

# PROFESSIONAL INDEMNITY PROPOSAL FORM FOR ACCOUNTANTS



## Professional Indemnity Proposal Form for Accountants

This Proposal Form must be completed using an ink pen or typed by a Principal, Partner, Member or Director of the Proposer on behalf of all those to be afforded cover under the Policy. All questions must be answered to enable a quotation to be provided. If there is insufficient space to answer any question fully, please use Section H - Additional Information, at the end of the proposal form. If you have a brochure, please provide a copy as well as any standard contract terms, conditions, agreements or letters of appointment which you have with your clients.

You should read this Proposal Form carefully. Under the Insurance Act, 2015, you are required to give a Fair Presentation of the risk to the **Insurer**. That duty may not necessarily be discharged by completing this Proposal Form or providing the above requested documentation alone. You should ensure that in presenting the risk you disclose all material information that you know or ought to know of, including that which would be discoverable by a reasonable search of information available to you. Information is material if it would influence the judgement of a prudent insurer in determining to take the risk and, if so, upon what terms. If you are in any doubt as to what is material, or if you believe there is material information that has not been disclosed within this Proposal Form that should be, contact your broker straight away.

If you fail to give a Fair Presentation of the risk this may adversely affect the indemnity available or result in claims not being paid.

### Section A – You and Your employees

Reference to “Proposer”, “You” or “Your” in this Proposal Form shall include all names included under question 1 who will be the Insured in the Policy.

- 1) Name of individual, partnership or company including any subsidiary companies for whom cover is required

- 2) Date Established

- 3) Website  
address(es)

- 4) Address(es) including postcode(s) of all offices

- 5) If there is not a resident Principal at each of the Proposer’s offices, state the addresses concerned and give details of how any such office is supervised?

- 6) Name(s) of any previous entities you require cover for including details of the nature of work undertaken and date ceased trading

## 7) Please provide details of all Principals, Partners, Members or Directors

Full Name	Qualifications	Date Qualified	Number of years in this capacity with the Proposer	Number of years relevant experience in this profession

Please attach a C.V for any Principal, Partner, Member or Director with less than 5 years' experience in this profession. Ensure personal sensitive data is not included and that only relevant professional information is included.

## 8) Please provide details of all full-time and part-time Consultants who are under a contract of service with you:

Full Name	Qualifications	Date Qualified	Number of years in this capacity with the Proposer	Number of years relevant experience in this profession

## 9) Please state the total number of

A) Principals / Partners / Members / Directors	
B) Other Qualified / Technical Staff	
C) Administrative Staff	
D) Other Staff	
TOTAL	

## 10) Are you admitted to membership of any Association or Professional Body?

YES / NO

If 'YES' please give details and specify if the membership applies to individuals or the practice:

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## 11) Is the firm regulated by the ICA and required to comply with the ICA PI minimum terms?

YES / NO

## 12) Has the Proposer or any person employed been subject to disciplinary proceedings by any Professional Body? YES / NO

## 13) Has any Principal, Partner, Member or Director been a Principal, Partner, Member or Director with any business or been associated to any business which has ceased trading either voluntarily or compulsorily?

YES / NO

## 14) Has any Partner, Principal or Director been made personally bankrupt?

YES / NO

If 'YES' to questions 12) to 14), please give details

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## Section B – Companies who you are associated

1) Do you undertake work for any partnership, company or organisation in which any Principal, Partner, Member, Director or Employee holds a position where they are able to make major decisions on behalf of such partnership, company or organisation? YES / NO

2) Is any Principal, Partner, Member or Director connected or associated (financially or otherwise) with any other practice, company or organisation? YES / NO

If 'YES' to either question 1) or 2) please provide full details:

3) Is cover required for the work you undertake for the associated companies detailed above? (Cover is normally restricted to claims made by independent third parties). YES / NO

4) What percentage of your income is derived from the associated companies detailed above? \_\_\_\_\_ %

## Section C – Your Activities

1) Please provide a full and clear description of the activities of all Proposers declared in Section A Question 1), including any features of your work which you believe may be of interest to Insurers for the purposes of evaluating the risk

2) i) Please state the approximate percentage of fee income:

Activity	Last Year	Next Year
A. Audit, preparation of accountants and tax work - Quoted companies	%	%
B. Audit, preparation of accountants and tax work - Other	%	%
C. Pure Personal taxation	%	%
D. Other pure tax work	%	%
E. Tax Mitigation Scheme* Introduction Commissions	%	%
F. Payroll and bookkeeping	%	%
G. Management consultancy	%	%
H. Secretarial and share registration	%	%
I. Executorship & trusteeship	%	%
J. Insolvency, liquidation and receiverships	%	%
K. General Insurance and building society commissions	%	%
L. Stock exchange commission	%	%
M. Investment and financial services commissions	%	%
N. Directorships	%	%
O. Computer consultancy	%	%
P. Mergers, acquisitions, take-overs and disposals	%	%
Q. Probate	%	%
R. Other (Please specify)		
Total	100 %	100 %

\* Tax Mitigation Schemes or packages include loans, investments and trusts which are pre-planned artificial transactions designed to produce a specific tax outcome including but not limited to tax loss, tax deductible allowance or tax exempt profit. Examples include offshore trusts, film partnership/production/finance schemes, stamp duty land tax (SDLT), employee benefit trust (EBT) and employer finance retired benefit schemes (EFRBS) or schemes listed or similar to those on HMRC Spotlights.

- ii) Are there any previous activities not declared in questions 1) and 2) which you require cover for? YES / NO  
If 'YES', please give details:

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3)

- i) Please state your gross income/fees (including those paid to sub-contractors) for each of the last three financial years and an estimate for the next financial year in respect of income/fees billed to clients based in the following territories

Territorial of clients	Last Year	Second Year Back	Third Year Back	Next Year (Estimate)
A) United Kingdom	£	£	£	£
B) European Union (ex UK)	£	£	£	£
C) USA or Canada, and their territories and possessions	£	£	£	£
D) Elsewhere	£	£	£	£
Total of A) to D)	£	£	£	£
Average Fee per client	£	£	£	£

- ii) Financial Year Ending (e.g. 31/12): /

- iii) Do you enter into any contracts where legal jurisdiction is anything other than UK? YES / NO

- iv) If you have declared fees from any territory other than the UK or have answered YES to question iii) please give full details including nature of contract, dates, countries involved, contract values and jurisdiction applicable

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- 4) Please provide details of the work for the 3 largest fees received in the last year or anticipated in the forthcoming year

Client name	Nature of services provided (i.e. accountancy, audit, tax,)	Fee income to you
1)		£
2)		£
3)		£

- 5) Are you or any individual partner or director a member of any consortium or joint venture (JV)? YES / NO  
If 'YES', please provide full details including the name of the consortium/JV, the services you provide and fee income

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- 6) If work is undertaken for public companies, give the following details: a name of client(s) b nature of business of the client(s) c nature of the services provided by the Proposer to such client(s)

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- 7) If insolvency, liquidation and receivership work is undertaken, give the following details:
- a types of arrangements handled
  - b typical and maximum values handled for each type of arrangement
  - c Specialist qualifications and experience of those involved in this work

- 8) Does or has the Proposer undertake or has the Proposer undertaken work of any description for any of the following:
- i. Banks, investment funds or schemes and other Financial Institutions YES / NO
  - ii. Insurance Companies, Lloyd's Syndicates, Lloyd's managing or members' agents or Underwriting Agencies YES / NO
  - iii. Any 'off-shore' companies YES / NO
  - iv. Entertainment industry clients or sporting professionals YES / NO

If "YES", Give details of the name(s) of clients, fees earned and the services provided

- 9) What type of tax planning or consultancy services are offered by the Proposer (give examples):

- 10) What specialist qualifications and experience do those involved in this work have including membership of any professional body's taxation faculty?

- 11) What registers are maintained by the Proposer in relation to taxation deadlines (for example, in connection with the dissolution of partnerships)?

- 12) Is there any involvement with tax mitigation schemes or packages? \* Yes / No  
If "YES", please ask your broker for an Aqueous Accountants Tax Questionnaire to be completed and returned with this proposal form.

\* Tax mitigation schemes or packages include loans, investments and trusts which are pre-planned artificial transactions designed to produce a specific tax outcome including but not limited to tax loss, tax deductible allowance or tax exempt profit. Examples include offshore trusts, film partnership/production/finance schemes, stamp duty land tax (SDLT), employee benefit trust (EBT) and employer finance retired benefit schemes (EFRBS) or schemes listed or similar to those on HMRC Spotlights.

- 13) Is the Proposer
- a. Licensed to undertake insurance mediation work as defined in the Designated Professional Body Handbook of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland Yes / No
  - b. Authorised to undertake insurance mediation work by the Financial Conduct Authority Yes / No
- If "Yes" please provide full details, including FCA status, i.e. FCA authorised, Appointed Representative or Introducer Appointed or other

- 14) Are you authorised to undertake investment work by the FCA or any Designated Regulatory body? Yes / No  
If "Yes", state the Authorising Body and the category of authorisation

- 15) If fees/commission have been received in for investment and financial services work please state the percentage breakdown of the amount declared:

- a. Independent financial advice \_\_\_\_\_ %  
b. Restricted financial advice \_\_\_\_\_ %  
c. Introduction to a financial adviser \_\_\_\_\_ %  
d. Introduction direct to a product provider\* \_\_\_\_\_ %

\* If any fees are declared for d. please state below:

- i. the terms upon which the introduction is made  
ii. the names of the providers  
iii. type of products  
iv. whether the provider gives advice  
v. the values invested  
vi. number of clients

- 16) Is the Proposer authorised or licensed to undertake Probate Work as defined under the Probate Regulations of the Institute of Chartered Accounts in England and Wales YES / NO

- 17) State below how you handle pension work including auto enrolment. Do You:
- |   |          |
|---|----------|
| a Support Your clients in their selection of a pension scheme?          | YES / NO |
| b Identify pension providers?   | YES / NO |
| c Recommend pension providers?  | YES / NO |
| d Compare investment funds, charges and services applicable on schemes? | YES / NO |
| e Signpost to the government workplace pension NEST?                    | YES / NO |
| f Refer to another advisor?   | YES / NO |
| g Undertake payroll related activities?                                 | YES / NO |

## Section D – Sub-contractors and consultants

- 1) What percentage of your income is paid to sub-contractors or consultants? \_\_\_\_\_ %
- 2) Do you enter into written agreements with your sub-contractors or consultants? YES / NO
- 3) Do you ensure that any consultants (or contractors with design/advice/specification responsibility) for which you are responsible have a professional indemnity policy in force? YES/ NO  
If "YES ", what is the minimum limit of indemnity you insist on? £ \_\_\_\_\_
- 4) What vetting procedures do you undertaken of sub-contractors and consultants including but not limit to suitability and experience to perform the work, financial checks, etc?

5) How is the work of sub-contractors or consultants reviewed?

6) Do you require sub-contractors or consultants to be covered\* under your Policy for claims made against them in respect of work they perform on your behalf?

YES / NO

If 'YES', please give details of the work undertaken by such sub-contractors or consultants on your behalf and the names of such sub-contractors or consultants

\* Your vicarious liability for the actions of sub-contractors or consultants employed by you is normally covered automatically

## Section E –Controls and Risk Management

1) Are written contracts used for all jobs/contracts?

YES / NO

If "NO", please explain the circumstances in which you would not have a written contract

2) Do you use a standard form of contract, agreement or letter of appointment?

YES / NO

If "YES", please provide us with copies.

If "NO", please explain why and detail the alternative methods you use to confirm terms of engagement with your clients?

3) If a client changes the specification during a job/contract, do you always confirm the change to a client in writing explaining that it was the client's decision and whether following, or against your advice, as appropriate?

YES/ NO

If "NO", please explain the circumstances in which you would not confirm a change in writing

4) Do you commit your client to contracts with third parties?

YES / NO

If "YES", do you always obtain your clients' written acceptance of the terms of contracts before committing them?

YES / NO

If "NO", please explain the circumstances in which you would not obtain your clients' written acceptance

5) How long after the completion of a job/contracts are contracts and documents retained? \_\_\_\_\_

6) Do you have a formal quality assurance or control programme in force?

YES / NO

If "YES", please provide details.



- 7) Is the Proposer a member of any professional organisation or trade association (i.e. ICAEW ICAI ICAS ACCA ATT AAT)? YES / NO  
If "YES", please provide details.

- 8) Please provide details of any accreditations (e.g. investors in people), quality assurance certification (i.e. ISO 9001) or industry awards held by the Proposer or any professional code(s) of practice you work to (i.e. ICA, ACCA)

- 9) Do you always obtain satisfactory written references, verify qualifications and previous experience and check any previous Professional Indemnity claim or circumstance history when engaging employees? YES / NO  
If "NO", please provide details below

- 10) How do you ensure that you and your staff keep up to date with changes in legislation and other legal developments which affect the type of work you do and the services you offer?

- 11) If you are a sole principal, please provide details of the arrangements for office supervision during your absence?

- 12) Do you have written checklists and/or work procedures for the services which you provide? YES / NO

- 13) How is work undertaken by staff checked, vetted or audited, by who and how often?

- 14) Have you identified the risk associated with your field of work and taken action to minimise these risks? YES / NO  
If "YES", please provide details below

## Section F – Your Professional Indemnity Insurance arrangements

- 1) Please provide details of your current insurance. You need not answer this question if you are currently insured with us.  
If you are not currently insured, please state 'Not Insured'.

Insurer	
Renewal Date	
Limit of Indemnity	£
Limit Basis (delete as appropriate)	Any one claim (per Single Claim) / Aggregate (all Single Claims)
Premium (ex IPT)	£
Excess	£
Retroactive Date	

- 2) Has any insurer ever:

- i) declined to offer insurance to the Proposer or any Principal, Partner, Member or Director? YES / NO
- ii) imposed any special terms on the Proposer or any Principal, Partner, Member or Director? YES / NO
- iii) cancelled or voided an insurance for the Proposer or any Principal, Partner, Member or Director? YES / NO

If you have answered 'YES' to any of these questions, please provide full details:

- 3) What Limit of Indemnity and Excess do you now require?

Limit of indemnity	Excess
£250,000	£500
£500,000	£1,000
£1,000,000	£2,500
£2,000,000	£5,000
£5,000,000	£10,000
Other (please specify) £	Other (please specify) £

- 4) Has the Proposer suffered any loss during the past five years through fraud or dishonesty of any employee? YES / NO  
If "Yes", state date, circumstances, amount and steps taken to prevent recurrence

## Section G – Your Professional Indemnity Claims history

- 1) Has any claim, whether successful or not, ever been made or threatened against you, your predecessors in business or any past or present Principal, Partner, Member, Director or Employee? YES / NO
- 2) Are you or any of the Principals, Partners, Members, Directors or Employees AFTER FULL ENQUIRY, aware of any incident, fact, matter, act or omission which may give rise to a claim against you, your predecessors in business or any past or present Partner, Principal, Director or Employee? YES / NO

If you have answered 'YES' to any of the Claims History Questions, please provide full details including dates, amounts involved, brief details of the nature of the claim, whether the claim is paid or still outstanding and state the steps taken to prevent a reoccurrence.

## Section H - Additional Information

Please use this space to provide additional information in support of the answers given within the proposal form or simply to provide further details about you or your activities which you feel would be of interest to us or material to the risk. In particular, where you envisage giving a different answer to any of the questions above in the next 12 months because you anticipate your circumstances may or will change, please disclose that here.

Please clearly show the question number to which the information relates.

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## SECTION I - DECLARATION

This declaration should be signed by a Principal, Partner, Member or Director of the Proposer who is fully authorised by the Proposer to do so.

I/we declare that, after full enquiry and reasonable search of information available that the contents of this Proposal Form are true and that I/we have not misstated, omitted or suppressed any material fact or information.

I/we declare that the information within or appended to this Proposal Form and any other information presented to the **Insurer** is a **Fair Presentation** and I/we undertake to disclose information relating to any material alteration of the matter of facts previously supplied to **Insurers**.

*A "Fair Presentation" shall mean the statutory duty upon the **Insured** to provide a fair presentation of the risk, more particularly described in Part 2 of the Insurance Act 2015.*

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

## FAIR PROCESSING NOTICE

### PERSONAL INFORMATION

The following explains how we will handle personal information, which we may need to request, in order to provide our services to the **Insured**.

Where this proposal form uses a term which is defined in the General Data Protection Regulation (Regulation (EU) 2016/679) ("Regulation"), then the definition set out in the Regulation shall apply.

### Data Protection

The **Insurer** and Aqueous Management Limited (the **Insurer's Agent**) will process the information they hold about the **Insured**, its employees and other individuals connected to the **Insured** (including their personal data) for the purposes of providing insurance, fraud prevention, debt recovery and handling claims, as outlined in more detail in the Privacy Notice, a copy of which is available at <https://www.aqueousuw.com/privacy-notice>. This may mean providing some details to third parties involved in providing insurance cover, or maintaining fraud databases. These third parties may include law enforcement and other statutory bodies, insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies, insurance regulatory authorities and other companies that provide a service to the **Insurer**. For more detail on the way in which personal data will be processed, please refer to the Privacy Notice.

The **Insured** will ensure that all personal data provided to the **Insurer** and the **Insurer's Agent** has been collected and provided in compliance with all applicable laws. The **Insured** will notify data subjects of the fact that their personal data will be provided to the **Insurer** and the **Insurer's Agent** and the purposes for which their personal data will be used.

Aqueous Underwriting is a trading name of Aqueous Management Limited (AqML) which is an appointed representative of Davies MGA Services Limited, a company authorised and regulated by the Financial Conduct Authority under firm reference number 597301 to carry on insurance distribution activities.

AqML is registered in England and Wales. Company Number 09634781.

Registered Address at 10<sup>th</sup> Floor, 5 Churchill Place, London, E14 5HU.

The above details can be checked on the Financial Services Register by visiting the FCA website and searching by FRN.



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