NAME(S) OF FIRM (Please include any predecessors for which cover is required)

2. ADDRESS OF THE PRINCIPAL OFFICE (Please list all other locations by Town or Country if overseas and identify the supervising Partner/Director at each location. Please provide on appendix sheet if required).

Partner Contact		**Telephone Number**	
E-Mail		**Fax Number**	

3. DATE THE FIRM WAS ESTABLISHED

4. PARTNERS/DIRECTORS/SOLE PRACTITIONERS & CONSULTANTS:-

Names of: a) Partners/Directors/Sole Practitioners b) Consultants	Qualifications	Date Qualified	Number of Years as Partner/ Director/Sole Practitioner with the firm
a)			
b)			

5. NUMBER OF STAFF:- (Not including the above)

Qualified Staff	Other (i.e. Admin Staff)	Self employed / Contract Hire	Total

6. **RECENT CHANGES? –** During the last six years, has the name of the of the Firm(s) changed or has any amalgamation or acquisition taken place, or have there been changes of Partners/Directors? (i.e. departed, retired or deceased etc) **YES** ☐ **NO** ☐

If "YES", please give details below:-

7. **SIGNING OF DOCUMENTS –** Are all certified Statements of Conditions, Balance Sheets and Reports signed personally by a Partner/Director? **YES** ☐ **NO** ☐

If "NO", please give details below:-

8. **ASSOCIATIONS –** Is the Firm(s) admitted to membership of any Association such as Tuition Groups? **YES** ☐ **NO** ☐

If "YES", please give details of Association below:-

9. **OTHER FINANCIAL INTERESTS –** Does the Firm(s) or any other Partner/Director undertake work for any partnership, company or organisation in which they are in a position to exercise a controlling interest in such a partnership, company, organisation? (Apart from shares held in Public Companies) **YES** ☐ **NO** ☐

If "YES", please state the name and nature of such Organisation and outline work undertaken below:-

10. **SUB CONTRACTORS –** Is cover required for any independent Accountant to whom work is sub-contracted? **YES** ☐ **NO** ☐

If "YES", please advise below:-

Name	Qualifications	Fees Paid (Annual)	Does Accountant have own cover?

11. **GROSS FEE INCOME –** Please advise for the last THREE COMPLETE FINANCIAL YEARS:-

YEAR	AVERAGE FEE	LARGEST SINGLE FEE	TOTAL GROSS FEES
	£	£	£
	£	£	£
	£	£	£
ESTIMATE GROSS FEE INCOME for the current Financial Year 200……			£
Date of Financial Year End			

12. **CLIENT PROFILE –** Please give a description of your main client trades and professions

13. **ACTIVITY PROFILE –** For the last DIVISION OF GROSS FEES FOR LAST COMPLETE FINANCIAL YEAR

Fee Range	Less than £15,000	£15,001 - £40,000	Over £40,000
No. of Clients			
Total Fees			

14. **ACTIVITY PROFILE –** For the last COMPLETE FINANCIAL YEAR please give an APPROXIMATE division of Gross Fees (Insurers appreciate that there may be considerable overlaps between types of work)

Audit, Accountancy and Company Tax, split between **(i) Quoted Companies** **(ii) Unquoted Companies** **(iii) Others** (including Farmers, Small Traders etc)	 % % %
Personal Taxation Only	%
Management Consultancy	%
Consultancy only	%
Secretarial and Share Registration	%
Executorships and Trusteeships	%
Insolvencies, Liquidations and Receiverships	%
Insurance, Building Society, Stock Exchange Investment Commissions	%
Directorships	%
Computer Consultancy – please advise details of work	%
Mergers, Acquisitions, Disposals	%
Other Work – please advise details	%
	100%

15. **(a) Under Q14 ACTIVITY PROFILE above –** for any activities where you answered “Nil” please give details if
you have undertaken such work in the last six years

(b) Are any substantial changes in the percentages given under Q14 envisaged in the current financial year? **YES** ☐ **NO** ☐

If "YES", please give details below:-

16. **(a) OVERSEAS WORK –** Of your total gross fee income declared in Q11, if any such work has been carried out overseas (including in the Channel Islands or Isle of Man) during the last three years, please advise gross fee income and details below:-

YEAR	USA/CANADA	OTHER	**COUNTRIES INVOLVED**
200…	£	£	
200…	£	£	
200…	£	£	

Types of work undertaken	

(b) USA/Canada – Do you provide services for companies with assets in the USA or Canada, or for any subsidiary of USA or Canadian companies located outside the USA or Canada? **YES** ☐ **NO** ☐

If "YES", please give details below:-

17. **TRUSTEESHIPS –** Does any Partner/Director or Employee of the firm act as Trustee of any Trust? **YES** ☐ **NO** ☐

If "YES", please give details below:-

Appointee	Trust	Trust funds under management	**Gross Fees earned for the LAST FINANCIAL YEAR**

18. **(a) INVESTMENT BUSINESS –** Is the firm authorised to conduct investment business? **YES** ☐ **NO** ☐

If "YES", please advise category

(b) Have you applied separately to any Self Regulated Organisations for Authorisation? **YES** ☐ **NO** ☐

If "YES", please advise Self Regulated Organisation concerned below:-

(c) Please give an outline of the services you provide which fall under the provisions of the Financial Services Act 1986.

(d) Please advise Gross Fee income earned, if any from the following:-

(i) Private Client Portfolio Management (state if discretionary)	**£**
(ii) Institutional Fund Management	**£**
(iii) Dealing in Securities (How much is foreign)	**£**
(iv) Off-Shore investments (Please give details)	**£**

19. SERVICES TO FINANCIAL CLIENTS

(a) Do you provide services to any of the following?

(i) Banks and other financial institutions **YES** ☐ **NO** ☐

(ii) Insurance Companies, Lloyd's Syndicates or Funds (including Captive Insurance Companies) **YES** ☐ **NO** ☐

(iii) Any Off-Shore Companies **YES** ☐ **NO** ☐

If "YES", please advise Client name(s), fee(s) and details of services provided below:-

(b) For any of the above mentioned clients, please advise details of any work carried out in the Channel Islands, Isle of Man or other "Off-Shore" tax advantageous territories below:-

20. FIDELITY

(a) Does the firm always require satisfactory written references when engaging employees? **YES** ☐ **NO** ☐

(b) Is any Partner/Director or Employee allowed to sign cheques on their sole signature? **YES** ☐ **NO** ☐

If "YES", please advise circumstances and state limit below:-

(c) Do all cheques for more than £25,000 require two signatures? **YES** ☐ **NO** ☐

(d) **Independently of employees who receive or bank monies belonging to the firm or others, how often are checks carried out on all cash book entries with paying-in books, receipts, counterfoils and vouchers and reconciled with bank statements?**

WEEKLY ☐ **MONTHLY** ☐ **QUARTERLY** ☐ **IRREGULARLY** ☐

(e) **Are employees receiving cash and cheques, in the course of their duties, required to pay in daily?** **YES** ☐ **NO** ☐

21. (a) FIDELITY

(i) **Has the firm sustained any loss through fraud or dishonesty of any person?** **YES** ☐ **NO** ☐

(ii) **Does the firm know of any fraud or dishonesty of any Present or former Partner/Director or employee?** **YES** ☐ **NO** ☐

If "YES", please advise details and explain the precautions taken to prevent recurrence below:-

22. CLAIMS AND/OR CIRCUMSTANCES – NB. DETAILS CAN BE ADVISED ON PAGE 8

CLAIMS – PLEASE NOTE THAT IT IS IMPERATIVE TO ANSWER THESE QUESTIONS CORRECTLY, AS FAILURE TO DO SO COULD PREJUDICE YOUR RIGHTS IN THE EVENT OF A CLAIM ARISING IN THE FUTURE.

(a) **CLAIMS – During the last ten years, have any claims been made against the firm(s) or predecessors in business or present or former Partners/Directors arising out of the activities of the Firm(s)?** **YES** ☐ **NO** ☐

If "YES", please advise full details including amounts involved and settlement dates, where appropriate, below:-

Claims Paid
Claims Outstanding

(b) **CIRCUMSTANCES – Are any of the Partners/Directors, AFTER ENQUIRY, aware of any circumstances which may give rise to a claim against the Firm(s) or its predecessors in business or its/their present or former Partners/Directors?** **YES** ☐ **NO** ☐

If "YES", please advise full details including amounts involved below:-

23. CURRENT INSURANCE ARRANGEMENTS – Please advise:-
(Please do not complete if already insured through McParland Finn)

Limit of Indemnity	Excess	Premium	Insurer	**Renewal Date**	**Period Continuously Insured**
£	**£**	**£**			

(b) PREVIOUS INSURANCE - Has similar insurance for this firm(s) or or any Partner/Director been declined, Cancelled or renewal refused? **YES** ☐ **NO** ☐

If "YES", please advise details below:-

24. QUOTATIONS REQUIRED

Limits of Indemnity	**£**	**£**	**£**
Excess(es)	**£**	**£**	**£**

DECLARATION

I/We declare that the previous statements and particulars are true and I/We have not suppressed or mis-stated any material facts.

I/We agree that this proposal, together with any other information supplied by me/us shall form the basis of any subsequent contract of insurance.

Signed: ……………………………………………………………………

Date: ……………………………………………………………………

For and on behalf of: ……………………………………………………………………

PLEASE RETAIN A COPY OF THIS PROPOSAL FOR YOUR RECORDS.

COMPLETION DOES NOT BIND YOU OR INSURERS TO COMPLETE A CONTRACT OF INSURANCE.

ACCOUNTANTS PROFESSIONAL INDEMNITY INSURANCE

CLAIMS/CIRCUMSTANCES SUMMARY

Date Notified	Details of Claim or Circumstance	Reserve and when set	Payment and when paid	Open/Closed
	Claimant: **Cause/Alleged Cause:** **Current Status:**			
	Claimant: **Cause/Alleged Cause:** **Current Status:**			
	Claimant: **Cause/Alleged Cause:** **Current Status:**			