

# Professional Indemnity Insurance Proposal Form for Insurance Intermediaries

Please complete all questions in ink. If there is insufficient space please supply the information on a separate sheet of paper indicating the question to which the answer refers. This proposal form must be completed by a Partner or Director of the Firm.

## 1. Name and Address Details

1.1 Name of Firm (including any subsidiaries for whom cover is required).

	Establishment Date(s)

1.2 Name of all predecessors of the Firm for whom cover is required.

	Date of Establishment	Cessation

1.3 Principal Address and location of all other offices.


Main office telephone number

Firm's Website address

## 2. Partners/Directors Details

Name	Age	Qualifications	Date Qualified	How long a Partner/Director/ in the Firm

If under five years experience in this occupation please supply a Curriculum Vitae

**3. Staff Details**

3.1 Please state numbers of:

Partners/Directors	Qualified staff	Other staff	Self-employed persons

3.2 Does the Firm have a compliance officer or risk manager?

If **YES** please provide details:

Name	Date joined	Qualifications

If **NO** who is responsible for the internal risk management and adherence of FSA guidelines?

Name	Date joined	Qualifications

**4. Fee Income**

4.1 Please state the following figures relevant to the firm's financial year ending:  
 ..... (day) ..... (month)

	Past Year ending .....	Current Year ending .....	Estimate for coming year ending .....
a) Premium Income			
b) Gross Brokerage/ Commission/fees			
c) Net Retained* brokerage/commission/fees			

\* Net retained is established after deduction of commission paid to sub-agents/consultants.

**5. Business Activities**

5.1 Is the Firm a member of any of the following professional associations?

- Financial Services Authority (FSA)
- British Insurance Brokers Association (BIBA)
- Others (Please state)

5.2 Please specify the percentage of the business' gross commission/brokerage/fees received in the last completed financial year

	UK %	USA/Canada %	Elsewhere %
a) Personal Lines (excluding motor)			
b) Commercial Motor			
c) Private Motor			
d) Commercial Property			
e) Commercial Liability			
f) Professional Indemnity			
g) Directors' and Officers' Liability			
h) Marine (small craft)			
i) Other Marine			
j) Aviation (small private)			
k) Other Aviation			
l) Reinsurance			
m) Life Insurance			
n) Pensions			
o) Mortgage Broking			
p) Personal Investment			
q) Construction Insurance			
r) PHI Medical			
s) Personal Accident / Travel			
t) Other (please attach details)			
Total Gross Fees received	%	%	%

5.3 In respect of any of the above categories is more than 50% of the business placed with one Insurer?

**YES/NO**

If YES please provide details

5.4 Has the Firm ever (or does it intend to in the next 12 months) undertaken any work involving Mortgages, Pensions, Income Drawdowns, Split Capital Investments, Zero Dividend Bonds or any other financial products?

**YES/NO**

If **YES** a separate questionnaire will need to be completed..

5.5 (a) In respect of fire and perils, please give details of the two largest Sums Insured that you place ie, the material damage and business interruption combined exposure

Client	Risk	Sum Insured

(b) In respect of public liability, products liability, or professional indemnity risks, please give details of the two highest limits that you place

Client	Risk	Sum Insured

5.6 Does the Firm operate any binding authority arrangement whereby an insurer or underwriter has granted the Firm authority to set rates, terms and conditions and/or handle claims without referral?

**YES/NO**

If **YES** please complete the attached questionnaire

5.7 Please give details of any insurances placed with insurers or underwriters who do not operate in the UK or who are not members of the ABI or Lloyd's.

**6. Other Financial Interest**

Does the Firm or any Partner have any association with, or financial interest in any other Firm or organisation (other than a share or stockholder in a Publicly Quoted Company)?

**YES/NO**

If **YES** give full details of the nature of the association or interest together with the name and business of the Firm or organisation.

**7. Internal Control Procedures**

- 7.1 Does your Firm insist on satisfactory written references from former employers for the three years immediately preceding the engagement of any employee responsible for money, accounts or goods?  
**YES/NO**
- 7.2 Will any Director, Partner or Employee be authorised to sign cheques on their sole signature in respect of the Firm's or Clients' accounts.  
**YES/NO**  
If **YES** please state name, position and limit
- 7.3 Does the Firm keep current and accurate records of its financial status in compliance with relevant legislation?  
**YES/NO**  
If **NO** please explain why not
- 7.4 Does the Firm have compliance and procedure manuals related to all aspects of its operation?  
**YES/NO**  
If **NO** what system of quality control is in place to ensure that professional standards are achieved and maintained?
- 7.5 Does the Firm have supervision procedures in place to check outgoing correspondence of staff with less than 2 years experience?  
**YES/NO**  
If **NO** please explain why not
- 7.6 Is there a complete annual audit by a Firm of professional accountants?  
**YES/NO**
- 7.7 Are clients' funds kept in properly designated client accounts separate from the accounts of the business.  
**YES/NO**  
If **NO** please explain why not

**8. Disciplinary**

8.1 Has the Firm or any Partner/Director or Employee, either past or present, ever been the subject of disciplinary proceedings or investigations by the Financial Services Authority (FSA) General Insurance Standards Council (GSC) or any other regulatory body or professional organisation?

**YES/NO**

8.2 Has any Partner/Director or Employee been involved in any instances of fraud or dishonesty.

**YES/NO**

If **YES**, to 9.1 and/or 9.2 please provide full details

**9. Current Insurance Arrangements**

If the Firm currently has Professional Indemnity Insurance please provide the following details.  
(This information is not required where the policy is currently arranged by Howden Insurance Brokers)

Name of Insurers	<input type="text"/>
Limit of Indemnity	<input type="text"/>
Retroactive date:	<input type="text"/>
Excess	<input type="text"/>
Policy Expiry date	<input type="text"/>

**10. Previous Applications for Insurance**

Has an Insurer ever:

- a) Declined to insure this Firm or any Partner? **YES/NO**
- b) Imposed special terms? **YES/NO**
- c) Cancelled or voided an insurance? **YES/NO**

If any answer is **YES** please give full details

**11. New Insurance Arrangements**

12.1 What limit of indemnity do you require a quotation for?

12.2 If you have any specific requirements with regard to your Professional Indemnity Insurance please state these in the space provided below

**11. Claims**

11.1 Have any claims alleging professional negligence, error or omission (successful or otherwise) been made against the Firm or it's present or former Partners/Directors and/or predecessors in business during the past 10 years ?

**YES/NO**

If YES, please give full details including amounts

Date of Claim	Details	Amount claimed	Amount Paid	Defence costs (if known)	Insurers' Reserve (if known)

11.2 Are any of the Partners/Directors AFTER ENQUIRY of all staff and consultants aware of any circumstances or events which may give rise to a claim against the Firm or it's present or former Partners/Directors and/or predecessors in business?

**YES/NO**

If YES please give full details

**Important Notice Concerning Disclosure of Material Information**

**It is essential that every proposer or insured, when seeking a quotation, taking out or renewing an insurance, discloses all material facts to Insurers. A material fact is one that is likely to influence the judgement of an Insurer in fixing the premium or in determining whether to accept the risk. If your proposal is a renewal it should include any changes in facts previously advised to insurers. If you have any doubt about facts considered material you should disclose them.**

**Failure to disclose could prejudice your rights to indemnity in the event of a claim or cause Insurers to void your policy.**

**Declaration**

I/We declare that the statements made and particulars given in the Proposal are true and I/We have not mis-stated or suppressed any material fact.

I/We undertake to inform Insurers of any material alteration to these facts occurring before completion of the contract of insurance.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Signature of Partner/Director \_\_\_\_\_

Name of Partner/Director \_\_\_\_\_  
(capitals)

**A copy of this proposal should be retained by you for your own records**

**Binding Authority Questionnaire** (relating to question 5.6 of proposal form).  
Please complete one questionnaire for each of the Binding Authorities held.

1) Name of Firm holding authority

2) Class of business authorised and state whether direct or reinsurance

3) Does the Firm have authority to set rates, terms and conditions within guidelines contained within the authority?

**YES/NO**

4) Does the Firm have Claims handling/settlement authority?

**YES/NO**

If **YES** please provide details

5) List all Insurers, Lloyd's Syndicates or Reinsurers subscribing

6) Maximum sum insured for any one risk.

7)	Origins of business accepted:	UK	<b>YES/NO</b>
		Europe	<b>YES/NO</b>
		USA/Canada	<b>YES/NO</b>
		Elsewhere	<b>YES/NO</b>

8) Describe the normal manner in which business is accepted

9) Total premium income for current financial year ending \_\_/\_\_/\_\_ \_\_\_\_\_  
 Past financial year \_\_\_\_\_  
 Estimate forthcoming financial year \_\_\_\_\_

10) Total commission / fees / earnings for current financial year ending \_\_/\_\_/\_\_ \_\_\_\_\_  
 Past financial year \_\_\_\_\_  
 Estimate coming financial year \_\_\_\_\_

11)	Method of operation:	Available for Firm's business only	<b>YES/NO</b>
		Accepts business from other brokers	<b>YES/NO</b>
		Other (please specify)	<b>YES/NO</b>

12) Is the Binder profitable? **YES/NO**

13) a) Is there any restriction in the authority(ies) as to who within the Firm may accept risks? **YES/NO**

b) Does the Firm delegate their authority to any outside agent, firm or organisation? **YES/NO**

14) Please complete the following in respect of all persons engaged in the acceptance and binding of risks under the authority(ies).

<b>Name</b>	<b>Position</b> (if less than three years practical experience in this area please give brief details of previous occupation)
-------------	---

_____	_____
_____	_____
_____	_____
_____	_____

15) Date of last audit \_\_\_\_\_

---

This questionnaire forms part of the Proposal Form dated \_\_\_\_\_

Signature of Partner / Director / Proprietor \_\_\_\_\_

Name of Signatory \_\_\_\_\_

---