

Professional Indemnity Proposal for IFA, Brokers and Agents

Important Notes
(A) Answer every question fully. If necessary attach separate sheets with information which can be incorporated into you're your proposal.
(B) A principal, partner, director or member of the firm must complete the proposal and make all the necessary enquiries of their fellow partners, directors, members and employees.
(C) Wherever we ask questions on this declaration about you or your firm we mean you, your partners, directors, members or employees or any former partners, directors, members or employees of any firm for which cover is required under this insurance.
(D) Individuals forming a Limited Liability Partnership (LLP) are known as members.

1.

Name of company / Organisation	Date trading Commenced

2.

Address of Main Office	Other Offices you operate from

Telephone Number	
Fax Number	
E-mail address	
Web site address	

3. (a) Please state the total number of:

Principal/ Directors/Partners		Self-employed staff	
Qualified Staff		Administrative / Other	

(b) Details of all Principals, directors and Partners. Please attach a CV to this proposal form for those unqualified with less than five years insurance experience.

Name	Qualifications	Date qualified	Date commenced

4) Please provide details of any agents or consultants that you require to be indemnified under this insurance explaining their areas of expertise and how long they have operated as your agents.

5) If cover is required for previous business activities undertaken by any Principal/Director/ Partner, please provide full details.

6) Has there been any mergers or acquisitions in the last 10 years, if so, please give details:

7) Do you require cover for any predecessor, if yes, please provide details.

8) Which professional/regulatory bodies do you belong to?

FSA	<input type="checkbox"/>
BIBA	<input type="checkbox"/>
IIB	<input type="checkbox"/>

Please specify any others.

a) If you have applied to the FSA for authorisation please give date you applied:

b) Have you received a “mindful to approve” letter from the FSA:

Yes No

c) If authorised please give your number:

9) If you have acted or currently act as an authorised representative or tied agent for a financial services or general insurance business, please specify with whom.

10) Please complete the table below to state total gross commission plus fee income. Please give estimation for forth coming year if new practice.

		Last Complete year	Current Year Estimate	Forthcoming Year Estimate
Year End				
Commission plus Fees from UK clients	£	£	£	£
Commission plus Fees from overseas Clients (Exc. USA/Canada)	£	£	£	£
Commission plus Fees from USA/Canada Clients	£	£	£	£
Total Commission plus fees	£	£	£	£
Average Commission plus Fee per client	£	£	£	£

11) If you do General or Mortgage Broking, please complete questions 11-17 (where applicable) if you are an 'IFA' only go to question 18. Please give estimation for forth coming year if new practice.

Mortgage Broking	%
Building Society Agency	%
Household & Other Personal Lines	%
Loss Assessing / Claims Adjusting	%
Risk Management	%
Professional Indemnity	%
Marine / Aviation – Personal	%
Marine Aviation – Commercial	%
Other Commercial	%
Motor - Commercial	%
Motor- Personal	%
Reinsurance	%
Construction	%
Bloodstock	%
Other – please specify	%
Total	%

12) (a) In respect of fire and perils (i.e. the material damage and business interruption combined exposure) please state the two largest sums insured.

Client	Risk	Sum Insured
		£
		£

(b) In respect of public liability or professional Indemnity risks, please state the two largest sums insured.

Client	Risk	Limit of Indemnity
		£
		£

13) Please provide details of any significant changes in your activities in the last five years or if you foresee any changes in the next 12 months.

14) (a) Do you place insurance for clients who are resident outside of the UK? Yes No
(b) Do you place Insurances with Insurers/ Underwriters outside of the UK? Yes No

If **yes**, to either of the above, please provide details:

15) (a) If you place business with any underwriting agency, please state the name and country of the agency.

Agency Name	Country

(b) Have you checked the validity of their authority? Yes No

16) (a) Do you operate any Binding Authority where the insurer/s allow business to be accepted on terms set by you without referral? Yes No

(b) If you operate any delegated authority, whether on pre-set terms or not (e.g. household) does income from such authorities exceed 30% of total gross commission / fee income in the last year? Yes No

If yes, to either of the above, please provide details:

17) Are your staff instructed never to sign proposal forms on behalf of clients? Yes No

If no, please provide details:

- 18) (a) Does your annual audit take place by a firm of professional accountants? Yes No
- (b) When engaging employees do you obtain written references going back at least three years? Yes No
- (c) Are any of your employees allowed to sign cheques on their signature alone? Yes No
- If yes, to the amount of £
- (d) Does the principal/ Director / Partner check all cash books, bank statements, counterfoils and receipts at least monthly? Yes No
- 19) Please complete the table below to provide a breakdown of the total commissions plus fee income from the last complete financial year for each sector.

Pensions	%
FSAVC	%
Pension Transfers	%
Investments	%
Income draw downs	%
Precipice Bonds	%
Split Caps / Scarp's	%
Endowments	%
Life Insurance	%
Other - please specify	%

If you have been in involved in any of the above, you will need to complete supplementary questions. Please complete all these sections where applicable-

Supplementary Forms: Pension Review

Section 1 – Level of pension review cover required

It is material to us that we fully understand the nature of the cover the proposer is seeking for the pension review. This will normally depend on what notifications have been made to previous insurers. Please tick one of the options below which is appropriate to your firm. If none is appropriate, please set out in detail what has not been notified to previous insurers.

<p>a) No cover sought for Pension Review because notification made to previous insurers of all known and possible future pension review liabilities.</p> <p><i>Go to Supplementary Forms: Pension Fund Withdrawals</i></p>	<input type="checkbox"/>
<p>b) Cover sought for only those cases accidentally missed off the mailing (notification made to previous insurers of all cases where invitation letters were sent).</p> <p><i>Please answer a to d of Section 2 of the Pension Review</i></p>	<input type="checkbox"/>
<p>c) Cover sought for only those cases that have not requested a review (notification made to previous insurers of all review requests).</p> <p><i>Please answer all of Section 2 of the Pension Review</i></p>	<input type="checkbox"/>
<p>d) Cover sought for all cases that have not requested a review or have requested a review but were excluded as not reviewable. (Notification made to previous insurers of all reviewable review requests).</p> <p><i>Please answer all of Section 2 of the Pension Review</i></p>	<input type="checkbox"/>
<p>e) Cover sought for all cases that have not yet failed compliance or loss assessment (Notification made to previous insurers of all cases failing compliance or loss assessment). This level of cover requires very detailed information. Please ask us for relevant information.</p>	<input type="checkbox"/>

Section 2– Additional Pension Review Questions

<p>a) Please confirm that the Pension Review (Phase 1 and 2) has been formally completed and the regulator notified.</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<p>b) Please confirm that all Pension Review (Phase 1 and 2) mailings were sent in the format and within the timescale prescribed by the Regulator's Guidance. If NO, please provide details on a separate sheet.</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<p>c) Has the proposer's work been audited by a third party (e.g PIA/FSA or PASS)? If yes, please identify the party, date of the visit, any deficiencies found and the corrective steps taken, including dates of further mailing if relevant.</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<p>d) Please confirm that in compiling the starting population for pension review mailing, the proposer's own records were cross-checked with product providers list. If NO, please provide details on a separate sheet.</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>
<p>e) Please confirm that where cases have been excluded from the review you have written evidence from a third party source to support the exclusion on file.</p>	Yes <input type="checkbox"/> No <input type="checkbox"/>

<p>f) Please confirm that none of the proposer's non responding Pension Transfers were from the Miners Pension Scheme. If NO, please provide details on a separate sheet.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>g) Please confirm that none of the proposer's non responding Pension Transfers have a transfer value exceeding £20,000. If NO, please provide details on a separate sheet.</p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>h) Please complete Supplementary Forms Pensions Review Part 2 – Phase 1 and 2.</p>	

Supplementary Forms: Pension Review (Part 2)

Phase 1 and II

<u>PHASE I AND II</u>	TOTAL STARTING POPULATION (ALL PERSONAL PENSIONS SOLD IN REVIEW PERIOD)*	<u>TOTAL POPULATION MAILED **</u>	RESPONDERS			NON RESPONDERS
			DECLARING REVIEW	EXCLUDED AS NOT REVIEWABLE	REQUIRING REVIEW (LOSS OR COMPLIANCE)	
Opt outs/Non Joiners (including possibilities)						
Rebate Only Cases						
Transfers						
<u>Total</u>						

* Including Sections 32's and 226's

** The figures in this column should equal the figures of the 'responders' columns and 'non responders' column combined . If this is not the case, please provide details on a separate sheet

Supplementary Forms: Pension Fund Withdrawals

Pension Fund Withdrawals where the primary purpose is to release cash

- a) How many pension transactions have you carried out since 01/01/1998 where the main objective of the client was to raise cash?

- b) In such cases has the reason Why letter always drawn the client's attention the adverse such a withdrawal will have on future pension benefits?

Yes No If NO, Please explain

- c) Does your reason why letter establish in each case why the client needed the case and why other methods of raising finance were less suitable?

Yes No If NO, Please explain

- d) Please provide another comments you feel may be of assistance to Underwriters in respect of your conduct of advice in relation to pension fund withdrawals

Supplementary Forms: Endowments

a) Have you ever been involved in arranging Mortgage Endowments?

Yes No If NO

If 'YES' please state the approximate number of policies sold each of the following years and the number of complaints received regards the sale of endowments (if applicable) received in each year.

	1988	1989	1990	1991	1992	1993	1994	1995	1996
No. of Policies Sold									
No. of Complaints received									

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
No. of Policies Sold										
No. of Complaints received										

b) Please indicate the approximate (by number of policies) of total number of policies transacted are mortgage Endowments, if this is not evident from your answer to question above.
%

c) Please advise of the largest mortgage endowment policy arranged in the period above, by reference to the anticipated maturity value.
£

Supplementary Forms: Income Drawdowns

Please complete this page If you have transacted/given advice in respect of the sale of Income Drawdown Plans. If you have not, please put 'not applicable'

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Number of Drawdown cases transacted												
Number of case where original fund was less £100,000												
Number of case where original fund was between £100,000 and £300,000												
Fund value of largest case in year												
1) % of Cases taking maximum draw down %	2) % of Cases where commission is rebated to the client %											
Please provide any further information you feel may be relevant to the assessment by underwriters of the risk:												

Supplementary Forms: Structured Capital at Risk Products (SCARPs)

Has the Firm (or any other entity requiring cover under this proposal for insurance), acted as an introducer, advised on or sold SCARPs

Yes No

If 'YES', Please provide details of each case where the sum invested was greater than £7,000:
(indicate with an 'E' any case Transacted on an Execution Only basis)

PRODUCT	Date of Investment	Maturity Date	Sum invested	Relevant Tracking Index	Current / Maturity Value (excluding accrued interest)	Guaranteed Income / growth amount

- Continue on extra sheet if necessary

Please provide the key features document for each product included above.

Supplementary Forms: Split Capital Investment Trusts

Has the firm (or any other entity requiring cover under this proposal for insurance), acted as an introducer, advised on or sold any shares in Split Capital Investment Trusts or any collective investment which invests in the shares of Split Capital Investment Trusts in the past six years?

Yes No

If "YES", please state below the number of case in the following years:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
No. Cases										

Please advise the largest and average investments made in following years:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Largest										
Average										

Date of Investment	Total value of client's investments portfolio	Original SCIT Investment Value	Product provider	Current Value	Date of Valuation

Was it the Firm's practice to obtain sufficient information recording in writing to show that the investment recommendation was suitable for the clients needs (for instance, by preparing a "Clients Financial Planning Analysis" or "Know your Client" questionnaire)

Yes No

As to all transactions, has it been the Firms practice to advice intending investors (and to document on file) that:

i) The investment cannot be guaranteed to mature to the full expected value	Yes <input type="checkbox"/> No <input type="checkbox"/>
ii) The Investment involves an investment risk	Yes <input type="checkbox"/> No <input type="checkbox"/>
iii) Other forms of investment are available, which could meet with the clients' needs	Yes <input type="checkbox"/> No <input type="checkbox"/>

Supplementary Forms: Home Income Plan

Please indicate the number of Home Income Plans, Equity Release Schemes or Home Reversion Schemes arranged/advised upon by the firm (or any other firm requiring cover under this proposal) in the last 10 years

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
No. schemes												

Are all providers of the schemes referred to in question SHIP (Safe Home Income Plans Ltd.)?

Yes No

Were all other means of raising the capital/income required by the clients investigated prior to making the recommendation to release capital from their property?

Yes No

Were the beneficiaries of the clients estate informed and is evidence of this recorded?

Yes No

Supplementary Forms: FSAVC Review

i) Please state the number of case you were required to mail.	
ii) Please state the number of cases mailed	
iii) Please state date of your last reminder mailing	
iv) Please state number of requests for a review you have received	

During the last five years has the firm (or any other firm requiring cover under this proposal) Issued any direct offer financial promotions to clients promoting a particular product or products? If yes, please complete the table below.

Product Provider and Product Promotions	Date	No. of clients mailed	No. of applications received

Please confirm whether there have been any claims or circumstances notifiable on previous policies made against the proposing entities in the past 10 years

Yes No

Date	Summary	Amount claimed	Reserve held	Amount Paid

20) Has there been any losses through fraud or dishonesty of employees? Yes No

If yes, please provide details:

21) Please complete the table below, to show details of your Professional Indemnity Insurance for the past three years:

Name of Insurer	Renewal Date	Limit of Indemnity	Excess	Premium

22) Please provide us with an amount of Indemnity that you wish to be covered for.

23) If you would like us to quote with a voluntary excess, please state the amount.

24) (a) Please use the table below to give details of any claims made against you (whether successful or not) and to give details of any loss suffered by you in respect of ANY of the risks to which this proposal form relates. This includes past or present Principal / Director /Partners.

Date of claim/ loss	Brief details of each claim/ loss	Cost of claim/ loss	Estimated cost of claim/ loss outstanding

(b) What steps have been take to avoid a recurrence?

- 25) After full enquiry is any Principal/ Director/ Partner aware of any circumstance that may:
- a) Give rise to a claim against you, a predecessor or any past or present Principal / Director /Partner. Yes No
- b) Cause any loss to you, any predecessor or past Principal / Director / Partner. Yes No
- c) Otherwise affect the consideration of this proposal for insurance? Yes No

If you answered yes to any of the above, please provide details:

26) Have all claims or circumstances including Pension Review cases likely to give rise to a claim been presented to Insurers? Yes No

27) Has any proposal for similar insurance made on your behalf or on behalf of any present or past Principle / Director / Partner ever been declined or has ever such insurance ever been cancelled or renewal refused? Yes No

If yes please provide full details:

28) Has any application for membership to any trade association or regulatory body ever been refused or cancelled?
Yes No

If yes, please provide details:

29) Has disciplinary proceedings been brought by a regulatory or professional body against the business during the past ten years?
Yes No

If yes, please provide details:

- 30) Because signatures are not widely available via the E-mail, (ie, scanning) a No Claims Declaration will need to be signed and all terms will be subject to this.
Is this acceptable? Yes No
-

I/We declare that the statements and particulars in this proposal are true and that I/We have not mis-stated or suppressed any material facts. I/We agree that this proposal, together with any other information supplied by me/us shall form the basis of any Contract of Insurance effected thereon. I/We undertake to inform insurers of any material alteration to these facts occurring before completion of the Contract of Insurance.

Signed:

Date:

Contact Information

To Email this proposal please save, attach and send to info@htcassociatesltd.co.uk

Or you can Fax or Post it to us at

Fax – 01773 714813

Post – HTC Associates Ltd, Shanakiel, Ilkeston Road, Heanor, Derbyshire, DE75 7DT