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PROFESSIONAL INDEMNITY PROPOSAL FORM FOR INSURANCE BROKERS

Please answer all the questions and complete this form in ink, also signing and dating the declaration as provided. This proposal shall form the basis of any insurance contract and all of the information that you provide will become part of the policy, but its completion and submission does not oblige either party to offer or complete a contract of insurance.

It is very important that you disclose fully and accurately all material facts, irrespective of any previous disclosure. If you require more space please continue in the space provided at the end of this form, if necessary attaching further details on your headed paper. Material facts are those which may affect insurers' acceptance or assessment of the risk. If you have any doubt as to whether something is a material fact it is recommended that you disclose it. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this form or any supporting information, or of a material change prior to policy inception could be grounds for avoidance.

The duty to disclose fully and accurately all material facts is not confined to the completion of this proposal, but continues throughout the period of any insurance contract which may be arranged on the basis of it. It is therefore equally important that you advise us promptly of any material change to the information provided in this proposal or supporting information. This includes but is not limited to changes in business, management or ownership structure and changes in professional status or areas of activity. If you have any doubt as to whether something is a material change it is recommended that you disclose it. Here again, any misrepresentation, omission, concealment or incorrect statement of a material change could be grounds for avoidance.

If you are aware of any claims, or circumstances which may give rise to a claim, please be sure that you report them immediately, in a separate letter, to your current broker and/or insurer. The information contained within this proposal form is for underwriting purposes and not for claims processing. We would remind you that this type of policy is written on a claims made basis. There are no days of grace for renewal negotiations under this type of policy. All cover will terminate at expiry date.

If you need any assistance in the completion of this form please do not hesitate to contact us.

3 STAFF DETAILS

Please provide the following details in respect of every partner, principal, director and compliance officer employed by the proposing entities, if necessary continuing on a separate sheet. If you are a new firm, please provide in addition an up-to-date professional CV in respect of each partner, principal, director and compliance officer.

Name	Date appointed as principal	Qualifications and year obtained
	/ /	
	/ /	
	/ /	
	/ /	
	/ /	

Please advise the number of employees in the following categories.

Individuals performing controlled functions

Other technical staff

Administrative and secretarial staff

Please specify all professional bodies, regulatory organisations, or trade associations of which the firm or any partner, principal or director holds membership.

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Has any partner, principal, director or employee (past or present) of any of the proposing entities, or any other individual to be covered under the policy, ever:

been the subject of disciplinary proceedings by any professional body?

Yes / No

been involved in any instance of fraud or dishonesty?

Yes / No

been subject to any civil or criminal judgement?

Yes / No

If you have answered yes to any of the above, please provide full details.

Do your recruitment checks in respect of each new member of staff include obtaining written employer references prior to appointment?

Yes / No

4 FEE INCOME

Please provide gross income figures (including all new business and renewal commission, brokerage and fees, for all proposing entities including any ARs) over the following annual accounting periods. If you are a new firm, please advise your projected first year's income and provide in addition a full business plan including cash flow forecasts.

		Previous financial year	Last completed financial year	Projection for current financial year
Financial year end date		/ /	/ /	/ /
Income by client domicile	United Kingdom	£	£	£
	USA and Canada	£	£	£
	Rest of World	£	£	£
	Total	£	£	£
Proportion transacted as fees		%	%	%

If you have changed your accounting date in the past three years or for any other reason the figures shown above do not cover an annual period in all cases please provide full details on a separate sheet.

Please advise the largest cumulative fee charged to a single client or group of clients over any one year in the last three years. *If this exceeds 20% of gross income for that year, please provide further details.*

£

Have you in the last five years derived any fee income (including that disclosed above) from non-UK domiciled clients? *If so, please provide further details including the nature of the work undertaken, territory or territories involved, and amount of income generated per accounting period.*

Yes / No

5 BUSINESS ACTIVITIES

Please provide a breakdown of your gross income (including renewal commission) in the last completed financial year by activity as below, and confirm whether you have conducted each such activity in the last six years. If you are a new practice, please provide estimated figures for your first full year.

Type of work	Activity conducted in the last 6 years?	Income Breakdown (last financial year)
Personal lines		
<i>Motor</i>	Yes / No	%
<i>Other</i>	Yes / No	%
Commercial lines		
<i>Motor</i>	Yes / No	%
<i>Other – open market placement</i>	Yes / No	%
<i>Other – under binding authority</i>	Yes / No	%
Aviation		
<i>Small aircraft</i>	Yes / No	%
<i>Other</i>	Yes / No	%
Marine		
<i>Small craft and Cargo</i>	Yes / No	%
<i>Other</i>	Yes / No	%
Reinsurance	Yes / No	%
Financial Services	Yes / No	%
Mortgage broking and advice	Yes / No	%
Building society agency	Yes / No	%
Private health and medical insurance	Yes / No	%
Other (please provide details)	Yes / No	%
TOTAL		100 %

Has the firm ever been involved in financial services (regulated activities) work or investment business as defined by the Financial Services and Markets Act 2000, including such work included under Financial Services in the breakdown above?

Yes / No

If so, is cover required for these activities work under this policy?

Yes / No

*If so, please request and complete our Financial Services questionnaire. Please note that cover for these past, present or future liabilities arising from these activities is subject to insurers' discretion and confirmation, and that any policy which may subsequently be incepted is **not** designed to provide cover for such liabilities unless these activities are or were a minor or incidental part of the overall activities of the firm. If you are unsure as to what cover may be appropriate in this area, please contact us.*

Please identify your three largest carriers by commissions generated in the last complete financial year.

Insurer	Commission earned
	£
	£
	£

Has the firm at any time in the last 3 years placed Commercial Fire & Perils insurance (i.e. cover for material damage and/or business interruption exposures)?

Yes / No

If so, please provide details of the three largest placements over that time period by total sum insured per client across any/all of the above exposures.

Client and nature of client's business	Class	Sum insured		Number of locations
		Aggregate (across all locations)	Largest (any one location)	
		£	£	
		£	£	
		£	£	

Does the firm place or has the firm in the last 3 years placed Public Liability, Products Liability or Professional Indemnity insurance?

Yes / No

If so, please provide details of the three largest placements over that time period by total limit of indemnity per client across any/all of these exposures.

Client and nature of client's business	Class	Limit of indemnity
		£
		£
		£

Has the firm at any time in the last 3 years placed Marine and/or Aviation insurance?

Yes / No

If so, please provide details of the three largest placements over that time period by total limit of indemnity per client across any/all of these exposures.

Client	Class	Limit of indemnity
		£
		£
		£

Has the firm at any time in the past 3 years operated any binding authority arrangement whereby an insurer or underwriter has granted the firm authority to either set rates, quote terms, or handle claims without referral?

Yes / No

If so, please request and complete our Binding Authorities questionnaire.

Does the firm provide any of the following:

Online services allowing your clients to arrange insurances directly?

Yes / No

Risk management services and/or surveys?

Yes / No

Claims adjusting services?

Yes / No

If yes to any of the above, please provide full details on a separate sheet.



Has the firm ever placed business with insurers or underwriters not both authorised to conduct business in the UK and regulated by the FSA or an equivalent regulatory body elsewhere in the EU? *If so, please provide further details.*

Yes / No

Has the firm ever placed business with an underwriting agency (not including any delegated authorities the firm itself holds)?

Yes / No

If so, have you in all cases checked the validity and extent of their authority and ensured that they are backed by insurers authorised to conduct business in the UK and regulated by the FSA or an equivalent regulatory body elsewhere in the EU?

Yes / No

Please identify the agencies used.

6 COMPLIANCE AND RISK MANAGEMENT

Has any of the proposing entities ever received an Intervention Notice from the FSA or any warning relating to rule breaches? *If so, please provide full details and explain how the position was resolved.*

Yes / No

Is compliance managed with the assistance of a specialist firm?

Yes / No

If so, please complete the following questions.

Please identify the specialist firm.

How frequently does the specialist firm visit your offices?

What proportion of files is checked by the specialist firm?

%

Is the specialist firm involved in dealing with complaints in all cases?

Yes / No

How long has the specialist firm been appointed?

If the specialist firm has been appointed for less than 12 months, please advise what the previous compliance arrangements were, and whether any amendments to the previous compliance regime were necessary.

Is the practice accredited to or in the process of becoming accredited to ISO 9001 (formerly ISO 9000 / BS 5750) Quality Systems?

Yes / No

If so, please give the date from which ISO 9001 accreditation has been continuously held, or the date at which it is expected that this status will be achieved.

/ /

If not, please provide details of any alternative external quality management and/or assessment scheme to which the practice is subject.

Does the firm operate a centralized diary system with manual back-up?

Yes / No

Does the firm retain copies of all Cover Notes, Policies and Endorsements to file?

Yes / No

Has the firm ever destroyed any client paper records or electronic data?

Yes / No

Do all cheques drawn for more than £25,000 require at least two signatures?

Yes / No

Are bank statements, receipts, counterfoils and supporting documents checked at least monthly against the cashbook entries and cash in hand balances?

Yes / No



In respect of all clients does the firm issue in writing:

policy renewal invitations? **Yes / No**

confirmation that cover has been bound subsequent to receipt of instructions from the client and agreement by underwriters? **Yes / No**

confirmation that any policy in respect of which renewal instructions have not been received has lapsed? **Yes / No**

Does the firm ever prepare and/or sign proposal forms on behalf of clients? **Yes / No**

If so, please detail the procedures in place to ensure that the information is accurate, full and complete.

In respect of all quotations (for both new and existing clients) does the firm advise explicitly in writing:

the name of the insurer? **Yes / No**

the details of cover including all limits and any endorsements applicable? **Yes / No**

the details of any warranties applied (including premium payment warranties) and the consequences of non-compliance with the terms of these? **Yes / No**

the period of insurance? **Yes / No**

the length and terms of any extension to the period of insurance if applicable? **Yes / No**

the premium payable with applicable taxes and fees shown separately? **Yes / No**

the period for which the quotation is open? **Yes / No**

7 CLAIMS AND CIRCUMSTANCES

Has any proposing entity (including any predecessors in business and any former principals, directors, employees or Appointed Representatives) in the past six years made any claim, or notified any circumstance which may give rise to a claim, potential claim or loss, which has or could have impacted on your professional indemnity insurance?

Yes / No

If so, please provide full details of all claims and circumstances which may give rise to a claim, potential claim or loss, including the nature of the complaint and date of discovery, or provide a copy of your complaints log. In addition please provide details of any payments by insurers or otherwise. This information must be provided by the Insured. Comments such as see your records and refer to broker are not acceptable and will cause delays in processing this form.

After full enquiry of all partners, principals, directors, employees and Appointed Representatives, are you aware of any claims or circumstances which may give rise to a claim, potential claim or loss to any proposing entity (including any predecessors in business and any former principals, directors, employees or Appointed Representatives) which have not been notified to previous or current insurers?

Yes / No

Any new claim or potential claim should be immediately reported to your existing insurer. It may also be helpful to provide details regarding the corrective measures taken to prevent re-occurrences of any serious incidents reported under both sections above.

8 REQUIRED INSURANCE COVERAGE

Renewal date

/ /

Limit of Indemnity

£

Excess Payable

£



9 CURRENT INSURANCE COVERAGE

Has any insurer ever refused to offer your firm or any predecessor in business renewal terms for professional indemnity insurance, or cancelled a policy already in force? *If so, please provide full details.*

Yes / No

Please advise the retroactive date applied to your current professional indemnity insurance policy.

____ / ____ / ____

Please provide details of your current professional indemnity insurance.

Insurer Premium (excl IPT) £

Limit of Indemnity £ Excess payable £

10 SIGNIFICANT CHANGE AND OTHER MATERIAL INFORMATION

Do you expect there to be any significant change to or in your practice in the coming year? *If so, please provide details.*

Yes / No

Is there any other material information that may be relevant to this application? *If so, please provide details.*

Yes / No

DECLARATION

By signing the proposal form you consent to PYV Limited using the information we may hold about you for the purpose of providing insurance advice and where appropriate assistance in relation to handling claims, if any, and processing sensitive personal data about you where this is necessary (for example, criminal convictions). This may mean we have to give some details to third parties involved in providing insurance cover. These third parties may include insurance intermediaries, third party claims adjusters, fraud detection and prevention services, reinsurance companies, debt recovery agents and insurance regulatory authorities. In the course of performing our obligations to you, this information may be disclosed to agents and service providers appointed by us, and to insurers (which includes their re-insurers, legal advisors, loss adjusters and agents). Where such sensitive personal information relates to anyone other than you, you must obtain the explicit consent of the person to whom the information relates both in respect of the disclosure of such information to us and its use by us as set out above. The information provided will be treated in confidence and, where relevant, in compliance with the Data Protection Act 1998. You have the right to apply for a copy of your information (for which we may charge a fee) and to have any inaccuracies corrected.

I/we declare to insurers that, after full enquiry of all partners, principals, directors and staff, all claims and circumstances which may give rise to a claim have been reported to previous and/or current insurers and that the statements in this proposal form (and attachments if any) are true and complete and shall form the basis of any contract of insurance effected thereupon. I/we undertake to inform insurers of any material alterations to the information provided or any new fact or matter arising before completion of the contract of insurance which may be relevant to the contract of insurance.

A copy of this form should be retained for your records.

For and on behalf of the Insured:

Signature: _____

Date: _____

Title: _____

Firm name: _____



ADDITIONAL INFORMATION

This space is provided for any additional material information, or any further information requested in respect of previous questions. Please continue on another sheet if necessary.



BINDING AUTHORITY QUESTIONNAIRE

Has the firm at any time in the past 3 years:

operated a binding authority which is not agreed in written form between the firm and all insurers accepted risks under the binding authority? **Yes / No**

operated a binding authority which does not operate for a specified period and have a fixed renewal date? **Yes / No**

operated a binding authority under which business can be accepted from outside the UK and/or accepted such business under any binding authority? **Yes / No**

delegated any binding authority to a third party, including any Appointed Representative or subsidiary of the firm? **Yes / No**

in its own rights handled the placing of any reinsurance protection on behalf of insurers accepting risks under a binding authority operated by the firm? **Yes / No**

If yes to any of the above, please provide full details on a separate sheet.

Are formal written guidelines in place for the operation of each binding authority? **Yes / No**

Please provide details of training, performance review and internal audit measures in place to ensure that each binding authority is operated in accordance with the guidelines and that the terms of each binding authority are not breached.

Please provide details of all individuals who can bind risks under binding authorities operated by the firm, confirming their experience and whether they are explicitly named by every binding authority under which they can bind risks.

Name	Relevant experience (including dates)	Explicitly named in all binding authorities?
		Yes / No
		Yes / No
		Yes / No
		Yes / No

How many binding authorities has the firm operated over the past year? *Please complete a copy of the attached Binding Authority Details sheet in respect of each.*

DECLARATION

I/we declare to insurers that the statements in this questionnaire (and attachments if any) are true and complete and shall form the basis of any contract of insurance effected thereupon. I/we undertake to inform insurers of any material alterations to the information provided or any new fact or matter arising before completion of the contract of insurance which may be relevant to the contract of insurance.

A copy of this form should be retained for your records.

For and on behalf of the Insured:

Signature: _____ Date: _____

Title: _____

Firm name: _____



BINDING AUTHORITY DETAILS

Insurer/s

Class of business

Maximum permitted sum insured

Limit of claims authority

Gross premium income Last complete year

Current year estimate

Gross commission earned Last complete year

Current year estimate

Does the firm have discretionary authority over any of the following under this binding authority?

- Types of risk accepted **Yes / No**
- Policy wordings or endorsements **Yes / No**
- Periods of cover **Yes / No**

What discretionary authority over rates does is available under this binding authority? *(Please tick one.)*

- No discretion
- Specific pre-agreed discounts or loadings available
- Full discretion to set rates

How often does the insurer audit the binding authority arrangement and review the files? *(Please tick one.)*

- At least once a month
- At least once a quarter
- At least once a year
- Other *(please provide details below)*

What was the date of the last audit?

Please provide any additional information which may be relevant in the space below.