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# ACCOUNTANTS PROFESSIONAL INDEMNITY

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**PROPOSAL FORM**



## PROPOSAL FORM

### DUTY OF FAIR PRESENTATION

1. Before this insurance contract is entered into, the Insured must make a fair presentation of the risk to the Insurer, in accordance with Section 3 of the Insurance Act 2015. In summary, the Insured must:
  - a. Disclose to the Insurer every material circumstance which the Insured knows or ought to know. Failing that, the Insured must give the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium);
  - b. Make the disclosure in clause (1)(a) above in a reasonably clear and accessible way; and
  - c. Ensure that every material representation of fact is substantially correct, and that every material representation of expectation or belief is made in good faith.
  
2. For the purposes of clause (1)(a) above, the Insured is expected to know the following:
  - a. If the Insured is an individual, what is known to the individual and anybody who is responsible for arranging his or her insurance.
  - b. If the Insured is not an individual, what is known to anybody who is part of the Insured's senior management; or anybody who is responsible for arranging the Insured's insurance.
  - c. Whether the Insured is an individual or not, what should reasonably have been revealed by a reasonable search of information available to the Insured. The information may be held within the Insured's organisation, or by any third party (including but not limited to subsidiaries, affiliates, the broker, or any other person who will be covered under the insurance). If the Insured is insuring subsidiaries, affiliates or other parties, the Insurer expects that the Insured will have included them in its enquiries, and that the Insured will inform the Insurer if it has not done so. The reasonable search may be conducted by making enquiries or by any other means.

LMA9117

16 March 2016



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## PROPOSER'S DETAILS

It is a requirement to capture information about every company and subsidiary company that is to be covered by the policy. As "associated" companies do not fall within the subsidiaries definition they must arrange their own cover to comply with regulations. If you are an individual or partnership, please state your full names including any trading style.

1. Company Name (including list of partners if not a limited company)
  
  
  
  
  
  
  
  
  
  
2. Address 1
  
  
  
  
  
  
  
  
  
  
3. Address 2
  
  
  
  
  
  
  
  
  
  
4. Town
5. County
6. Postcode

**If the business is a partnership, LLP, Ltd or PLC please provide full details of all other partners or any subsidiaries on the 'Additional Information' sheet at the end of the proposal form.**

**If you operate from more than one address please list all other business addresses and their business use on the 'Additional Information' sheet.**

7. Full business description (if you have a brochure or company literature, please attach them to this form)

## CURRENT INSURANCE ARRANGEMENTS

8. Insurer
  
  
  
  
  
  
  
  
  
  
9. Broker
  
  
  
  
  
  
  
  
  
  
10. Policy Limit
- Any one claim
- Aggregate
- (please tick as applicable)
  
11. Excess
  
12. Premium
13. Renewal date
  
14. Date commenced trading
15. Is the business VAT registered?
- Yes
- No
  
16. Please give details of any professional or trade associations you are affiliated to
  
  
  
  
  
  
  
  
  
  
17. Please provide your existing retroactive date or state 'None' if fully retroactive



**PROPOSAL FORM**

**BUSINESS DETAILS**

18. Please list below all partners/directors/principals of the companies named in Question 1

| Name | Qualifications | Date qualified | Age | Number of years in this role |
|------|----------------|----------------|-----|------------------------------|
| i.   |                |                |     |                              |
| ii.  |                |                |     |                              |
| iii. |                |                |     |                              |
| iv.  |                |                |     |                              |
| v.   |                |                |     |                              |

19. Do you require cover for any predecessor practices? Yes No

If "Yes" please state below

| Name of predecessor | Date commenced | Date ceased | Reason for cessation |
|---------------------|----------------|-------------|----------------------|
| i.                  |                |             |                      |
| ii.                 |                |             |                      |
| iii.                |                |             |                      |

20. Please state below the total number of staff

|                               | Full-time | Part-time |
|-------------------------------|-----------|-----------|
| Principals/directors/partners |           |           |
| Qualified staff               |           |           |
| Other                         |           |           |

Please enclose brief CVs of the principals/directors

21. Gross income/fees

a. State the actual and estimated gross fees for the following periods (if this is a new venture, please provide estimated fees expected in the first year of trading)

|                | Last completed year | Two years ago | Current year (est.) |
|----------------|---------------------|---------------|---------------------|
| UK work        | £                   | £             | £                   |
| Europe (ex UK) | £                   | £             | £                   |
| USA/Canada     | £                   | £             | £                   |
| Other overseas | £                   | £             | £                   |
| TOTAL          | £                   | £             | £                   |

b. What is the end date of your financial year? Day Month

c. Do you have declared fees for USA or Canada? Yes No

If "Yes" please confirm which law the contracts are subject to English USA or Canada

d. What was the largest (annual) fee received from a single client during the last completed year? £

e. What is the average fee received during the last completed year? £



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22. Areas of business

a. Please provide below a split of business activities undertaken in the last year (or estimate if a new venture)

| Activity  | Percentage   |
|---|--------------|
| i. Accounting and compliance taxation (other than quoted or public companies) | %            |
| ii. Accounting and compliance taxation for quoted or public companies         | %            |
| iii. Auditing (other than quoted or public companies)                         | %            |
| iv. Auditing for quoted or public companies                                   | %            |
| v. Taxation consultancy   | %            |
| vi. Book-keeping  | %            |
| vii. Executorships and trusteeships   | %            |
| viii. Investment advice and financial services                                | %            |
| ix. Insolvencies, liquidations and receiverships                              | %            |
| x. General insurance and building society commissions                         | %            |
| xi. Computer consultancy  | %            |
| xii. Management consultancy   | %            |
| xiii. Mergers and acquisitions  | %            |
| xiv. Payroll services   | %            |
| xv. Secretarial and share registration  | %            |
| xvi. Directorships (on behalf of clients)                                     | %            |
| xvii. Other   | %            |
| <b>Total:</b>   | <b>100 %</b> |

If you have entered a figure against 'Other' (xvii.), provide details below

b. Do you anticipate any major changes in these activities in the next 12 months?  
("major changes" means any activity changing by more than 15%)

|  |     |    |
|--|-----|----|
|  | Yes | No |
|--|-----|----|

23. Special clients

Have you undertaken any work in the last 5 years in any of the following areas:

|  |     |    |
|--|-----|----|
| i. for banks or other financial institutions or pension companies?                         | Yes | No |
| ii. for insurance companies, Lloyd's Syndicates/Names, Lloyd's Managing or Members Agents? | Yes | No |
| iii. for any off shore companies?  | Yes | No |
| iv. for off shore funds/investments (including Isle of Man & Channel Islands)?             | Yes | No |
| v. for clients in the "entertainment" industry?  | Yes | No |
| vi. for solicitors?  | Yes | No |

If you have answered "Yes" to any of the above please provide brief details below including fees earned therefrom



## PROPOSAL FORM

24. Tax planning ("Tax avoidance")

- |  |     |    |
|--|-----|----|
| a. Have you ever provided or do you intend to provide any advice in relation to tax planning schemes which could be considered as "tax avoidance"?             | Yes | No |
| (Please refer to the HMRC website ( <a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a> ) for full details as to what could be considered as "tax avoidance") |     |    |
| b. Have you ever introduced or do you intend to introduce clients to tax planning schemes as above?  | Yes | No |
| c. Have you ever had or do you intend to have any involvement whatsoever in tax planning schemes as above?   | Yes | No |

**If the answer to a., b. or c. is "Yes" please answer the questions below and provide further information on the types of tax planning and identity of tax planning schemes below**

- |  |     |    |
|--|-----|----|
| d. If the answer to b. is "Yes" have you actively marketed or do you intend to actively market such schemes?<br>If "Yes" please provide details below on how you market such schemes to your clients | Yes | No |
|--|-----|----|

- |   |     |    |
|---|-----|----|
| e. Do you ensure that your own terms and conditions exclude any advice provided by any third party specialist advisors?   | Yes | No |
| f. Do you ensure that clients enter into a direct contractual agreement with such promoters/providers?  | Yes | No |
| g. Do you receive any income from the promoters/providers for introductions to them?  | Yes | No |
| h. Please confirm the total fee income/commissions received for tax schemes in the last six years   | £   |    |
| i. Do you make your clients fully aware in writing of the risks of entering into any tax planning scheme, that such transactions may not succeed in their objectives and that they may be subject to litigation, costs, uncertainty or possible changes in the law? | Yes | No |
| j. Do you enter multiple clients into the same schemes?   | Yes | No |
| k. Have you ensured that such schemes have been disclosed to and approved by HMRC under the Disclosure of Tax Avoidance Scheme Rules (DOTAS)?   | Yes | No |
| l. Are any of the schemes highlighted on the HMRC website Spotlights page?  | Yes | No |
| m. Have any of the schemes been reviewed or are they currently being reviewed under the General Anti Avoidance Rule (GAAR)?   | Yes | No |

25. Financial Services

- |  |     |    |
|--|-----|----|
| Are you authorised (or have you been authorised in the past) to carry out investment or financial services work by the FCA or a prior financial regulator? | Yes | No |
| If "Yes" you will be required to complete a Financial Services questionnaire, which you can get from your Intermediary                                     |     |    |



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26. Do you sub-contract any work? Yes No

If "Yes"

a. What percentage of gross income/fees was or will be paid to sub-contractors in the last financial year? %

b. Are sub-contractors required to carry their own Professional Indemnity insurance? Yes No

c. Do you get an indemnity from sub-contractors in writing? Yes No  
If "Yes" for what limit? £

d. Do you require a sub-contractor to be indemnified under your own insurance arrangements? Yes No  
If "Yes" please provide the following details

| Name |  | Fees paid |
|------|--|-----------|
|      |  | £         |
|      |  |           |
|      |  |           |
|      |  |           |

27. Contracts

a. Do you use a standard contract, agreement or letter of appointment? Yes No

b. If "Yes" was this reviewed by your legal advisor or similarly qualified firm? Yes No

28. Joint ventures/related companies

a. Are you (or any partner/principal/director) a member of any consortium or joint venture? Yes No  
If "Yes" provide details below (please use 'Additional Information' sheet, if necessary)

| Name | Capacity | Details of job |
|------|----------|----------------|
| i.   |          |                |
| ii.  |          |                |
| iii. |          |                |

b. Do you (or any partner/principal/director) act on behalf of, or undertake work for any firm, company or organisation in which this firm or any partner/principal/director has a financial interest? Yes No  
If "Yes" provide brief details below

c. Does any partner/principal/director perform an executive role on behalf of any such firm, company or organisation? Yes No  
If "Yes" provide details below (policies will usually exclude claims by related companies unless emanating from an independent third party)

29. Risk management procedures

a. Are you accredited to (or in the process of becoming accredited to) ISO 9001 Quality Standard or subject to any other form of external assessment or quality assurance system? Yes No

b. Please state where you perceive your exposure to claims may arise and in what circumstances might you envisage a claim arising?  
*(For example: alleged poor advice, transactional or administrative errors, faulty design, etc.)*

c. Please describe below how you would cater for long absences of staff or when key staff leave

d. Are your computer systems records backed up regularly, with such records stored off-site? Yes No

e. Are your e-mails automatically archived after a set period? Yes No



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- f. Do you undertake any internal file audits (or peer reviews)? Yes    No
- g. Do you require satisfactory references when engaging staff? Yes    No  
If "Yes" please confirm
  - i. For whom you require references All employees Senior appointments only
  - ii. What type of reference is required Written Verbal
- h. Is any person permitted to sign cheques on his/her signature alone for amounts exceeding £10,000? Yes    No
- i. Do you operate a diary system to ensure that critical dates are not missed? Yes    No
- 30. Fraud/dishonesty and general
  - a. Have you sustained any loss through the fraud or dishonesty of any person? Yes    No
  - b. Are you aware of any allegation or occurrence of fraud or dishonesty in the last 5 years committed by any past or present partner, director or employee? Yes    No
  - c. Has any person for whom insurance is now sought been the subject of disciplinary proceedings within the past 5 years by any professional body or regulator? Yes    No
  - d. Have you or a partner/principal/director ever been a member of the ARP? Yes    No
  - e. Is there any other material information which may be relevant to the insurer's consideration of the risk that has not been declared elsewhere in this form? Yes    No

If the answer to any of the above is "Yes" provide full details below
- 31. Your requirements (Demands and Needs)
  - a. What policy limit do you require? £
  - b. Do you require cover for your sub-contractors? Yes    No
  - c. Do you require fidelity cover, if available (loss of your own money or property due to dishonesty or fraud of your own staff)? Yes    No
  - d. Do you require cover for USA/Canada? Yes    No





# PROPOSAL FORM

## GENERAL QUESTIONS

Please answer question a. in relation to this business or any previous business in which the proprietor, partners or directors have traded, in this or any other name:

- a. Have any insurers in the last five years declined to insure any of you or your businesses, cancelled or refused to renew any insurance or imposed special terms? Yes No

Please answer questions b. to e. in relation to the proprietor, partners or directors of this business.

**Convictions or cautions do not have to be declared if they have become spent under the Rehabilitation of Offenders Act 1974. Reference to the Rehabilitation of Offenders Act 1974 is a reference to it as it is in force for the time being, taking into account any amendment, extension or re-enactment, and includes any subordinate legislation for the time being in force made under it.**

- b. Have any of you in the last five years been declared bankrupt or insolvent, in connection with this or any other business in this or any other name, or been disqualified from being a company director or been involved as owner, proprietor, partner or director with any company which went into receivership, administration or liquidation? Yes No
- c. Have any of you in the last six years been the subject of any County Court Judgment and/or been cited in any unsatisfied court judgments (or the Scottish equivalent) and/or have any court judgments pending? Yes No
- d. Have any of you been convicted or charged (but not yet tried) with any criminal offence other than a motoring conviction? Yes No
- e. Have any of you committed any offence to which you have admitted and for which you have received an official police caution? Yes No

If the answer to any question is "Yes" please provide full details on the 'Additional Information' sheet at the end of the proposal form.

## CLAIMS AND CIRCUMSTANCES

- a. Have any claims, whether successful or not, been made against you (including any predecessors in business) or any present or former partner/principal/director in the last 5 years? Yes No
- b. Is any partner/principal/director aware, AFTER ENQUIRY, of any circumstance or occurrence which may give rise to a claim against you (including any predecessors in business) or any present or former partner/principal/director? Yes No

If the answer to either of the above questions is "Yes" provide full details below (please use 'Additional Information' sheet, if necessary)

| Date of Claim   | Cause of claim | Damages claimed | Defence costs | Reserves held by insurers |
|---|----------------|-----------------|---------------|---------------------------|
| i.  |                | £               | £             | £                         |
| ii.   |                | £               | £             | £                         |
| iii.  |                | £               | £             | £                         |
| c. What measures have been taken to prevent a similar claim(s) or occurrence(s) (please use 'Additional Information' sheet, if necessary) |                |                 |               |                           |

(Please note that this question is for underwriting purposes only. It does **NOT** constitute notification of a claim or possible claim. You are required to make a separate notification to the current insurer in accordance with their policy terms and conditions, prior to expiry of the current policy)

## DECLARATION

I/we declare that I/we have made a fair presentation of the risk, by disclosing all material matters which I/we know or ought to know or, failing that, by giving the Insurer sufficient information to put a prudent insurer on notice that it needs to make further enquiries in order to reveal material circumstances.

Signature Please print name

Date Position



