



**PROFESSIONAL INDEMNITY INSURANCE  
PROPOSAL FORM FOR  
ACCOUNTANTS**

This proposal form must be completed in black ink by a Partner, Principal or Director of the Company. All questions must be answered to enable a quotation to be given but the completion and signature of this proposal does not bind you or the Underwriters to enter into a Contract of Insurance. If there is insufficient space to answer any question fully, please attach a signed and dated continuation sheet.

If you have a brochure, please provide a copy as well as any standard contract terms, conditions, agreements or letters of appointment which you have with your clients.

**PLEASE TYPE OR CLEARLY PRINT YOUR ANSWERS IN BLACK INK TO ASSIST THE UNDERWRITERS' CONSIDERATION OF THE PROPOSAL**

**Section 1 – Your Company and Staff**

a) Name of Individual or Company(s) ('You') including any Subsidiary Companies for whom cover is required:

a)	Date Established:
b)	Date Established:
c)	Date Established:

b) Address of all offices, including those of any overseas local offices or representatives:

Address	Name of Partner, Principal or Director responsible
Registered or principal office	
Second location (if any)	
Third location (if any)	

c) Name(s) of any previous company(s) requiring cover and details of the nature of work undertaken:

Date Ceased Trading:

d) Please provide details of all Partners, Principals or Directors:

Names of all Partners, Principals or Directors	Age	Qualifications	Date(s) Qualified	No of years with this Company

Please attach a C.V for any Partner, Principal or Director with less than 5 years experience in this occupation.

e) Please provide details of all full-time and part-time Consultants who are under a contract of service with you:

Name of all Consultants	Age	Qualifications	Date(s) Qualified	No of years with you

If less than 5 years experience in this occupation, please provide details of previous occupations:

f) Is cover required for any Partner in respect of liability arising out of a previous business?

YES/NO

If 'YES', please give details:

Name	Name of previous firm	Nature of firm's business	Date Partner left the previous firm and the reason for leaving

g) Are you admitted to membership of any Association or Professional Body?

YES/NO

If 'YES' please give details:

h) Have you or any person employed by you ever been subject to disciplinary proceedings by any Professional Body?

YES/NO

If 'YES', please give details:

i) Please state the total number of:-

a) Partners, Principals or Directors	
b) Other Qualified staff	
c) Other Technical staff (excluding Administrative staff)	
d) Administrative and all other staff	
TOTAL	

j) How do you ensure that you and your staff keep up to date with changes in legislation and other legal developments which affect the type of work you do and the services you offer? Please provide details:

k) If you are a sole principal, please provide details of the arrangements for office supervision during your absence:

l) Do you work to a professional code of practice? YES/NO

m) Do you have written checklists and/or work procedures for the services which you provide? YES/NO

n) Do you have standard contract terms and conditions which you use in every case? YES/NO

If 'YES', please provide us with copies.

If 'NO', please explain why and detail the alternative methods you use to confirm terms of engagement with your clients:

o) Are you accredited, or in the process of being accredited, to any BS or similar Quality Assurance standard? YES/NO

If 'YES', please provide details:

## Section 2 – Companies with whom you are associated

- a) Do you undertake work for any partnership, company or organisation in which any Partner, Principal, Director or Employee holds a position whereby he/she is able to make major decisions on behalf of such partnership, company or organisation? YES/NO
- b) Is any Partner, Principal or Director connected or associated (financially or otherwise) with any other practice, company or organisation? YES/NO

If you have answered 'YES' to either of questions a) or b) please provide full details :

- c) What percentage of your income is derived from the associated companies detailed above? %
- d) Is cover required for the work you undertake for the associated companies detailed above? (Cover is restricted to claims made by independent third parties) YES/NO
- e) Has any Partner, Principal or Director been a Partner, Principal or Director or been associated with any business which has ceased trading either voluntarily or compulsorily? YES/NO
- f) Has any Partner, Principal or Director been made personally bankrupt? YES/NO

If you have answered 'YES' to either of questions e) or f) please provide full details:

**Section 3 – Your Activities**

- a) Please state your gross fees (including those paid to sub-contractors) for each of the last three financial years and an estimate for the next financial year in respect of fees billed to clients based in the following territories:

Year	UK	Overseas excl. USA & Canada	USA & Canada	Total
200 to 200				
200 to 200				
200 to 200				
Next				
Financial Year Ending (eg 31/12):		/		

- b) Do you enter into any contracts where legal jurisdiction is anything other than UK? YES/NO

If you have declared fees from any territory other than the UK or answered 'YES' to Question b) please give full details including nature of contract, dates, countries involved, contract values and jurisdiction applicable:

- c)

Financial Year	200 to 200	200 to 200	200 to 200
Largest total fee from any one client or group			
Average fee per client			

- d) Please indicate the approximate percentage split in your fees (including payments to sub-contractors) for each of the following categories:

	Last Year	Forthcoming Year
i) auditing	a) of public companies	%
	b) of other clients	%
ii) preparation of accounts	a) of public companies	%
	b) of other clients	%
iii) compliance taxation	a) for public companies	%
	b) of other clients	%
iv) taxation consultancy	%	%
v) management consultancy	%	%
vi) computer consultancy (please give details below)	%	%
vii) insolvency, liquidations and receiverships	%	%
viii) executorships and trusteeships	%	%
ix) investment advice and other investment work	%	%
x) directorships	%	%
xi) company registrar work	%	%
xii) mergers, acquisitions and take-overs	%	%
xiii) work for merchant banks, finance houses, hire purchase and credit sales organisations and other finance providers (excluding building societies)	%	%
xiv) any other work	%	%
<b>Total</b>	<b>100%</b>	<b>100%</b>

e) Have you ever received fees in connection with any of the following:

- i) Private Client Portfolio Management
- ii) Institutional Fund Management
- iii) Dealing in Securities
- iv) Offshore Investments
- v) Entertainment Industry

YES/NO

If 'YES', please provide name(s) of client(s), when and which services were provided and the fees earned:

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f) Are you or your company authorised to conduct investment work as defined in the Financial Services Act 1986? YES/NO

YES/NO

If 'YES', please provide details:

Authorising Body	Category of authorisation	Services provided	Fees applicable
			%
			%

g) Have you provided any advice in connection with Personal Pensions since 1988? YES/NO

YES/NO

If 'YES', please provide details: (Please note that additional information may be required)

	Gross commissions earned	No. of clients provided with Pensions advice	Average size of transfer value	Number of complaints received
1988 to 1993				
1994 to 1998				
1999 to date				

h) Have you provided any advice in connection with Low Cost Endowment Mortgages since 1987? YES/NO

YES/NO

If 'YES', please provide details: (Please note that additional information may be required)

	Number of policies sold	Highest loan value	Average loan value	Number of complaints received
1987 to 1993				
1994 to 1998				
1999 to date				

i) Have any major changes in your activities/structure taken place in the past twelve months or expected to take place in the next 12 months? YES/NO

YES/NO

j) Is cover required for any previous, now ceased, activity which is different from that declared within this Proposal Form? YES/NO

YES/NO

If you have answered 'YES' to questions i) or j) please provide full details:

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k) Do you have systems in place to ensure that taxation deadlines are met?

YES/NO

If 'NO', please explain why:

**l)** During the last 12 months have any clients terminated or discontinued your services to them? YES/NO  
If 'YES', please provide full details:

**m)** What percentage of your income is paid to sub-contractors ('independent accountants')? %

**n)** Do you want us to provide cover to independent accountants under your policy for claims made against them in respect of work they perform on your behalf? YES/NO

(Note: Your vicarious liability for the actions of sub-contractors employed by you is covered automatically)

If 'YES', please provide full details:

Name	Qualifications	Work undertaken	Fees paid (last financial year)

**o)** How do you control and review the work that independent accountants undertake for you?

**p)** Do you enter into written agreements with your independent accountants? YES/NO

**q)** Are independent accountants undertaking work for you required to hold their own Professional Indemnity Insurance and if so, for what amount?

YES/NO £

**r)** What do you think are the most significant risks associated with your activities and what do you do to minimise your exposure to them?

**Section 4 – Your Professional Indemnity Insurance arrangements**

a) Please provide details of your current insurance. **You need not answer this question if you are currently insured with us.**

If you are not currently insured, please state 'Not Insured'..

Insurer	Renewal Date	Limit of Indemnity (Any One Claim/Aggregate)	Premium (excl IPT)	Excess	Retroactive Date

b) For how long have you been continuously insured?

c) Has any Insurer ever:-

- i) declined to offer Insurance to you or any Partner, Principal or Director? YES/NO
- ii) imposed any special terms on your Company or any Partner, Principal or Director? YES/NO
- iii) cancelled or voided an Insurance for you or any Partner, Principal or Director? YES/NO

If you have answered 'YES' to any of these questions please provide full details:

d) What Limit of Indemnity do you now require? Please indicate by circling the numbers below:

£100,000      £250,000      £500,000      £1,000,000      Other      Please state     

e) An excess of at least £500 to £1000 will normally be a requirement of this insurance. However, a reduction in premium may be available if you are prepared to accept a higher, voluntary excess (each and every claim). If you are prepared to consider this, please state the amount of the excess you require our quotation to be based upon.

£2,500      £5,000      £10,000      £25,000      Other      Please state     

**Section 5 –Your Systems for dealing with money**

a) Do you always obtain satisfactory written references when engaging senior employees? YES/NO

b) Are you able to confirm that no Partner, Principal, Director or Employee is allowed to sign cheques on his/her signature alone? YES/NO

c) Are Employees who receive cash/cheques in the course of their duties required to pay in daily? YES/NO

If you have answered 'NO' to any of the above please explain why by giving full details:

d) How often are checks carried out on all entries in the Cash Book with all paying in books, receipts counterfoils and vouchers being reconciled with Bank Statements, including the balance of cash and unrepresented cheques, independently of Employees receiving or banking monies belonging to you as well as in trust on behalf of others?

WEEKLY/MONTHLY/QUARTERLY/OTHER



**Section 6 – Your Claims history**

**CLAIMS- PLEASE NOTE IT IS IMPERATIVE TO ANSWER THESE QUESTIONS CORRECTLY -FAILURE TO DO SO COULD PREJUDICE YOUR RIGHTS - IF SPACE IS INSUFFICIENT PLEASE ATTACH A SIGNED AND DATED CONTINUATION SHEET TO ENABLE YOU TO PROVIDE FULL DETAILS.**

**a) Fidelity**

- i) Have you sustained any loss through the fraud or dishonesty of any person? YES/NO
- ii) Do you know of any fraud or dishonesty at any time of any past or present Partner, Principal, Director or Employee? YES/NO

**b) Professional Indemnity:-**

- i) Has any claim, whether successful or not, ever been made against you, your predecessors in business or any past or present Partner, Principal, Director or Employee? YES/NO
- ii) Are you or any of the Partners, Principals, Directors or Employees AFTER FULL ENQUIRY, aware of any circumstances which may give rise to a claim against you, your predecessors in business or any past or present Partner, Principal, Director or Employee? YES/NO

If you have answered 'YES' to **any** of the Claims Questions please provide full details including dates, amounts involved, brief details of the nature of the claim, whether the claim is paid or still outstanding and state the steps taken to prevent a reoccurrence.

**Additional Information**

Please use this space to provide additional information in support of the answers given within the proposal form or simply to provide further details about you or your activities which you feel would be of interest to us. Please clearly show the question number to which the information relates.

**IMPORTANT NOTICE CONCERNING DISCLOSURE**

It is your duty to disclose all material facts to Underwriters. A material fact is one which may influence an Underwriter's judgement in the consideration of your proposal. If your proposal is a renewal, it is likely that any change in facts previously advised to Underwriters will be material and such changes should be highlighted. If you are in any doubt as to whether a fact is material you should disclose it.

FAILURE TO DISCLOSE could prejudice your rights to recover in the event of a claim or allow Underwriters to void the policy.

I/We declare that the statements and particulars contained in the proposal are true and that I/we have not mis-stated or suppressed any material facts. I/we agree that this proposal together with any other information supplied by me/us shall form the basis of any contract of insurance effected thereon. I/we undertake to inform Underwriters of any material alteration to these facts occurring before completion of the contract of insurance.

Date: \_\_\_\_\_

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

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