

Insurance Brokers Professional Indemnity Proposal Form

Please answer all questions leaving no blank spaces. If you have insufficient space to complete any of your answers, please continue on your headed paper. This form must be signed and dated by a Partner, Director or Principal of the Proposer.

Insurance cover is not effective until the Insurers have accepted this proposal form.

Duty to disclose material facts: Since an insurance/reinsurance contract is based upon the duty of utmost good faith, it is important that those seeking insurance/reinsurance should provide full disclosure of all material facts to insurers and that this information should be kept updated.

This Proposal Form shall be relied upon by Underwriters in deciding whether or not to enter into the Policy and on what terms, including premium and conditions.

If you are in doubt we recommend that you advise the information to insurers. Please note that a renewal is based on the information which has already been provided to insurers. Therefore if there is a change in such information which has not yet been advised, this must now be advised to insurers.

Insurance Act 2015

The Insurance Act 2015 ('the Act') applies to this Proposal Form and any subsequent Policy. The terms of any such Policy will in most cases be no less advantageous to the insured than the Act would otherwise provide; in the event of any apparent conflict between the terms of this Policy and the Act, the Act will prevail. There could be, however, certain terms which, while capable of being more advantageous to the insured than the Act would otherwise provide, may in certain cases be less advantageous to the insured than the Act would provide. All terms such as this will be clearly referenced in the Policy.

Proposer Details

1. Name of Proposer(s) including Subsidiaries and Predecessors

2. Principal Address

3. Website

4. Date Established

5. a) Location of any offices outside the UK

b) Is there a Partner, Director or Principal based at each overseas office?

Yes

No

N/A

If No, please advise how the office is supervised

Proposer Details Continued

6. Please give the following details in respect of all Partners, Directors or Principals:

Name	Position	Relevant qualifications	Date qualified	Number of years in this position

7. Please state the number of individuals engaged by the Proposer, split as follows

Partners, Directors and Principals	
Qualified staff	
All other staff	
Consultants	

Proposer Fees

8. a) Please state the Proposer's gross commission income, including income derived from Appointed Representatives and income payable to other intermediaries, for the last complete financial year and estimate for the next financial year, split between clients domiciled in the following territories:

	Last fully completed financial year (GBP)	Estimate for next financial year (GBP)
a) United Kingdom excluding Northern Ireland		
b) Ireland		
c) Europe		
d) USA/Canada		
e) Elsewhere		
f) Total		

b) Please advise the date of the financial year end:

c) If any commission income has been declared in respect of clients domiciled outside the UK, please provide the following details:

Country	
Applicable law	
Client	
Type of risk placed	
Total sum insured/limit of liability	
Commission income	

Proposer Fees Continued

9. Does total commission income from any one client in the last complete financial year or estimated for the next financial year exceed 50% of the total gross commission income for that year? Yes No

If Yes, please provide details

10. Does the Proposer provide services for any client who has a controlling interest in the Proposer or in which the Proposer has a controlling interest? Yes No

If Yes, please provide details

Proposer's Professional Services

11. Is the Proposer a Lloyd's Accredited Broker? Yes No

12. Please provide an estimated percentage breakdown of the total gross commission income for the last complete financial year split between the following types of work:

Type of work	% of Commission income
Personal lines, Term life, Introductions to financial institutions	
Commercial lines including marine cargo and pleasure craft	
Facultative reinsurance	
Marine other than cargo and pleasure craft	
Aviation	
Pension fund management or administration	
Treaty reinsurance	
Payment protection insurance	
Work regulated by the Financial Service and Markets Act 2000 and other Investment work	
Other (please give details)	

13. Is the business split provided in question 12 representative of the Proposer's activities:
a) over the past 3 years? Yes No

b) expected over the next year? Yes No

If No to either a) or b) please provide details

Proposer's Professional Services Continued

14. For any class of business, is more than 50% of the business placed with one insurer?

Yes No

If Yes, please provide details

15. Please provide details of the largest 3 placements as follows:

Client	Type of Risk	Commission income received	Total sum insured/limit of liability

Appointed Representatives

16. Does the Proposer have any Appointed Representatives?

Yes No

If Yes:

a) Please provide the names of all Appointed Representatives

b) Please state the Proposer's gross commission income in respect of business introduced by Appointed Representatives for the last complete financial year

c) Does the Proposer ensure that the Appointed Representatives

Yes No

i) have the necessary expertise to deal with the type of insurance in question?

Yes No

ii) have adequate management controls in place to prevent fraud?

Yes No

iii) hold their own Professional Indemnity insurance at the same limit as that now being requested?

Yes No

iv) are audited annually?

Yes No

If No to any of the above, please provide details.

Binding Authority Agreements

17. Does the Proposer operate any Binding Authority arrangement whereby an insurer has granted them the authority to quote or bind cover without referral, other than via an electronic placing system whereby no discretion is al-

Yes No

If Yes, please advise for each arrangement:

a) The names of the subscribing insurers	
b) The class of business	
c) The origin of the business	
d) The maximum sum insured /limit of liability permitted	
e) In which area is deviation allowed i.e. rating, extent of loading or discount applicable, excess levels, other terms and conditions, policy wording	
f) The extent of the deviation allowed i.e. are there any parameters to the allowed discretion	
g) Whether the Proposer places reinsurance for the arrangement on behalf of the subscribing insurers	
h) The 5 year loss ratio	
i) Whether sub delegation to a third party is permissible	
j) The total gross commission income earned for the last complete financial year	
k) When the last audit took place and whether there are any outstanding requirements to action	

Fraud and Dishonesty

18. a) Does the Proposer have authority to handle client monies?

Yes No

If Yes, please provide details of the procedures adopted to ensure their security

b) Is any person allowed to sign cheques without a counter- signature?

Yes No

c) Are bank statements, receipts, counterfoils and supporting documentation independently checked at least monthly against the cash book entries and bank statements of the employee making the entries or paying into the bank?

Yes No

d) Are all cheques and cash paid into the bank daily?

Yes No

If No to b), c), or d) please give details as to the system used

Risk Management

- 19. a) Does the Proposer have in place a procedure to ensure that client requirements are understood and can be met by them before taking on a new piece of work? Yes No
- b) Does the Proposer always ask the client to sign standard terms of engagement, which have been vetted by a legal professional and clearly outline the scope of services to be provided, and only provide those services which fall within that scope? Yes No
- c) When dealing with quotations, renewal terms, mid- term amendments and bound orders, does the Proposer always provide written confirmation of the terms, the validity period, the recommended insurer and the security of that insurer? Yes No
- d) Does the Proposer always place cover with insurers who are regulated by the FCA? Yes No
- e) Where proposal forms are completed by the Proposer, are these always checked and signed by the client? Yes No
- f) Does the Proposer have systems in place for ensuring that critical deadlines such as renewal dates can be met? Yes No
- g) Are policy documents always checked by a Partner, Principal or Director? Yes No
- h) Does the Proposer require written references and check that qualifications are properly held when engaging employees or subcontractors? Yes No
- i) Where the Proposer is a sole practitioner, do they ensure that there are arrangements in place to deal with absence? Yes No

If No to any of the above please provide details

Current and Previous Coverage

20. Please provide details of the Proposer's current Professional Indemnity insurance as follows:

Limit of Indemnity	
Premium	
Excess	
Insurer	
Renewal Date	
Retroactive Date	

21. Has the Proposer ever had any Professional Indemnity insurance cancelled, voided or declined at renewal by an Insurer? Yes No

If Yes, please give details

Coverage Required

22. Please provide details of the quotation required:

Limit(s) of Indemnity	
Excess(es)	

Claims and Circumstances

23. a) Has any claim or complaint been made, or disciplinary proceedings been brought by any Regulatory Body against the Proposer or any of its current or former Partners, Directors or Principals in relation to the risks to be insured over the past 5 years? Yes No

b) Has any loss or expense been incurred by the Proposer over the past 5 years which might have been insured under this policy? Yes No

If Yes to a) or b) above, please provide the following:

Date of claim/complaint/disciplinary proceedings/loss	
Name of claimant/complainant/disciplinary body (if applicable)	
Brief details of allegations/ complaint/ disciplinary matter/loss	
Amount claimed for/lost including costs and expenses (if applicable)	
Insurer payment (if applicable)	
Insurer reserve (if applicable)	
What action has been taken to prevent a re-occurrence?	

c) Is any Partner, Director or Principal aware, after enquiry, of any circumstances which might give rise to a claim or request for indemnity under this policy? Yes No

If Yes, please provide the following:

Date	
Brief details	
Amount claimed for/lost including costs and expenses (if applicable)	

Declaration

I/We declare that the above answers, statements, particulars and additional information are true to the very best of our knowledge and belief and that after full enquiry, I/We have disclosed all information and material facts that may affect the Insurer's assessment of the risk.

Signature of Partner/Director/Principal:

For and/on behalf of the Proposer:

Name in capital letters (Printed):

Date:

Additional Notes

Lined area for additional notes.