

Proposal Form

Professional Risks

(Accountants)

(Professional Indemnity, Directors and Officers Liability,
Employment Practices Liability)

Let Us Explain!

At first glance we appreciate the length of this form looks rather daunting, however

- A number of questions only require a simple 'tick box' YES or NO response
- This one comprehensive form replaces a number of previously separate forms which duplicated the same requests for information
- Two of the four sections are optional, dependant upon the scope of cover you require

Sections A (Page 2) and D (Page 16) are mandatory and the undernoted sections should be completed where the appropriate cover is required:

Section B (Page 9)

- Directors and Officers Liability

Section C (Page 14)

- Employment Practices Liability

Important notice:

1. This is a proposal for a contract of insurance, in which 'Proposer' or 'you/your' means the individual, company, partnership, trust, charity, establishment or association proposing for cover.
2. This proposal must be completed in ink, signed and dated. All questions must be answered to enable a quotation to be given but completion does not bind you or Underwriters to enter into any contract of insurance. If space is insufficient to answer any question fully, please attach a signed continuation sheet. You should retain a copy of the completed proposal (and of any other supporting information) for future reference.
3. All facts material to the proposed insurance must be disclosed, fully and truthfully to the best of your knowledge and belief. Failure to do so may make the contract of insurance voidable or severely prejudice your rights in the event of a claim. A material fact is one likely to influence Underwriters' assessment or acceptance of the proposal; if you are uncertain what may be a material fact, you should consult your broker.
4. You are recommended to request a specimen copy of the proposed policy or certificate from your insurance broker and to consider carefully the terms, conditions, limitations and exclusions applicable to the cover. The proposed insurance covers only those losses which arise from certain events discovered or claims made against the Assured during the period of insurance, as specified in the policy or certificate.

PART A - PROFESSIONAL INDEMNITY / GENERAL SECTION (Mandatory)

1 Name of Proposer

Address of Registered or Principal Office

		Post Code	
Tel No.:		Fax No.:	
E-mail address:		Web site address:	

Registered Number (if applicable)

2 Has the Business or Practice been established for at least three years and are at least 50% of all directors, partners, principals and consultants suitably qualified or have at least three years relevant experience?

YES NO

If NO please answer the following questions

(a) Date when the Business or Practice was first established

(b) Provide the following information in respect of those directors, partners, principals and consultants who are not suitably qualified or who have less than three years relevant experience

Name

Qualifications

Year obtained

Period of relevant experience

How long position held with this Business or Practice

(c) What is the total number of

Directors, partners and principals

Consultants

Qualified staff

Unqualified staff

3 (a) For your current Financial Year what is your total number of:

(i) Full time employees

(ii) Part time employees

(iii) Seasonal employees

(b) Can you confirm that all of your employees are employed in England, Wales or Scotland?

YES NO

If NO please provide full details

4 Can you confirm that all offices of the Business or Practice are under the day to day control and supervision of a director, partner or principal?

YES NO

If NO please answer the following questions

(a) Location(s) of such offices

(b) Name of person(s) in charge of such offices

(c) Qualifications of such persons and date obtained

(d) How long they have been with this business or practice and their previous experience

5 Can you confirm that none of the directors, partners, principals or consultants of the Business or Practice are connected or associated (financially or otherwise) with any other firm, company or organisation for whom the Business or Practice does work?

YES NO

If NO please provide full details

6 What are your gross income/fees for your last complete financial year in respect of each of the following client groups

Clients producing a fee income of:

Number of clients

Estimated total fees

Less than £15,000 per client

Between £15,000 and £40,000 per client

Over £40,000 per client

Total

What is the date of your last complete financial year end?

7 Do you have more than one office?

YES NO

If YES please answer the following question

What were the total gross income/fees generated from your largest office in respect of the last complete financial year?

8 Select which of the following activities apply to your business and provide a percentage breakdown of your gross income/fees against each category for your last complete financial year

% OF INCOME/FEES

(a) Audit, Accountancy, Company Tax, Book-keeping and Payroll Services:

(i) Quoted Companies

(ii) Other

(b) Taxation only

(c) Consultancy only

(d) Company secretarial/registrar work, Executorship and trusteeship, directors fees

(e) Mergers, acquisitions and disposals, Insolvencies, liquidations and receiverships

(f) Merchant banks, finance houses, hire purchase and credit sales organisations and others providing finances other than insurance, building society and stock exchange commissions

(g) Investment Business/Financial Services

(h) Other (please provide details of work undertaken below)

Total

100%

9 Are you authorised to carry out Investment Business in accordance with the terms of the Financial Services Act 1986 or any amendment or re-enactment thereof, or by the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants in Scotland and/or the Chartered Association of Certified Accountants as 'recognised professional bodies' to conduct Investment Business?

YES NO

If YES please answer the following questions

(a) Please indicate (✓) which category of Authorisation is applicable in your case

	ICAE&W	ACCA	OTHER
• A		• 1 (non-discrete)	Please provide details
• B		• 2 (discrete)	
• C ¹			
• C ²			
• D ¹			
• D ²			

(b) How much of your gross income/fees for your last complete financial year is derived from such business?

	%
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10 Have you applied separately to any Self Regulatory Organisation (SRO) for authorisation?

YES NO

If YES please answer the following question

To which SRO have you applied?

11 Have you ever provided any advice or been involved in arranging Pension Transfers/Opt-outs/Non-Joiners, FSAVCs, Income Drawdowns, Endowment Policies, Home Income Plans/ Equity Release Schemes, Hedge Funds, Split Closed Capital End Funds and/or Precipice Bonds/ High Income Bonds/ Structured Capital at Risk Products?

YES NO

If YES please submit a **Financial Services Questionnaire**

12 Can you confirm that

(a) you do not undertake work in the following areas?

- Private Client Portfolio Management
- Institutional Fund Management
- Dealing in Securities
- "Off-shore" investments

(b) you do not undertake work for any of the following?

- banks and/or other financial institutions
- insurance companies, Lloyd's syndicates or funds (including captive insurance companies)
- any "off-shore" Companies

(c) you do not perform work for UK Companies with North American subsidiaries or assets; or for companies with a North American parent or ultimate holding company?

(d) the business or practice is not represented in any way in North America?

YES NO

If NO to any of the above please provide full details

13 Can you confirm that you do not wish us to provide an indemnity to your sub-contractors?

YES NO

If NO please answer the following question

If you wish us to provide an indemnity to your sub-contractors please provide the following information in relation to work undertaken by sub-contractors during your last financial year

Name of Sub-Contractor

Qualifications

Type of Work

Fees

(Please note: Underwriters retain rights of recourse against sub-contractors unless specifically agreed otherwise)

14 Can you confirm that

- (a) you do not anticipate any major changes in your activities in the forthcoming twelve months?
- (b) there have not been any fundamental changes in your activities over the last five years?
- (c) your total fee income from each of your last three financial years and your estimated fee income from your current financial year does not vary from one successive year to another by more than $\pm 25\%$?
- (d) no contract or client represents more than 20% of your work in any of your last three financial years or your current financial year?

YES NO

If NO please provide full details

15 Can you confirm the following 'good practice'?

- (a) satisfactory written references are always obtained from former employers for the three years immediately preceding the engagement of any employee responsible for money, accounts or goods
- (b) all cheques drawn for more than £25,000 require two signatories (including at least one partner)
- (c) cash in hand and petty cash are checked independently of the employees responsible at least monthly and additionally, without warning, at least every six months
- (d) bank statements, receipts, counterfoils and supporting documents are checked at least monthly against the cash book entries independently of the employees making cash book entries or paying into the bank
- (e) employees receiving cash and cheques in the course of their duties are required to pay in daily
- (f) employees are required to account for money received at least weekly

YES NO

If NO to any of the above please provide details of your system

16 Is cover required for Partners Previous Business?
(This extension of cover is not available where the Previous Business was a Limited Liability Company)

YES NO

If YES provide the following information for each Partner/Principal for whom such cover is required for each Previous Business

(a) Name of Partner/Principal

(b) Name of the Previous Business

(c) Dates during which he or she was a Partner/Principal

(d) Nature of work undertaken by Previous Business

(e) Reasons for leaving

(f) Was there a dissolution agreement?

YES NO

If YES please provide a copy of the agreement

(g) Were there any claims made against the Previous Business or were there any circumstances or incidents which may give rise to a claim?

YES NO

If YES please provide details

(h) Was the Previous Business at any time refused similar insurance or quoted increased premiums or had special terms imposed?

YES NO

If YES please provide details

(i) Is the Previous Business still in existence?

YES NO

PART B - DIRECTORS AND OFFICERS LIABILITY SECTION (Choice)

Please complete (✓) if cover required YES NO

(N.B. (a) available only for Limited Liability Companies or Limited Liability Partnerships with no USA exposure

(b) cover is **not** provided in respect of 'outside board' appointments)

17 Name of Company

Address of Registered or Principal Office

		Post Code	
Tel No.:			Fax No.:
E-mail address:			Web site address:

Company Registration Number

18 Is the Company Registered in England and Wales or Scotland?

YES NO

If NO please answer the following question

Please state country of registration

19 Please indicate type of Entity

Public Company Private Company Limited Liability Partnership Other (please provide details)

20 Is the Company a subsidiary of another company?

YES NO

If YES please answer the following questions

(a) Name of ultimate holding company

(b) Country of registration in respect of ultimate holding company

21 Has the Company continually carried on business for at least twelve months?

YES NO

If NO please state date since Company has continuously carried on business (Please supply a copy of the **Business Plan**)

22 Can you confirm that

(a) during the last three years you have not

(i) merged with or been taken over by any other company?

(ii) acquired or disposed of any companies?

(b) there are no plans presently under consideration for the merger with or take over by another company or the acquisition or disposal of any companies?

(c) there are no plans to trade the Proposers shares during the next twelve months?

YES NO

If NO please provide details

23 Has there been a management buy-in ('MBI') or buy-out ('MBO') within the last two years?

YES NO

If YES please answer the following question

Please state date of MBI or MBO

24 Have any of the following terminated their relationship with the Company since the Company's last annual report and accounts were issued?

- (a) Chairman/President
- (b) Chief Executive/Operating Officer
- (c) Finance Director/Finance Officer

YES NO

If YES to any of the above please provide details

25 What was your gross income/turnover for your last complete financial year emanating from each of the following geographical areas?

• UK

£

• USA/Canada

£

• Elsewhere

£

• Total

£

26 Can you confirm that

- (a) the Company has not had a pre-tax loss or a negative net worth (share capital plus reserve) in any of its last two complete financial years nor is a pre-tax loss or negative net worth anticipated in its current financial year?
- (b) neither the Company nor any of its subsidiaries are insolvent (liabilities exceed assets), in liquidation, the subject of a winding-up petition or have issued notices of a meeting to consider a resolution for liquidation?
- (c) neither the Company nor any of its subsidiaries are the subject of an administration order or an application for an administration order?
- (d) the Company and its subsidiaries are able to pay their debts as they fall due?
- (e) the Company has not changed its auditors within the last two years?

YES NO

If NO please provide full details

27 Do any shareholders (other than Directors of the Company or members of their families) own shares of the Company?

YES NO

If YES please answer the following question

Are all such shares owned by the Company's parent or ultimate holding company?

YES NO

If NO please indicate (✓) which of the following apply

(a) No one shareholder who is not a Financial Institution* holds (directly or indirectly) more than 15% of the shares

(b) A shareholder who is not a Financial Institution* holds (directly or indirectly) more than 15% of the shares

(c) A Financial Institution* holds (directly or indirectly) no more than 20% of the shares

(d) A Financial Institution* holds (directly or indirectly) 20% or more of the shares

(*for the purpose of this proposal 'Financial Institution' is meant in its broadest sense, i.e. a bank, insurance company, venture capital company, building society, investment trust etc.).

If (b), (c) or (d) above applies please provide full details including the name of the shareholder and percentage shareholding

28 Does the Company have

(a) any US subsidiaries, or

(b) any assets and/or employees in the USA?

YES NO

If YES please provide details

(c) From the Company's latest audited report and accounts (in the case of new companies utilise management projections for the year) please state the total consolidated assets (i.e. fixed plus current) of the Company (including subsidiaries) in

(i) UK

£

(ii) USA

£

(iii) Elsewhere

£

(Please show all amounts in GBP)

29 Can you confirm that

(a) any pension scheme provided by the Company is **not** a final salary (defined benefit) scheme?

(b) the implementation of FRS 17 (Financial Reporting Standard 17) has **not** highlighted a deficit in the fund value of any pension scheme?

YES NO

If NO please provide full details

PART C - EMPLOYMENT PRACTICES LIABILITY SECTION (Choice)

Please complete (✓) if cover required (N.B. not available in Northern Ireland) YES NO

30 Can you confirm that

- (a) you do not anticipate any major changes in the number of employees employed?
- (b) your total number of employees employed in each of your last three financial years and your estimated number of employees employed in your current financial year does not vary from one successive year to another by more than $\pm 20\%$?
- (c) you do not envisage any redundancies or early retirement within your business in the next twelve months?
- (d) there are no plans to revise any existing employee benefits during the next twelve months (e.g. Pensions etc)?
- (e) during the last three years you have not merged with or been taken over by another business, nor acquired or disposed of any other business?
- (f) there are no plans presently under consideration for the merger with or takeover by another business nor the acquisition or disposal of any business?

YES NO

If NO please provide full details

31 Within the last twenty four months how many Partners, Directors, Officers or Employees have

• taken early retirement

• resigned

• had their employment terminated (with or without cause)

32 Do you have a Human Resources or Personnel Department (which performs its functions for yourself and all your subsidiaries) which deals with all aspects of employment contracts and employment legislation?

YES NO

If NO please provide details of who handles this function together with relevant experience in such matters

33 Can you confirm that

- (a) a contract of employment is issued to all employees?
- (b) written instructions and procedures are issued to all staff in the proper implementation of personnel policies and procedures including disciplinary, grievance and equal opportunities policies?
- (c) training is provided to all staff regarding the correct implementation of such policies and procedures and such training is fully recorded?
- (d) all grievance and/or disciplinary hearings are fully minuted?
- (e) such contract, instructions and procedures were drafted in accordance with the latest ACAS guidelines/recommendations and relevant anti-discrimination codes of practice and that these are regularly updated and reviewed?

YES NO

If NO please provide reasons why not

34 Please provide details of solicitors or any other employment law specialists/consultants consulted by you in the drafting of the standard contract(s) of employment and generally in connection with employment matters.

35 Can you confirm that you have not, in the last five years,

- (a) had any employees who have
 - (i) made, or have had made against them, allegations of bullying and/or harassment (whether sexual, racial or otherwise)?
 - (ii) been absent for work related reasons, including alleged stress?
- (b) become involved in a dispute with another party which has or could have resulted in an Employment Tribunal (or similar) or legal proceedings?

YES NO

If NO please provide full details including, in respect of any Employment Tribunals, full details of the claims/allegations, the outcome and any settlement or compensation payments.

PART D - GENERAL SECTION (Mandatory)

36 Please state whether the following classes of insurance have been carried during any of the past three years, together with appropriate detail

(a) Professional Indemnity

YES NO

If YES please provide details of Insurer, Period, Indemnity Limit and Retroactive Date of your current policy

(b) Directors and Officers Liability

YES NO

If YES please provide details of Insurer, Period and Indemnity Limit

(c) Employment Practices Liability or Employment Legal Expenses

YES NO

If YES please provide details of Insurer, Period and Indemnity Limit

37 Can you confirm that

- (a) no person proposing for insurance has been convicted, or charged but not yet tried, of any criminal offence other than a motoring offence?
- (b) the Proposer has never had an application for this type of insurance declined by an insurer, had a renewal of such insurance declined, nor had similar insurance cancelled or made subject to special conditions?
- (c) no claims, prosecutions, proceedings or investigations (successful or otherwise) have been made or instigated against the Proposer and/or any person proposing for insurance to which this proposal relates?
- (d) no person proposing for insurance is aware, AFTER ENQUIRY, of any circumstance or incident which they have reason to suppose might afford grounds for any future claim such as would fall within the scope of the proposed insurance?

YES NO

If NO, please provide full details

38 What indemnity limits are required?

Professional Indemnity

£

Directors and Officers Liability

£

Employment Practices Liability

£

DECLARATION

I hereby declare that I am authorised to complete this proposal on behalf of the Proposer and that, to the best of my knowledge and belief, the statements and particulars in this proposal are true and complete and no material facts have been mis-stated or suppressed.

I undertake to inform Underwriters of any material alteration or addition to these statements or particulars which occurs before any contract of insurance based on this proposal is effected and acknowledge that this proposal (together with any other information supplied to Underwriters) shall be the basis of such contract.

*Signed: _____ Name: _____

*Capacity: _____ Date: _____

*the signatory should be a director or senior officer of, or partner in, the Proposer.

N.B. Please submit a copy of the **Financial Services Questionnaire** if you have answered YES to question 11

N.B. Please submit a copy of the **dissolution agreement** if you have answered YES to question 16 (f)

N.B. If you have answered NO to question 21 please submit a copy of your **Business Plan**

EASY PAYMENT PLAN

Markel (UK) Limited has negotiated a highly competitive 10 month premium finance plan with a premium finance company, for the exclusive use of its Assureds.

To take advantage of these facilities please tick the box below enabling the finance company to dispatch a pre-prepared agreement directly to you for completion and return. Your Certificate of Insurance shall be endorsed accordingly.

The level of charge, applied to total premium (including IPT where appropriate), will be confirmed on the agreement. Contact your broker or ourselves for a note of current charge.

I WISH TO TAKE ADVANTAGE OF THE 10 MONTH EASY PAYMENT PLAN (TICK AS APPROPRIATE)

NOTICE TO THE PROPOSER

THE UNDERWRITERS

Markel (UK) Limited underwrites business on behalf of Markel Syndicate 3000 at Lloyd's and Markel International Insurance Company Limited.

Prior to any placement being concluded, the Proposer will be advised which insurer is to write this contract of insurance.

THE LAW OF THE INSURANCE CONTRACT

The parties to this proposed insurance are free to choose the law applicable to the insurance contract. Unless you specifically agree otherwise with Underwriters, your proposed contract will be governed by English Law.



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PROP/PRAC/10/03