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INSURANCE BROKERS PROFESSIONAL INDEMNITY

ONE AMERICA SQUARE 17 CROSSWALL LONDON EC3N 2LB
TELEPHONE 020 7977 4800 | WWW.LONDONMARKETBROKING.CO.UK

PROPOSAL FORM



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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



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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. Has any amalgamation, acquisition or take over occurred in the past 6 years?

Yes No

If "Yes" please state below

Name of acquired firm	Date acquired	Is retroactive cover required for work performed prior to acquisition? ('Prior Acts')	
i.		Yes	No
ii.		Yes	No
iii.		Yes	No
iv.		Yes	No

20. Do you have (or have you had in the past) any Appointed Representatives?

Yes No

If "Yes" please state below

Name of Appointed Representative	Class(es) of insurance	Gross annual brokerage
i.		£
ii.		£
iii.		£
iv.		£

21. Please state below the total number of staff

	Full-time	Part-time
Principals/directors/partners		
Qualified staff		
Other		
Appointed Representatives		



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22. Regulator

- a. Please provide your FCA registration number
- b. Are you regulated by any other body? Yes No
If "Yes" provide their name below

23. Gross income/fees

- a. State the actual and estimated **gross** brokerage/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	£	£	£
Net retained income	£	£	£

- 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) brokerage or fee received from a single client during the last completed year? £
- e. What is the **average** brokerage or fee received during the last completed year? £

24. Areas of business

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

Type of activity	Percentage
i. Commercial property	%
ii. Commercial liability	%
iii. Commercial motor	%
iv. Private motor	%
v. Household	%
vi. Mortgage broking/mediation	%
vii. Private health/medical	%
viii. Personal accident/travel	%
ix. Life/protection products	%
x. Professional indemnity and D & O	%
xi. Marine and aviation	%
xii. Policy fees (administration only)	%
xiii. Reinsurance – facultative	%
xiv. Reinsurance – treaty	%
xv. Financial services	%
xvi. Premium finance commission	%
xvii. Other	%
Total:	100 %

If you have stated above that you do other work (xvii.), please provide details below



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b. Do you anticipate any major changes in these activities in the next 12 months? Yes No
(‘major changes’ means any activity changing by more than 15%)

c. Please provide details of your three largest sums insured/policy limits in relation to commercial insurance

Name of client’s business	Type of insurance	Policy limit or sum insured	Commission received
i.		£	£
ii.		£	£
iii.		£	£

25. Binding authorities

Do you have any agreements with insurers, underwriters or other parties where you have authority to set premiums, rates, terms and conditions or handle claims **at your own discretion**? Yes No

If “Yes” please

- a. state the number of agreements
- b. provide details below (please use ‘Additional Information’ sheet, if necessary)

Insurer/underwriter	Class(es) of insurance	Maximum policy limit	Brokerage/fee
i.		£	£
ii.		£	£
iii.		£	£
iv.		£	£
v.		£	£

26. 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” please refer to your broker for a financial services questionnaire

27. 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



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- 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)

28. 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. Are your computer systems records backed up regularly, with such records stored off-site? Yes No
- c. Are your e-mails automatically archived after a set period? Yes No
- d. Do you undertake any internal file audits (or peer reviews)? Yes No
- e. 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 | |
- f. Is any person permitted to sign cheques on his/her signature alone for amounts exceeding £10,000? Yes No
- g. Do you operate a renewal reminder system? Yes No
- h. Do you require cover notes or similar evidence of cover to be 'signed-off' by two authorised persons? Yes No
- i. Do you have procedures in place to ensure that outstanding subjectivities are dealt with in a timely manner (including premium payment warranties) in accordance with contract certainty rules? Yes No
- j. Do you transact business with 'unrated' insurers? Yes No
('unrated' means the insurer has no rating by any recognised insurer security credit rating agency)
- k. Are your standard quotation and/or report 'templates' and TOBA agreements regularly reviewed by your compliance officer/department to ensure that they continue to meet your regulator's requirements? Yes No

29. 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 publically criticised or fined by any regulator? 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

30. Your requirements (Demands and Needs)

- a. What policy limit do you require? £
- b. Do you require cover for your Appointed Representatives? 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



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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

