

CMS PROPOSAL FORM FOR FINANCIAL ADVISERS 2015

Presentation and Background Information

The proposal form is usually the main point of contact between your Firm and us, the Underwriters. It is therefore important that the information contained in the form is expressed and presented to a high standard. Where there is insufficient space available, please use clearly marked appendices, indicating which questions they refer to.

The Proposal Form - The Duty to Disclose

This proposal form is the document which legally forms the basis of the contract between the Insured and the Insurer. **Please note that it is not sufficient to refer to proposal forms completed previously and you will not be able to rely on previous forms in the event of a dispute.** It is crucial that there is the fullest possible disclosure on all aspects about the proposer if full cover is to be provided.

In particular it is imperative that you provide:

- a full list of all corporate entities, trading titles and predecessors in business for which cover is required,
- the full range of services and business activities performed by the Firm(s) proposing for insurance must be disclosed,
- a full list of any and all past and existing claim(s) or circumstances which may give rise to a claim against any of the Firm(s) proposing for insurance.

The Continuing Duty to Disclose

The duty to disclose material facts is not confined to completion of proposal forms at inception or renewal. The contract of insurance is arranged on the basis of this information. If, during the period of insurance arranged there is any material alteration/change in the information disclosed in the proposal form, prompt disclosure to us is essential. This might include, but is not limited to:

- new partners, directors, corporate entities, partnerships or trading titles,
- any change in the areas of activity of the insured Firm(s),
- the possibility of a claim being made against the Firm(s),
- any change in the trading status of the Firm(s), or membership of professional bodies, or regulatory status.

N.B. Failure to fully disclose any material facts could lead to a claim or potential claim not being covered by the policy and/or render the contract of insurance voidable. If you are in any doubt as to what may or may not constitute material information, please err on the side of caution and notify us.

Claims and/or Claims Circumstances

The policy to be arranged provides cover on a "claims made" basis, which means that cover must be in force at the time you first become aware of a claim or circumstances which may lead to a claim. Notification to us must be given at that time. It is that policy which will respond to any subsequent claim - even if the claim develops years later and/or arises out of activities performed prior to its inception. Whilst every question on the proposal form is important, the contract of insurance relies heavily on the disclosure given under Section 3.k). It is essential that full enquiry and discussion take place between all partners/directors and senior staff before any answers are given. You are reminded that failure to disclose material information, for whatever reason, may void your policy. If you are in any doubt as to what may constitute a material fact or circumstances to be disclosed, please disclose the information – too much information is preferable to too little, and the consequences thereof.



1. PROPOSING BUSINESS/COMPANY REQUIRING COVER

- a) Starting with the **main practice** please enter below the full names of any company/business requiring cover that are **currently trading**. If applicable, please also list any other trading styles.

Cover will only be considered for those entities disclosed in Section 1 of the Proposal Form

Name	Establishment Date

Please note that we will only consider cover for activities conducted after the establishment date of the entities disclosed on this proposal form. Where the proposal form contains a question that asks whether advice or services has ever been provided the information is required from this date onwards in respect of all entities requiring cover.

- b) If the proposing company/business is acting as an Appointed Representative of a directly regulated firm or network please provide the name of the principal firm.

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- c) Main Office Address

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Telephone Number	
Fax Number	
Website Address	
E-mail Address	

- d) Please state below the names of any past company/business including predecessors in business for which run-off cover is required

Name	Period of trading	
	From	To

Please tick the box to confirm that none of entities disclosed in section 1. are Limited companies that have been wound up or have no assets

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- e) Please provide the following details in respect of any current or past Appointed Representatives for which cover is required

Name	Location	Appointed	Terminated	Turnover

2. PRINCIPALS, ADVISERS AND STAFF

- a) Please provide the following details of all directors/partners/principals

Name	Age	Qualifications	Experience

- b) Please provide the number of staff, other than the directors/partners/principals named in section 2.a), in the following categories

Employed Registered Individuals	
Self Employed Registered Individuals	
Unregistered Mortgage or Protection Advisers	
Paraplanners and other Technical Staff	
Administrative Staff	

- c) Please provide the number of individuals that have joined or left the business/company during the last 12 months in the following categories

	Leavers	Joiners
Employed Registered Individuals		
Self Employed Registered Individuals		
Unregistered Mortgage or Protection Advisers		
Paraplanners and other Technical Staff		
Administrative Staff		

- d) Please advise whether the proposer or any director/partner/principal, employee or any other individual for whom cover is required under this policy has any financial interest in any platform, wrap or product provider or whether any other potential conflicts of interest exist?

Yes	No

- e) Please advise whether any director/partner/principal, employee or any other individual for whom cover is required under this policy has been a director/partner or principal of a company that has been wound up, ceased to trade, has no assets, or has been subject to regulatory enforcement action.

Yes	No

- f) Please confirm that all retail investment advisers hold a Statement of Professional Standing (SPS)

Yes	No



3. COMPLIANCE & REGULATION

- a) Please provide details of how the Compliance Function is managed. If outsourced to a specialist provider then please provide the name

- b) What proportion of new business files are checked before the recommendations are presented %

- c) What proportion of new business files are checked after any recommendations are presented %

- d) Please provide the location(s) of any individual not based at the **Main Office Address**

- e) Was each individual referred to above the subject of a Compliance Audit in the last 12 months
- | Yes | No |
|-----|----|
| | |

- f) Please provide the principal firms FCA authorisation number

- g) Please indicate whether any proposing company/business has received, or is on notice of, a visit from a Regulator.
- | Yes | No |
|-----|----|
| | |

If yes please provide the date of the visit and a copy of the report. _____ / _____ / _____

- h) If any of the proposing entities operate on a Tied or Multi-Tied basis please provide the name of the product provider(s) in the box below

- i) Do any of the proposing entities offer restricted advice
- | Yes | No |
|-----|----|
| | |

- j) **If yes** please provide details below



- k) Please provide details below of any complaints or claims **ever** made against any of the proposing entities or any individual listed in sections 1 and 2 of this proposal form, and any circumstances or other notifications **ever** made on **any** professional indemnity insurance policy

Date	Summary (including transaction amount and whether claim is open or closed)	Amount Paid

- l) Are any of the proposing entities aware, after making appropriate enquires with all principals, employees, self-employed persons and appointed representatives, of any claims or circumstances which may give rise to claims which have not already been notified in writing to insurers?

Yes	No

- m) Has any proposing company/business sustained any loss during the past ten years as a result of the fraud or dishonesty of any director / partner/ principal / employee / self-employed person?

Yes	No

- n) Has any application for insurance on behalf of any proposing company/business or any of the present directors/partners/principals or, to the knowledge of the proposing company/business, on behalf of their predecessors in business ever been declined or has any such insurance ever been cancelled or renewal refused?

Yes	No

o) CURRENT INSURANCE ARRANGEMENTS

Insurer	Renewal Date (if applicable)	Premium	Excess	Limit of Indemnity
	_ / _ / _			



4. INCOME

- a) Please confirm the date of your last financial year end prior to the policy inception date

____/____/____

- b) Please advise for the financial year-end identified in Question 4.a) above and the previous 4 financial years (where applicable), the total gross income of all proposing companies/business generated by all principals/employees/self-employed persons and appointed representatives

Last Complete Financial Year	£
Previous Financial Year	£
Previous Financial Year	£
Previous Financial Year	£
Previous Financial Year	£

- c) Please advise/estimate for the current financial year the total gross brokerage/commission/fee income that all proposing companies/business currently trading expect to achieve

£

- d) Please provide the breakdown of how clients were charged in the last financial year

	Private	Business	Total
% of assets under management	%	%	%
Hourly rate	%	%	%
Agreed fees	%	%	%
Other (specify)	%	%	%
Commission	%	%	%
Trail commission	%	%	%

- e) Please disclose how fees were collected in the last financial year

	Clients Invoiced Directly	Invoiced via Product Providers	Invoiced via Platform/Wrap provider
Ongoing Client	%	%	%
Initial Charges	%	%	%
Other (specify)	%	%	%

- f) Please indicate the percentage of gross income for the last complete financial year, as disclosed in Question 4.b) above, derived from the following categories

	Corporate	Private
Pensions	%	%
Investment	%	%
Non-investment Insurance		
Life & Protection	%	%
General Insurance	%	%
Mortgage	%	%
Other (please provide details below)	%	%
Grand Total	100 %	



5. Pensions and Investments

- a) Please indicate the number of single premium or annual investments made in the last financial year where the sum invested was;

Less than £25,000	
Equal to or more than £25,000 but less than £100,000	
Equal to or more than £100,000	

Please include annual or new investments into pensions but not Pension Transfers, Pension Switches or investment fund switches

- b) Please indicate the number of investments disclosed in a) above that are categorised as **Replacement Business**. For the avoidance of doubt “replacement business” means the surrender or encashment (full or partial) of any existing investment of any description with the intention of re-investing the proceeds in any other investment.

Less than £25,000	
Equal to or more than £25,000 but less than £100,000	
Equal to or more than £100,000	

- c) In respect of ongoing investment advice, please indicate the number of investment portfolios advised on in the following ranges

Less than £100,000	
Equal to or more than £100,000 but less than £250,000	
Equal to or more than £250,000 but less than £500,000	
More than £500,000	

- d) In terms of total client funds currently under management, please provide the top 3 investment funds

Investment Fund	Total Client Funds Invested	Number of Investments

- e) The regulator has previously identified a key failure in advice as over concentration of investment in a single product or product type or asset class resulting in increased risk due to the lack of diversification. Please provide specific details of what limits you impose on investment in your clients investment portfolio, in what circumstances you may consider exceeding them and any other steps taken in order to minimise risk by diversifying investment portfolio. Continue on an additional sheet if required.



- f) Have you ever recommended that a client borrow in order to invest?

Yes	No
- g) If access to funds held within an investment bond is required do you ensure that a written chargeable event calculation is obtained from the product provider prior to any surrender, partial or full?

Yes	No
- h) Has any advice or services been provided with regards to any investment that has had new investment and/or redemptions suspended, had the assets re-valued or is insolvent.

Yes	No
- i) Has any advice or services been provided with regards to any investment or deposits with or in securities issued by any Financial Institution that is insolvent or is unlikely to be able to meet its obligations.

Yes	No
- j) Has HMRC indicated that they intend to challenge the tax benefits of any product arranged on behalf of any client?

Yes	No
- k) Has any Proposing Entity **ever** provided advice or services with regards to investment in any of the following or collective investments that have funds invested in any of the following

Product/Service	Yes	No
Structured Products		
Hedge Funds		
Unregulated Collective Investments or any other Unregulated Product/Scheme		
Split Capital Investment Trusts		
Traded Life Policies/ Viatical Settlements/Senior Life Settlements		
Traded Endowment Plans		
Bridging Finance		
Exchange Traded Products (ETF, ETC, ETP etc)		
Any Geared or Leveraged Investment		
Own branded Collective Investment Funds		
Discretionary Portfolio Management (in house)		
EBT, FURBS or any similar product		
Pension Fund Trustee Services		
Pension Fund Management Services		
Tax planning /mitigation schemes utilising relief available on any esoteric investment		

If you have answered YES to questions h), i), j) or k) above then please provide details in the supplementary questionnaire at the back of this form

- l) Is cover required for the SIB sponsored pension review of pension transfers arranged between 1988 and 1994?

Yes	No
- m) Please provide the number of Pension Transfers from **Defined Benefit Occupational Pension Schemes** that the proposer has arranged **since June 1994** and provide the average and largest transfer value.

Number of transfers	Average Transfer Value	Largest Transfer Value

Please confirm that a Transfer Value Analysis has been carried out with regards to all transfers in order to establish suitability

Yes	No

- n) Please provide the names and details of the experience and qualifications of the individuals authorised by the proposer to provide Pension Transfer advice.

Names	Qualifications	Experience



- o) Please provide the number of transfers to a **QROPS, QNUPS or any similar product** that any of the proposing entities has **ever** arranged and provide the average and largest transfer value

Number of transfers	Average Transfer Value	Largest Transfer Value

- p) Have any QROPS, QNUPS or similar products been arranged for a client that has remained a UK resident after the transfer?

YES	NO

- q) Have any of the proposing entities ever provided any advice or services with regards to any pension busting, liberation or unlocking scheme or any other arrangement that seeks to circumvent HMRC rules?

Yes	No

- r) If a client has been advised to give up an Guaranteed Annuity Rate (GAR) have they been provided with an illustration showing the income that they are giving up?

Yes	No

- s) Please complete this question if any Proposing Entity has transacted/given advice in respect of **Unsecured Pensions** - please include Drawdown, Phased Retirement, 3rd Way products or Alternatively Secured Pensions. If not, please put 'not applicable'.

	Number of cases transacted where original fund value was less than £100,000	Number of cases transacted where original fund value was between £100,000 and £300,000	Number of cases transacted where original fund value was over £300,000	Largest original fund value	Number of Annuity cases transacted (excluding Phased Retirement cases)
2006					
2007					
2008					
2009					
2010					
2011					
2012					
2013					
2014					
2015					

- i) What percentage of the above cases are taking maximum income?
- ii) How frequently are cases reviewed?
- iii) How many of the above transactions were carried out purely to raise cash?



t) Please provide the number of Pension Switches made to Self Invested Personal Pensions (SIPP)

Year	Number of Switches	Average Fund Value	Largest Fund Value
2010			
2011			
2012			
2013			
2014			
2015			

u) What percentage of switches have been made to schemes that are more expensive than the ceding scheme or a stakeholder plan?

Please provide the name of the top 3 receiving schemes product provider

Provider	Percentage of Switches

v) Have any of the proposing entities arranged a Self Invested Personal Pension (SIPP) for a client without advising on the suitability of the investments to be held within the SIPP?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

w) Have any of the proposing entities ever operated their own SIPP?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

6. **Mortgages**

a) In respect of income from mortgage advice, please confirm the proportion of income derived from the following areas.

Residential Mortgage	%
Sub-Prime Mortgages	%
Self Certification Mortgages	%
Buy to Let Mortgages	%
Commercial Mortgages (ex Buy to Let)	%
Secured Loans	%
Equity Release/Home Reversion/Lifetime Mortgages/Sale and Rent Back	%
Other	%

b) Has any proposing entity provided advice/services with regards to Sale and Rent Back?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

c) Please indicate the number of Home Income Plans, Equity Release Schemes or Home Reversion Schemes arranged/advised upon by the Proposing Entities.

d) Do all products arranged comply with Safe Home Income Plans (SHIP) standards?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

e) Were all other means of raising the capital/income required by the client investigated prior to making the recommendation to release capital from their property?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

f) Were the beneficiaries of the clients estate informed and is evidence of this recorded on file for each of the plans arranged?

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>

g) Have any of the proposing entities ever arranged **payment protection insurance (PPI)**? If yes please provide a schedule of policies arranged.

Yes	No
<input type="checkbox"/>	<input type="checkbox"/>



7. DECLARATION

I/We declare on behalf of the Proposing Entities that the above statements and details are true and that I/We have not misstated 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 Collegiate Management Services Limited of any material alteration to these facts occurring before completion of the Contract of Insurance. Signing this Proposal Form does not bind the Proposing Entities or Collegiate Management Services Limited to complete this insurance.

Signature of Director/Partner/Principal

Name

Date

ADDITIONAL INFORMATION



If you have answered YES to questions 5h), i), j) or k) above then please provide details in table below

Name of Investor	Date of Investment	Value of client's investment portfolio	Product	Original Investment Value	Current Value	Date of Valuation

