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## Proposal Form for Accountants' Professional Indemnity Insurance

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### 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.
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**PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM  
PROFESSION – ACCOUNTANTS (Sept 07)**

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

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2. **ADDRESS(ES) OF THE FIRM**

**Principal Office** (full address):

**Supervising partner/director at principal office:**

**Other Offices** (please list by town only and give name of supervising partner/director):

**Principal  
Contact  
E-Mail**


**Telephone Number**


**Fax Number**

3. **DATE THE FIRM WAS ESTABLISHED**

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4. **PARTNERS/DIRECTORS/SOLE PRACTITIONERS & CONSULTANTS**

Names of:	Qualifications	Date Qualified	Number of Years as Principal with the Firm or as a Consultant
<b>a) Partners/Directors/Sole Practitioners</b>			
<b>b) Consultants</b>			
<b>a)</b>			
<b>b)</b>			

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**5. NUMBER OF STAFF** (Not including the above)

Qualified Staff	Non-qualified Staff	Self employed / Contract Hire	Total

**6. RECENT CHANGES**

During the last six years, has the name of the Firm(s) changed or has any merger or acquisition taken place, or have there been changes in Partners/Directors of the Firm(s)?

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) a member of any Associations or Tuition Groups?

YES  NO

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

**9. OTHER FINANCIAL INTERESTS**

Does the Firm(s) or any Partner/Director undertake work for any client(s) in which they may exercise a controlling interest?

YES  NO

**If "YES", please state the name and nature of the client(s) and outline work undertaken below:**

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**10. SUB CONTRACTORS**

Is cover required for any independent Accountant to whom work is sub-contracted by the Firm(s)?

YES  NO

If "YES", please advise below:

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

**11. GROSS FEE INCOME** (Please advise for the last THREE COMPLETED FINANCIAL YEARS)

YEAR	AVERAGE FEE	LARGEST SINGLE FEE	TOTAL GROSS FEES
	£	£	£
	£	£	£
	£	£	£
<b>ESTIMATED GROSS FEE INCOME for the current Financial Year 20.....</b>			£
<b>Date of Financial Year End</b>			

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

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**13. ACTIVITY PROFILE (1)** Please provide details of the split in the size of fees FOR THE LAST COMPLETED FINANCIAL YEAR

Fee Size	Less than £15,000	£15,001 - £40,000	Over £40,000
<b>No. of Clients</b>			
<b>Total Fees</b>			

14. **ACTIVITY PROFILE(2)** For the last COMPLETED FINANCIAL YEAR please give an APPROXIMATE division of Gross Fees between the following professional activities (Insurers appreciate that there may be considerable overlaps between types of work)

<b>Auditing of:</b>	
(i) <b>Quoted Companies</b>	%
(ii) <b>Unquoted Companies</b>	%
(iii) <b>Others</b> (including Farmers, Small Traders etc)	%
<b>Accountancy and Company Tax for:</b>	
(i) <b>Quoted Companies</b>	%
(ii) <b>Unquoted Companies</b>	%
(iii) <b>Others</b>	%
<b>Personal Taxation Only</b>	%
<b>Management Consultancy</b>	%
<b>Consultancy only</b>	%
<b>Secretarial and Share Registration</b>	%
<b>Executorships and Trusteeships</b>	%
<b>Insolvencies, Liquidations and Receiverships</b>	%
<b>Insurance, Building Society, Stock Exchange Investment Commissions</b> (please complete Appendix A)	%
<b>Directorships</b>	%
<b>Computer Consultancy</b> (please advise details of work below)	%
<b>Corporate Finance</b> (please complete Appendix B)	%
<b>Other Work</b> (please advise details below)	%
	100%

15. (a) **PAST EXPOSURES** Where you have answered "NIL" for any of the professional activities listed in Question 14 above, please give details if you have undertaken such work in the past:

- (b) **FUTURE EXPOSURES** Are any substantial changes to the percentages given under Q14 above envisaged during the current financial year?

YES  NO

If "YES", please give details below:-

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**16. (a) OVERSEAS WORK** If any work has been carried out for overseas clients (including those based in the Channel Islands or Isle of Man) during the last three years, please advise gross fee income and details of work below:

YEAR	USA/CANADA	OTHER	COUNTRIES INVOLVED
200...	£	£	
200...	£	£	
200...	£	£	

<b>Details of work undertaken:</b>	
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**(b) USA/CANADA**

Do you provide any services for clients 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:**

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**17. TRUSTEESHIPS**

Does any Partner, Director or Employee of the Firm(s) act as a Trustee? YES  NO

**If "YES", please give details below:**

Appointee	Trust	Value of Trust Funds under management	Gross Fees earned for the LAST FINANCIAL YEAR

**18. 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:**

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**(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:

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**19. 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 his/her sole signature? YES  NO **If "YES", please advise circumstances and state limit below:-**

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**(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(s) 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 all employees who receive cash and cheques in the course of their duties, required to pay in daily? YES  NO

**20. FIDELITY: LOSSES**

(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:

**21. CLAIMS AND/OR CIRCUMSTANCES**

**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 UNDER YOUR INSURANCE**

**(a) CLAIMS**

During the past 10 YEARS, have any claims been made against the Firm(s) or predecessors in business or present/former Partners/Directors arising from the professional activities of the Firm(s)? YES  NO

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

**Claims Settled:**

**Claims Outstanding:**



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**(b) CIRCUMSTANCES**

Are any of the Partners/Directors aware, AFTER ENQUIRY OF ALL STAFF, of any circumstances that may give rise to a claim against the Firm(s), the predecessors in business, or current/former Partners/Directors (including any circumstances notified to current or previous insurers)?

YES  NO

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

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**22. CURRENT INSURANCE ARRANGEMENTS** Please advise details below  
(Please do not complete if already insured through McParland Finn)

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

**PREVIOUS INSURANCE**

Has any similar insurance for this Firm(s), the predecessors or any current Partner/Director ever been declined, cancelled or had renewal refused?

YES  NO

**If "YES", please advise details below:**

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**23. QUOTATIONS REQUIRED**

<b>Limits of Indemnity</b>	£	£	£
<b>Excess(es)</b>	£	£	£

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## ACCOUNTANTS PROFESSIONAL INDEMNITY INSURANCE

### APPENDIX A: FINANCIAL SERVICES ACTIVITIES

<b>1.</b>	Does the Firm(s) undertake, or has the Firm(s) or its predecessors in business ever undertaken, any work defined as Investment Business under the Financial Services Act 1986 and/or the Financial Services & Markets Act 2000, other than general advice given under DPB status? <b>IF YES, please complete the remainder of this Appendix A</b>	<b>YES</b>	<b>NO</b>

<b>2.</b>	Please state in the columns provided below the GROSS FEES/COMMISSIONS derived from Financial Services Activities for the last 5 completed financial years:					
	<b>YEAR</b>					
	<b>INCOME</b>	£	£	£	£	£

<b>3.</b>	Please provide an estimate of the percentage of total gross fee/commission income for Financial Services Activities for the past financial year from the following categories:
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Life & Protection Product Sales & Advice (ex health)	%
Health Insurance Product Sales & Advice	%
Mortgage Broking	%
General Insurance Product Sales & Advice	%
Pensions Sales & Advice	%
Investment Sales & Advice (ex Pensions)	%
	<b>100%</b>

<b>4.</b>	<b>PENSIONS SALES &amp; ADVICE</b>			
	<b>(a) Was the Firm(s) or the predecessors in business subject to the SIB Pensions Review? If YES, further details will be required</b>			
		<b>YES</b>	<b>NO</b>	

	<b>(b) Does the Firm(s) act as Company Pension Scheme Administrators? If YES, further details will be required</b>			
		<b>YES</b>	<b>NO</b>	

	<b>(c) Has the Firm(s) or the predecessors in business given advice about or arranged Income Draw Downs? If YES, please complete the table below</b>			
		<b>YES</b>	<b>NO</b>	

Year	Total number of Drawdown cases transacted	Number of cases where original fund value was <£100,000.01	Number of cases where original fund value was >£100,000 and <£300,000	Fund value of largest case in year
20				
20				
20				

20				
20				
20				
20				
20				
20				
20				
20				
20				

<b>(d)</b> Please confirm that a thorough, dedicated client questionnaire is used for all Income Draw Down business				
		<b>YES</b>		<b>NO</b>

<b>(e)</b> What action/advice has the Firm(s) taken/given in the past in regard to contracting in or out of SERPS or the Second State Pension?				

<b>(f)</b> What action has the Firm(s) taken to protect its clients' position in regard to the changes to the pensions rules introduced at A Day?				

<b>5.</b>	<b>INVESTMENT SALES AND ADVICE</b>			
<b>(a)</b> Has the Firm(s) or its predecessors ever arranged or advised on Split Capital Investment Trusts or Zero Dividend Preference Shares? <b>If YES, please complete the table below</b>				
		<b>YES</b>		<b>NO</b>

Name of Client	Date of Investment	Total value of client's investment portfolio	Original SCIT Investment Value	Product Provider	Current Value	Date of Valuation

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<b>(b) Has the Firm(s) or its predecessors ever arranged or advised on Structured Capital at Risk Products, including Precipice Bonds? If YES, please complete the table below</b>			
		<b>YES</b>	<b>NO</b>

Name of Client	PRODUCT	Date of Investment	Maturity Date	Sum Invested	Relevant Tracking Index	Current/Maturity Value (excluding accrued interest)	Guaranteed income/growth amount

<b>(c) Has the Firm(s) or its predecessors ever arranged or advised on Low Cost or Low Start Endowments as vehicles to pay off a mortgage? If YES, please complete the table below</b>			
		<b>YES</b>	<b>NO</b>

YEAR	88	89	90	91	92	93	94	95	96	97	98	99	00	01	02	03	04	05	06	07
<b>No. SOLD</b>																				
<b>HIGHEST VALUE</b>																				

<b>(d) Has the Firm(s) or its predecessors ever arranged or advised on the following: If YES, more information may be required</b>			
	Venture Capital Trusts?	<b>YES</b>	<b>NO</b>
	Film Partnerships?	<b>YES</b>	<b>NO</b>
	Enterprise Zone Trusts or Enterprise Investment Schemes?	<b>YES</b>	<b>NO</b>
	Hedge Funds?	<b>YES</b>	<b>NO</b>
	Discretionary Management?	<b>YES</b>	<b>NO</b>
	Broker Bonds?	<b>YES</b>	<b>NO</b>
	Traded Life Policies or Viaticals?	<b>YES</b>	<b>NO</b>
	Any other investments not regulated by the FSA?	<b>YES</b>	<b>NO</b>



## ACCOUNTANTS PROFESSIONAL INDEMNITY INSURANCE

### APPENDIX B: CORPORATE FINANCE ACTIVITIES

<b>1.</b>	Does the Firm(s) engage in corporate finance activities? <b>IF YES, please complete this Appendix B</b>	<b>YES</b>	<b>NO</b>	

<b>2.</b>	Please provide an estimate of the percentage of Corporate Finance fees for the last financial year from the following areas of activity:			
	<b>Lead Advisory</b>		%	
	<b>Sourcing Development Capital/Raising Finance</b>		%	
	<b>Specialist Taxation Advice</b>		%	
	<b>Flotations</b>		%	
	<b>Due Diligence</b>		%	
	<b>Other</b> (please give details below)		%	
				<b>100%</b>

<b>3.</b>	Please provide details of the five largest transactions in the last three years in which the Firm(s) were providing lead advisory services		
	<b>Nature of client business</b>	<b>Nature of transaction</b>	<b>Value of transaction</b>
	1.		
	2.		
	3.		
	4.		
	5.		

<b>4.</b>	Please provide details of the five largest flotations in the last three years which have been arranged by the Firm(s)		
	<b>Nature of client business</b>	<b>Exchange on which floated</b>	<b>Value of flotation</b>
	1.		
	2.		
	3.		
	4.		
	5.		

**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.**

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