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FINANCIAL SERVICES PROFESSIONAL INDEMNITY

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QUESTIONNAIRE



QUESTIONNAIRE

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. 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.

ACTIVITIES

7. Please confirm the percentage of the business's total income by way of fees and commissions derived from the following activities:

Activity	As principal	As agent	As manager
i. Institutional fund management	%	%	%
ii. Private client portfolio management			
(a) discretionary	%	%	%
(b) non-discretionary	%	%	%
iii. Dealing in listed UK securities	%	%	%
iv. Dealing in unlisted UK securities	%	%	%
v. Dealing in foreign securities/investments	%	%	%
vi. Dealing in bonds (eg. Eurodollar)			
(a) UK	%	%	%
(b) offshore including Channel Islands and Isle of Man	%	%	%
vii. Investments in Unit Trusts			
(a) UK	%	%	%
(b) Offshore including Channel Islands and Isle of Man	%	%	%
viii. Dealing in commodities (future or physicals)	%	%	%
ix. Corporate finance	%	%	%
x. Mergers and acquisitions	%	%	%
8. Do you impose a standard form of contract, agreement or letter of appointment? If "No" please advise why not below			Yes No



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9. Are you involved in any 'Derivatives' transactions? Yes No
If "Yes" please provide details below

10. Do you deal in money/currency trusts? Yes No
If "Yes" please provide details below

11. In respect of Funds where you are the principal, please provide the following details:

Name of fund	Total value	Management fee
i.	£	£
ii.	£	£
iii.	£	£
iv.	£	£
v.	£	£
vi.	£	£

PENSION TRANSFERS OPT-OUTS & NON-JOINERS

12. Were you involved in arranging pension transfers/opt-outs/non-joiners between April 1988 and June 1994? Yes No
If "Yes" please answer the following questions:

- i. Can you confirm that during the review period stated above, you observed the following good practice:
- (a) you completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire for all clients? Yes No
 - (b) you provided personal pension clients with written comparisons between their existing pension arrangements and any recommended replacement products and maintained these on file? Yes No
- If the answer to either of the above is "No" please comment and provide details of your practice below

- ii. Were invitation letters sent out in accordance with your regulators Pension Transfer Review in respect of all Phase 1 and Phase 2 matters? Yes No
If "No" please explain why not and provide full details below

- iii. Did you receive a reply to all Phase 1 and Phase 2 letters? Yes No
If "No" please provide details below



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- iv. In respect of all Phase 1 and Phase 2 matters where either the client requested a review or complained of advice provided, or no reply has been received, were such cases notified to PI insurers as claims or circumstances?

Yes No

If "Yes" please provide the following details in respect of each notification:

Name of investors	Status under review	Transfer values	Amount of redress required (if applicable)
i.		£	£
ii.		£	£
iii.		£	£
iv.		£	£
v.		£	£
vi.		£	£

- v. Have you ever had or are you on notice of a FCA/PIA Pension Review monitoring visit (including PASS review or similar)?

Yes No

If "Yes" please answer the following questions:

- (a) When did or will it occur?
(b) If it has already occurred please provide details of the result below

FREE-STANDING ADDITIONAL VOLUNTARY CONTRIBUTIONS

13. Have you ever been involved with Free-Standing Additional Voluntary Contributions (FSAVCs)?

Yes No

If "Yes" please answer the following questions:

- i. Please state the number of FSAVCs affected by the business or company for:
- (a) persons entitled to join an AVC scheme run by their employer where their employer will also provide additional contributions alongside the employee contribution
- (b) persons entitled to join other subsidized scheme (i.e. arranged by the employer, but not run by them) with the employer meeting the cost of an enhancement in benefits such as the additional accrual of benefits or the provision of added years
- (c) persons who were at the time of sale, or subsequently, members of the Armed Forces Pension Scheme
- ii. (a) Can you confirm that in relation to all the above persons you have a copy of ALL advice given to your client, and that you have documentary evidence that the client was in agreement with such advice?

Yes No

If "No" please provide full details below



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- (b) What is the average value and the maximum value of the policies arranged?
- (i) Average £
- (ii) Maximum £
- iii. Can you confirm that since April 1988 you have always observed the following good practice:
- (a) you completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire in respect of all FSAVCs arranged? Yes No
- (b) you provide investors in an FSAVC with a written comparison between their in-house AVC option and any recommended FSAVC and have maintained these on file? Yes No
- If the answer to either of the above is "No" please comment and provide details of your practice below
- iv. Please advise the following in relation to FSAVCs arranged:
- (a) Total number of cases where you are required by your regulator to send out invitation letters in respect of the FSAVC review
- (b) Total number of cases where you have sent out invitation letters in respect of the FSAVC review
- (c) Total number of cases where you have NOT sent out invitation letters in respect of the FSAVC review
Please explain below why such letters have not been sent
- (d) Total of cases where your letters have not been sent in the format and/or the timescale prescribed by your regulators
Please explain below why such letters were not sent in the format and/or timescale prescribed
- (e) (i) Number of cases where you have received no reply from the client to the invitation letter
(ii) What further action are you taking where you receive no reply from the client to the invitation letter e.g. reminder or follow-up letters, telephone calls etc?



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ENDOWMENTS

14. Have you ever been involved in arranging Endowments? Yes No

If "Yes" please enclose a copy of your most recent **persistence report** and answer the following questions:

	1988-90	1991-93	1994-96	1997-99	2000-02	2003
i. Please state the gross fees/ income received from such sales	£	£	£	£	£	£

ii. (a) Please state the number of endowments on which you have advised or arranged cancellation

(b) Why were the endowments cancelled?

iii. (a) Please state the number or endowments on which you have advised or arranged the maturity date later than the retirement of the beneficiary

(b) Why were such endowments arranged?

iv. (a) Please state the number of low cost / early start endowments which you have arranged or advised on

(b) Can you confirm that when arranging such low cost/early start endowments, you always took into account the future earning potential of the clients concerned? Yes No

If "No" please provide full details below

v. (a) Please state the product providers with which you have arranged endowments, and indicate the percentage of endowments placed with each provider (by number of endowments)

(b) Of these endowments, indicate the percentage where the maturity value is calculated on the following growth figures:

Level	%	
Below 4%		
4% - 8%		
Above 8%		

(c) (i) Maximum mortgage loan that a single endowment is required to repay at maturity £

(ii) Average mortgage loan that an endowment is required to repay at maturity £



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vi. Have you been advised by any product providers that any endowments arranged by you requires increased contributions to satisfy previous forecasts? Yes No
If "Yes" please provide full details below

vii. Can you confirm the following good practice:

(a) you have always advised potential investors that an endowment cannot be guaranteed to pay off any loan or mortgage sum at maturity and have always documented this advice on file? Yes No

(b) you have always advised potential investors in an endowment where the monies are to be invested and have always documented this on file? Yes No

(c) you have always completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire in respect of all endowments arranged? Yes No
If the answer to any of the above is "No" please comment and provide details of your practice below

MORTGAGE BROKING

15. Have you ever been involved with mortgage broking? Yes No
If "Yes" please answer the following questions:

i. Please state the number of mortgages arranged in the following categories:

Type	Total number of mortgages
Interest only	
Repayment	
Other	
Total	

If you have arranged 'Other' mortgages please provide details below

ii. Can you confirm that ALL mortgages have been arranged with UK based, 'High Street' lenders, and that no overseas based or fringe lenders have been used? Yes No
If "No" please provide details below

iii. Can you confirm that you are not tied to any one lender, and that your business is spread with a number of different lenders? Yes No
If "No" please provide details below



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- iv. Can you confirm that:
- | | | |
|--|-----|----|
| (a) you are not targeting a particular client group, such as those with a poor credit history, CCJs, poor employment history? | Yes | No |
| (b) in all instances where a mortgage has been arranged, the mortgage will be repaid prior to the retirement date of the borrower? | Yes | No |
- If the answer to either of the above is "No" please provide details below

HOME INCOME PLANS/EQUITY RELEASE SCHEMES

16. Have ever been involved with Home Income Plans/Equity Release Schemes? Yes No
- If "Yes" please confirm the following good practice:
- | | | |
|--|-----|----|
| i. all clients were aged 65 or over at the time that Home Income Plan/Equity Release Scheme was taken out | Yes | No |
| ii. the maximum amount borrowed never exceeded 75% of the value of the clients property | Yes | No |
| iii. the mortgage rate and income rate is fixed for all plans/schemes | Yes | No |
| iv. you advised the client to appoint their own solicitor for all plans/schemes | Yes | No |
| v. you advised the client to consider the tax implications, and that they may pay additional tax on their state benefits | Yes | No |
- If the answer to any of the above is "No" please provide details below

INCOME DRAWDOWNS

17. Have you ever been involved with Income Drawdowns? Yes No
- If "Yes" please confirm the following good practice:
- | | | |
|---|-----|----|
| i. you have only ever undertaken an Income Drawdown where the clients pension fund exceeds £100,000 | Yes | No |
| ii. you ensured that the minimum and maximum income taken by the client through the Income Drawdown does not exceed Inland Revenue rates prevalent at the time | Yes | No |
| iii. you have steps in place to ensure that Income Drawdowns are reviewed every 3 years to ensure that the Income Drawdown does not exceed current Inland Revenue Rates | Yes | No |
- If the answer to any of the above is "No" please provide details below

SPLIT CAPITAL CLOSED END FUNDS

18. Have you ever been involved with Split Capital Closed End Funds (SCCEFs) including Unit Trusts which invest in SCCEFs? Yes No

PRECIPICE BONDS/HIGH INCOME BONDS/STRUCTURED CAPITAL-AT-RISK PRODUCTS

19. Have you ever been involved in arranging Precipice Bonds, High Income Bonds or Structured Capital-at-Risk Products (SCARPS)? Yes No



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HEDGING TRANSACTIONS

20. Have you ever been involved with Hedging Transactions? Yes No

GENERAL

21. Can confirm that you are not currently, and that you never have been part of a network? Yes No
If "No" please provide details below

22. Can you confirm that all FCA regulated financial services work is undertaken in accordance with FCA regulations and guidelines? Yes No
If "No" please provide details below

23. Please indicate the average and maximum value of single investments made (excluding Pensions) in the last three years

- i. Average £
- ii. Maximum £

24. Please provide full details of your record keeping, including the extent of such records and the length of time they are kept

25. Can you confirm that all claims, complaints and circumstances that might lead to a claim or complaint have been reported to your insurers prior to the expiry of your current policy of insurance? Yes No
If "No" please provide details below

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

Capacity

Date

