

Professional Indemnity Insurance for Miscellaneous

Proposal Form

Please complete, sign and return together with the attachments to:

A division of Lockton Companies LLP

Tel:

Email:

If you have any questions regarding this form, please contact us either on the telephone number above or by visiting the **Contact Us** section at www.lockton.com

IMPORTANT NOTICE REGARDING COMPLETION OF THIS PROPOSAL FORM

1. Important – New Duty to Make a Fair Presentation of the Risk/Disclose Material information

From 12 August 2016 the duty of disclosure for commercial Insurance contracts changes with the implementation of the Insurance Act 2015 (“the Act”).

For risks incepting or renewing on or after 12 August 2016 you will have a new duty to make “a fair presentation of the risk”. To meet this duty you still need to disclose all material information to insurers which is known to you (or which ought to be known to you). Information is material if it would influence the judgement of a prudent insurer in establishing the premium or determining whether to underwrite the risk and, if so, on what terms. Material information does not necessarily have to actually increase the risk of the insurance under consideration.

Under the Act you will be deemed to know information if it is known to any individuals in the categories below:

- (a) anyone within your business in a senior management or decision making role, and
- (b) anyone responsible for arranging the insurances,

Furthermore, under the Act, you “ought to know” what should reasonably have been revealed by a reasonable search for information held internally or externally (including by any third parties to whom services are outsourced, consultants and agents). -

In order to be able to argue that you have satisfied the duty, should an insurer allege that you have not, you must now do the following:

1. Carefully consider who are the individuals who may fall into categories (a) or (b) above, record this in writing and explain your reasoning;
2. Make enquiries of those individuals as to whether they are aware of any material information (having explained to them what this means);
3. Record the results of these enquiries in writing; and
4. Consider whether any material information could be held anywhere other than with the individuals identified at (a) and (b). If so, you will need to carry out a reasonable search. This could mean making enquiries of individuals or may in some circumstances mean having to carry out an electronic and/or physical search of records.

It is important to bear in mind that if material information is held by third parties such as accountants or lawyers, or internally by branch offices, even if it is not known to the individuals you have identified at paragraphs (a) and (b), it may need to be disclosed. Please note that you must not rely on information that may be held by us in relation to other policies that we may place on your behalf. You must ensure that all relevant information is provided to us for each and every policy that we place on your behalf. We accept no liability to you in this respect.

Your enquiries must cover all relevant group companies, branch offices etc. and the relevant personnel within them. You must ensure you make a full written record of the search made and the responses provided to ensure that you have evidence in the event of any claim being made.

In completing this proposal form for your (Re)insurer(s), the accuracy and completeness of all answers, statements and /or information is your responsibility and it is of paramount importance that all relevant information is provided and that it is accurate. If you become aware of any material information that you supplied before the contract of insurance is finalised is incorrect or has been omitted, you should inform us immediately. If you are unsure if information is material you should disclose it.

What are the consequences of not making a fair presentation of the risk?

Under the Act, in the event that there is a breach of duty to make a fair presentation of the risk, the remedies available to insurers will vary dependent on whether the breach is deliberate or reckless or otherwise. For deliberate or reckless breaches the insurer may avoid the contract, refuse all claims and retain the premium paid.

For other, non-deliberate or non-reckless, breaches the remedy will depend on what the insurer would have done had a fair presentation of the risk been made. If the insurer would not have accepted the risk he can avoid the contract but must refund premiums paid. If the insurer would have accepted the risk on other terms, the contract is to be treated as if those terms applied. In the event that a higher premium would have been charged, any claims payments can be reduced proportionately. This latter provision is especially important because if insurers can show that they would have charged only a modest additional premium, the impact on a claim could be disproportionately large.

For certain policies the insurer may change the remedies available to them from those described above. In such circumstances we will inform you of the changes and what this means for you.

2. **Presentation** This proposal form must be completed in ink by an authorised individual or principal of the firm. **All** questions must be answered. If there is insufficient space to provide answers, additional information should be provided on the firm's headed paper. Please answer all questions fully and avoid answers such as "As last year", or "As already provided to..." or similar. Where available brochures, standard contract conditions, agreements and letters of appointment should be provided. **Failure to present insurers with information in an appropriate manner may adversely influence the ability of insurers to offer terms and for you to evidence that a fair presentation of the risk has been made to insurers.**
3. **Guidance** If in doubt as to the meaning of any question contained within this proposal form or the issues raised in (1) or (2) above, please contact a member of your Lockton servicing team

Additional information should be provided on separate sheets (ideally on Company headed notepaper), clearly identifiable as forming part of the proposal form.

SECTION 1 – General Details

1. Name of Firm(s) or Individual(s) to be covered Establishment date(s)
(to include predecessors for whom cover is required)

2. i) Main address of the Firm/Individual:

Address:

E-Mail:

- ii) List all other locations by town (or town and country if overseas):

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3. Partner/Director or Individual details:

<u>Name</u>	<u>Qualifications</u>	<u>Dates Qualified</u>	<u>No of years as a Partner or Director</u>

Please attach CV where the Firm has been established less than 5 years and/or where any Partner/Director or Principal has no relevant qualifications.

4. If a Sole Director or Principal, please advise

a) Whether this is a part time occupation? YES NO

If 'YES', please provide brief details of present full time occupation.

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b) Are your full time employers aware of these activities? YES NO

If 'NO', please advise why?

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c) What arrangements do you make when you are unable to attend to your business (e.g. Sickness, holidays, etc)?

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5. Is the Firm a member of any Trade or Professional body(ies)? YES NO

If 'YES', please provide details.

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6. Number of employees split between the following: *(Please ignore those persons specified in Question 3)*

a) Qualified

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b) Unqualified

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c) Administrative

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d) Consultants (not sub-contractors)

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e) Other (specify)

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Total:

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7. a) Does the Firm or any Partner/Director/Principal undertake work for any partnership, company or organisation in which they are in a position to exercise a controlling interest in such partnership, company or organisation? (apart from shares held in Public Companies) YES NO

If 'YES', please provide full details.

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b) Is the Firm connected or associated (financially or otherwise) with any other Firm, Company or Organisation? YES NO

If 'YES', please provide full details.

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8. During the past 6 years has the Firm's name been changed, any other business been purchased and/or any merger or consolidation taken place? YES NO

If 'YES', please provide details.

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9. Do you require cover for any Partner/Director for liability arising out of a previous business? YES NO

If 'YES', please provide details.

<u>Name of Partner/Director</u>	<u>Name of Previous Practice</u>	<u>Date of leaving Previous Practice</u>
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10. Has any Partner/Director/Principal or Employee, either past or present, ever been the subject of disciplinary proceedings by any professional body or organisation? YES NO

If 'YES', please provide details.

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11. What is the Firm's procedure to ensure supervision of qualified staff and self-employed consultants?

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SECTION 2 – Claims Information

1. Has the Firm sustained any loss through the fraud or dishonesty of any person? YES NO

If **'YES'**, please provide details.

2. Is the Firm aware of any fraud, dishonesty, bankruptcy or administration order applicable to any past or present Principal/Partner/Director or Employee? YES NO

If **'YES'**, please provide details.

3. During the last 10 years has any claim been made against the Firm's business or any Principal, Partner/Director or Employee whilst in this or any other business? YES NO

If **'YES'**, please provide details.

4. After enquiry is the Firm aware of any circumstance or incident which has or could result in any claim being made against the Firm's business, or any past or present Principal/Partner/ Director or Employee of the Firm? YES NO

If **'YES'**, please provide details.

5. What remedial action has taken place to ensure notified matters (whether settled or not) do not occur again (or the likelihood reduced)?

5. Under Question 4 above, is cover required for any other activity undertaken in the last six years, which has now ceased? YES NO

If 'YES', please provide details.

<u>Activity</u>	<u>Date ceased</u>	<u>Income earned in the last Financial Year from activity undertaken</u>

6. Is the Firm aware of any change in activity/structure that will occur in the coming financial year? YES NO

If 'YES', please provide details.

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7. Is the Firm involved in any process of manufacture, construction, alteration, repair, installation or sale or supply of products, other than in a pure consultancy capacity? YES NO

If 'YES', please provide full details.

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8. Does anyone client/group generate 20% or more of your annual fee income? YES NO

If 'YES', please provide details.

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9. Please provide details of your three largest projects in the last 3 years

Project	Location	Client	Fee	Value	Commenced	Completed

10. Of your total fee income declared in Question 1, if any such work has been carried out overseas (including the Channel Islands or Isle of Man) during the last three years, please advise Gross Fee income and details.

Year	USA/Canada	Other	Countries involved
/ /	£	£	
/ /	£	£	
/ /	£	£	

Type of Work undertaken

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11. Do you provide services for companies with assets in the USA or Canada, or for any subsidiary of USA or Canadian companies located outside the USA or Canada? YES NO

If 'YES', please advise details.

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12. Do you use any Sub-Contractors/Consultants? YES NO

If 'YES', please provide the following details.

a) What type of work is sub-contracted?

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b) Do you require Sub-Contractors/Consultants to carry professional indemnity insurance? YES NO

If 'YES', for what limits?

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c) What percentage of your fees are paid to sub-contractors/consultants?

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d) Explain what controls you maintain over sub-contracted work?

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13. Fidelity

a) Does the Firm always require satisfactory written references when engaging employees? YES NO

If 'NO', please give details.

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

If 'YES', please advise circumstances and state limit.

c) Do all cheques for more than £25,000 require two signatures? YES NO

If 'NO', please give details.

d) Independently of employees who receive or bank monies belonging to the Firm or others, how often are checks carried out on all cash book entries with paying-in books, receipts, counterfoils and vouchers and reconciled with bank statements?

Weekly Monthly Quarterly Other/Irregularly

e) Are employees receiving cash and cheques in the course of their duties required to pay in daily? YES NO

14. Please provide any other details of your business which you feel may assist insurers in understanding your business

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SECTION 5 – Declaration

DATA PROTECTION

By signing this proposal form you consent to Lockton Companies LLP using the information we may hold about you for the purpose of providing insurance and handling claims, if any, and to process 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 may include insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies and insurance regulatory authorities. In the course of performing our obligation to you, this information may be disclosed to agents and service providers appointed by us and insurers (which includes their re-insurers, legal advisers, loss adjusters or 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 to 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 appropriate, in compliance with the relevant Data Protection legislation. You have the right to apply for a copy of your information (for which we may charge a small fee) and to have any inaccuracies corrected.

From time to time, we may disclose personal information (other than sensitive personal data) to other Lockton Companies. We or they may use that information to advise you of our services which may be of interest to you.

If you would prefer not to receive information, please tick this box .

DECLARATION

I/we declare that the answers to the questions in this proposal form are true and accurate having undertaken a reasonable search of information available to me/us (including information which is held within the organization or by any other party), including consulting with individuals who are part of our senior management (please provide details below) and any other individuals that hold information relevant to this insurance.

We consider our Senior Management consists of:

Our reasonable search has included the following:

- i. Senior management
- ii.
- iii.
- iv.
- v.

It is important that you consider who may hold information that may be relevant to insurers and should be included in the reasonable search of information unless confirmed otherwise. By signing this form insurers do not automatically accept that a reasonable search has been undertaken

I/We understand that the information I/We provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

I/We hereby consent to the use and disclosure of information including personal data for the purposes of and as set out in the above paragraph entitled "Data Protection".

PRINT NAME:

.....

SIGNATURE:

.....
(authorised individual/partner/principal/director)

ON BEHALF OF:

.....

DATE:

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Please note, if you wish to submit your form via email, an indication of terms and conditions may be provided on the basis of this proposal questionnaire. An original signature is required before a contract of insurance can be made. Encrypted signatures are not acceptable.

Signing this form does not bind the firm to complete the insurance
We recommend that you keep a record of all information supplied to us, including copies of letters and this proposal form, for the purpose of entering into this contract.

From time to time, we may disclose personal information (other than sensitive personal data) to other Lockton Companies. We or they may use that information to advise you of our services which may be of interest to you. If you would prefer not to receive information, please contact an Account Executive at Lockton.

Risk Management Questionnaire

(Please complete, sign and return)

Should you have insufficient space to answer any questions, please continue on your own HEADED notepaper

NAME OF FIRM(S)

1. GENERAL

- a) Do you have a formal risk management strategy? YES NO
- b) Is there a specific person within the Firm who is responsible and/or accountable for Risk Management and Quality Control? YES NO
If **'YES'**, please provide the following details.
Name Position
- c) Is this person also responsible for dealing with complaints? YES NO
If **'NO'**, please provide details of the Complaints Officer:
Name Position
- d) Do you have set procedures following the receipt of complaints from clients and/or any other party? YES NO
- e) Do you keep a central register of all complaints made against the Firm? YES NO
- f) Is the Complaints Officer also responsible for dealing with and co-ordinating the notification of all claims and circumstances to Insurers? YES NO
If **'NO'**, please provide details of the person who deals with such matters.
Name Position
- g) Does your office manual include a risk management section? YES NO
- h) Do you analyse and/or review your complaints and claims record on a regular basis? YES NO

2. NEW BUSINESS

- a) Is the suitability of all new clients considered by a Partner/Director/ Principal prior to accepting instructions? YES NO
If **'NO'**, please advise what procedures are in place for checking client suitability.
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- b) Where relevant does each department require a standard risk assessment to be carried out relative to each new instruction? YES NO
- c) Do you always use Retainer/Engagement letters? YES NO
If **'NO'**, please advise details.
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3. SUPERVISION & DELEGATION

a) Do you have formal procedures to supervise staff (including Partners/Directors)? YES NO
If **'NO'**, please provide brief details of procedures in place.

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b) Is a structure in place to discuss work in progress and/or problems and/or issues? YES NO
If **'NO'**, please provide brief details of the procedure used.

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c) Are regular file reviews undertaken in each department including Partner/Director files? YES NO

d) Are Partner/Director to Partner/Director file reviews carried out? YES NO

e) Are checklists used in the review process? YES NO
If **'NO'**, please provide brief details of the procedure used.

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f) Do you keep a record of all files reviewed? YES NO

g) Are regular staff appraisals carried out? YES NO
If **'YES'**, how frequently

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h) Do you have specific procedures to supervise trainee and newly qualified staff? YES NO
If **'YES'**, please provide brief details of the procedure used.

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i) Do you have an established procedure for delegating work in each department? YES NO
If **'YES'**, please provide details.

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j) Is a Partner or Director present at all locations and/or branch offices (where applicable)? YES NO
If **'NO'**, please state how often branch(es) are visited by Partners or Directors.

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k) Do you have a procedure in place to supervise self-employed consultants? YES NO
If **'NO'**, please advise details of procedure in place.

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4. ADMINISTRATION AND ORGANISATION

- a) Is the Firm admitted to any training association or accredited to any quality systems such as the ISO series? YES NO

If **'YES'**, please provide details.

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- b) Is all incoming post first seen by a Partner or Director or Department Head before distribution? YES NO

If **'NO'**, please provide details.

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- c) Do you have a formal policy that determines when it is considered safe to destroy old files? YES NO

If **'YES'**, please provide details.

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- d) Does the Firm have a procedure in place for dealing with the workload of Partners or Directors and fee earners who cannot work due to absence? YES NO

If **'NO'**, please explain on a separate sheet.

5. E- COMMERCE

- a) Does the Firm have an e-mail policy or any other formal guidelines for the use of e- mails? YES NO

If **'YES'**, please provide details?

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- b) Does the Firm have retrievable back up of all e-mails and computer systems? YES NO

- c) Does the Firm have a website? YES NO

If **'YES'**, please identify website address:

- d) Does the Firm provide any services or advice via the website YES NO

If **'YES'**, please provide details.

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6. TRAINING & EDUCATION

- a) Is a training programme offered to staff by the Firm? YES NO

If 'YES', please give details:

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b) Do you regularly review training requirements of all staff? YES NO

c) Does the Firm have a formal induction training period for all new members of staff? YES NO

If 'YES', please provide details.
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7. MONEY LAUNDERING

a) Does the Firm have a formal Money Laundering policy? YES NO

b) Who is the nominated Money Laundering Reporting Officer?

Name

Position

c) Have all staff received training on Money Laundering procedures? YES NO

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If you would prefer not to receive information, please tick this box

DECLARATION

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Our reasonable search has included the following:

- vi. Senior management
- vii.
- viii.
- ix.
- x.

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I/We understand that the information I/We provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application and the terms of any policy provided.

I/We hereby consent to the use and disclosure of information including personal data for the purposes of and as set out in the above paragraph entitled "Data Protection".

PRINT NAME:

.....

SIGNATURE:

.....

ON BEHALF OF:

.....

DATE:

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(Signing this form does not bind the Firm to complete the insurance)

We recommend that you keep a record of all information supplied to us, including copies of letters and this questionnaire, for the purpose of entering into this contract.

Our mission

To be the worldwide value and service leader in insurance brokerage, risk management, employee benefits and retirement services

Our goal

To be the best place to do business and to work



Lockton Companies LLP.

Authorised and regulated by the Financial Conduct Authority. A Lloyd's broker.
Registered in England & Wales at The St Botolph Building, 138 Houndsditch,
London, EC3A 7AG. Company No. OC353198.

www.lockton.com