



PROFESSIONAL INDEMNITY
PROPOSAL FORM

secondary intermediaries

PLEASE READ THE FOLLOWING BEFORE

COMPLETING THIS PROPOSAL FORM:

TO PRESENT A CLEAR AND UNAMBIGUOUS PICTURE AND TO ENSURE THAT UNDERWRITERS UNDERSTAND THE NATURE OF YOUR RISK:

- * ALL QUESTIONS SHOULD BE COMPLETED IN INK.**

- * WHERE A QUESTION IS NOT APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES, PLEASE WRITE 'N/A'.**

- * PLEASE TICK THE YES OR NO BOXES.**

- * IF THERE IS INSUFFICIENT SPACE TO ANSWER QUESTIONS PLEASE USE AN ADDITIONAL SHEET AND ATTACH IT TO THIS PROPOSAL FORM.**

- * COMPLETING AND SIGNING THIS PROPOSAL FORM DOES NOT BIND THE PROPOSER OR INSURERS TO COMPLETE THIS INSURANCE.**

- * IF THIS PROPOSAL RELATES TO A NEW BUSINESS OR VENTURE, PLEASE COMPLETE THE QUESTIONS AS FAR AS POSSIBLE, GIVING ESTIMATED OR ANTICIPATED INFORMATION.**

PROFESSIONAL INDEMNITY INSURANCE

An Individual or a Partner, Principal or Director of the Firm/Company must complete the proposal form in ink. All questions must be answered to enable a quotation to be given. The completion and signature of this proposal form does not bind the Proposer or Insurers to complete a contract of insurance.

If there is insufficient space to answer any question, please continue on your headed notepaper and attach it to this form.

Please provide any standard contract terms, conditions, agreements or letters of appointment, which you have with your clients.

PLEASE TYPE OR CLEARLY PRINT YOUR ANSWERS TO ASSIST THE UNDERWRITERS' CONSIDERATION OF THE PROPOSAL.

1a) Name of Individual or Firm(s) (including any subsidiary requiring cover):

b) Date established:

c) Address(es) (specifying who is responsible, if there is more than one location):

d) Specify main business activities:

e) Website:

e-mail address:

f) Name(s) of any previous Firm(s) requiring cover and the date(s) on which they ceased trading:

2 Name of Applicant(s)
Individual, Partner,
Principal or Director

Age

Number of years
Practical Experience
(in Insurance)

3a) Are you a member of or affiliated to any Trade Body?
If yes, please give details. **YES/NO**

b) Has any person been the subject of disciplinary proceedings by any Trade Body?
If yes, please give details. **YES/NO**

c) Please confirm whether you or the Firm is authorised, by the Financial Services Authority,
to sell financial products. **YES/NO**

d) If no, have you applied to join the F C A?
If yes, please provide details **YES/NO**

e) Has an application for membership of any trade body or regulatory authority **ever** been refused?
If yes, please give details **YES/NO**

4a) Please state the total number of persons approved to give advice, to customers, in connection with
financial products:

Partners, Principals or Directors:

Other Staff:

b) Have any staff been dismissed, by you, in the past three years?
If yes, please provide details of the circumstances **YES/NO**

5 If you are a sole trader, please give details of arrangements made in the event of sickness or holiday.

6 Please list, from your total financial product activities, the approximate percentage of work carried out, in each instance:

Motor Insurance	%
Gap Cover	%
Vehicle Replacement Protection Cover	%
Vehicle Recovery	%
Mechanical Breakdown Insurance	%
MOT Insurance	%
Tyre and Exhaust Insurance	%
Key Fob Insurance	%
Extended Warranties (Vehicles)	%
Payment Protection	%
PLEASE COMPLETE THE SEPARATE QUESTIONNAIRE	
Early Termination	%
Credit Protection	%
Keyman Insurance	%

6 (continued)

Extended Warranties (White Goods)	%
Extended Warranties (Brown Goods)	%
Loss of or Damage (White Goods)	%
Loss of or Damage (Brown Goods)	%
Loss of or Damage (Other Goods) (please specify)	%
Home Insurance	%
Home Services	%
Travel	%
Any other Insurance or Financial Products/Services PLEASE PROVIDE FULL DETAILS	%

7 Please state your gross insurance income (commission), received for each of the last three financial years, billed to customers, and an estimate for the next twelve months or an estimate, if you have never traded.

Year

20 Income

20 Income

20 Income

Estimate

20 Income

Financial Year ends: (Month)

8a) Please list the three largest contracts/customers handled, in the last three years:

i)

ii)

iii)

b) What is the largest and average annual commission income, earned from a single customer, in the last twelve months?

Average: £

Largest: £

c) Do you clearly disclose to your customers your adviser status and any commission earned, in accordance with FSA guidelines? **YES/NO**

If no, please explain

d) In the case of Overseas contracts/customers, please list the countries involved and confirm that U K law applies. Also, please give brief details of the contract(s) and size.

e) Please advise the largest sum insured/limit of liability: £

9a) Have there been any major changes in the financial product activities undertaken during the past twelve months or are any likely to take place in the next twelve months? **YES/NO**

If yes, please give details.

b) Is cover required for any financial product activity, now ceased, which is different from those declared, within this proposal form? **YES/NO**

If yes, please give details.

10a) Do you sell any financial product provided by an insurer that operates outside the U K?

YES/NO

If yes, please give details.

b) Do you or have you sold insurance written by an insurer not authorised by the Department of Trade and Industry, to conduct business in the UK, or an equivalent regulatory body, in the EU?

YES/NO

If yes, please give full details

c) Have you ever placed business with an underwriting agency?

YES/NO

If yes, please give details

d) If yes to c), have you checked the validity of their authority and ensured that they are backed by DTI registered insurers?

YES/NO

e) Do you have any procedure in place to monitor the financial security of your insurance partners?

YES/NO

f) Do you have a contingency plan in place, should an insurer fail?

YES/NO

Please provide details, if you do, and what steps you will take if you currently don't

11 Do you sell insurance to any customers resident outside the U K?

YES/NO

If yes, please give details.

12a) Do you **ever** complete an application form, on behalf of a customer?

YES/NO

b) If yes, do you ensure that the customer checks the accuracy of the answers given and information provided and **always** signs and dates that application form?

YES/NO

13a) Please describe, fully, the training given to those Partners, Principals, Directors or Employees that give advice in respect of financial products:

b) Please complete the following in respect of all persons engaged in providing advice in respect of financial products:

Name

Position

If less than five years practical experience in this field, please give brief details of previous occupation

c) Do you have a detailed 'conduct of business' manual?

YES/NO

d) If yes:

i) Who is responsible for implementing this?

ii) How often is it reviewed/updated?

14 If you have a legal responsibility to draw to a customer's attention the renewal of a financial product, do you have in place an adequate and efficient system that ensures that diary dates are not missed? **YES/NO**

15a) Do you collect cash/cheque/credit card premium payments directly from clients? **YES/NO**

b) If yes, do you have a dedicated trust account, for the premium? **YES/NO**

16a) Do you undertake work for or are you associated, either by shareholding or official position, with any company/organisation, where you are in a position to make major decisions? **YES/NO**
If yes, please give details.

b) Have any of the Partners, Principals or Directors been a Partner, Principal or Director or been associated with any business that has ceased trading, either voluntarily or compulsorily? **YES/NO**
If yes, please give details

17 Please give details of the three largest insurers you use, by commissions generated:

Insurer

Commission

18 Do you hold or have you held any Binding Authority, granted by an insurance company, Lloyd's syndicate or other underwriting agency, which allows you, at your discretion, to set rates, terms and conditions and/or handle claims? **YES/NO**

IF YES, PLEASE ANSWER THE SEPARATE BINDING AUTHORITY QUESTIONNAIRE

19 For what period of time do you retain paper financial product files before destroying them?

20 Do you currently have Professional Indemnity insurance?

YES/NO

If yes, please give details.

Expiry Date:

Limit:

Excess:

Insurer:

21 If you have previously purchased Professional Indemnity insurance have you ever had it cancelled, declined or only written at special terms?

YES/NO

If yes, please give details.

22 Please state: limit of indemnity required

: self insured excess

23a) Do you always require satisfactory written references when engaging employees? **YES/NO**

b) Is any Partner, Principal, Director or Employee allowed to sign cheques on their sole signature? **YES/NO**

If yes, please give details

c) How often are employees who receive cash or cheques, during the course of their duties, required to pay these in?

d) How often are checks carried out on all entries in cash books, with all paying-in books, receipts, counterfoils and vouchers being reconciled with bank statements, including the balance of cash and unrepresented cheques, independently of employees receiving or banking monies, belonging to the Firm or in trust, on behalf of others?

24 **Have you EVER had any claims made against you or know of any circumstances that could or would have resulted in a claim, if cover had been in force?** **YES/NO**

If yes, please give full details.

BINDING AUTHORITY QUESTIONNAIRE

TO BE COMPLETED BY ANY PROPOSER THAT HAS BEEN GRANTED A BINDING AUTHORITY

1a) Date authority commenced:

b) Are records maintained, to ensure that renewal of this authority is discussed and provision made for non-renewal, well before the expiry of such agreement? **YES/NO**

If no, please explain fully.

2 List all insurance companies, Lloyd's syndicates or underwriting agencies who provide you with such authority:

3 Classes of business you are allowed to bind:

4 Maximum limits you are permitted to bind, in each class:

5 Please give brief details of normal methods of binding business.

6 Do you or any other person in the Firm have full power to accept risks and set premiums, without prior reference or referral, within a specified period after their acceptance, to the insurer granting the authority(ies)?

YES/NO

Please give details of limitations applicable or authority to vary the rates contained in the authority.

7 Total premium income, from all binding authorities for:

i) Current financial year ending:	£
ii) Past financial year:	£
iii) Estimate for coming financial year:	£

8 Total commissions and fees, from all binding authorities, for:

i) Current financial year ending:	£
ii) Past financial year:	£
iii) Estimate for coming financial year:	£

9 Do all or any of the 'binders' restrict authority to:

i) named persons in the Firm, who may accept risks?

YES/NO

ii) If yes, please give full details, including information relating to controls in place/training and checking of such work, and how often this is undertaken.

10 Please complete the following in respect of all persons engaged in the acceptance and binding of risks, under any authority:

Name

Position

If less than three years practical experience in this field, please give brief details of previous occupation

11a) What training, if any, is given to the employees, in respect of the operation of the binding authority(ies) you have been granted?

b) Please also confirm that all employees are required to sign documentation confirming that they have fully understood the training given

YES/NO

12a) How often is this training up-dated?

b) When was the last formal training session undertaken?

13a) Is there a formal written set of guidelines in place for the operation of the authority?

YES/NO

b) What measures exist to ensure compliance with the guidelines?

14a) Does every individual, operating under the binding authority, have access to the guidelines and are all updates and amendments communicated effectively to all employees? **YES/NO**

If yes please provide details of when the last update was communicated.

b) How regularly is this done?

15a) Are audits undertaken on a regular basis, by insurers, of those binding authorities you hold?

YES/NO

If yes, how often do the insurers perform such an audit and review files?

b) When did the last audit take place?

c) What independent checks are made, by Partners, Principals or Directors, of the parameters of all binding authorities you hold?

16 Did anything emerge from this or any previous audit that may give rise to a claim or at which the insurer expressed concern?

YES/NO

If yes please provide full details and explain the measures taken to address the issues raised.

17 What other safeguards are in place to ensure that the terms of the Binding Authority are complied with?