

PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM FOR INSURANCE INTERMEDIARIES

Howden Insurance Brokers Limited is an official scheme provider of Professional Indemnity for BIBA members



Please complete this proposal form and return to the Professional Risks division at Howden:

Professional Risks
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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

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)

Other(s) (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

- 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. Appointed Representatives

7.1 Please provide the following details in respect of your Appointed Representatives: -

Trading Names	Commission/fees amount	Geographical Location
	£	
	£	
	£	
	£	

N.B Underwriters maintain rights of subrogation against your Appointed Representatives

7.2 Please confirm that the method of control over their activities complied with your Regulator's guidance.

YES/NO

If **NO** please provide details on separate headed paper.

8. Internal Control Procedures

8.1 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

8.2 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

8.3 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

8.4 Does the Firm have compliance and procedure manuals related to all aspects of it's operation?

YES/NO

If **NO** what system of quality control is in place to ensure that professional standards are achieved and maintained?

8.5 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.

8.6 Is there a complete annual audit by a Firm of professional accountants?

YES/NO

8.7 Are clients' funds kept in properly designated client accounts separate from the accounts of the business?

YES/NO

If **NO** please explain why not.

9. Disciplinary

9.1 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

9.2 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

10. 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

Limit of Indemnity

Retroactive date:

Excess

Policy Renewal date

11. 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

12. 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

13. Claims

13.1 Have any claims alleging professional negligence, error or omission (successful or otherwise) been made against the Firm or its 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)

13.2 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 its 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

2. Are any of the Binding Authorities detailed in 1 above likely to perform worse than an ultimate loss ratio of 100% of net premium on any past year of account ?

YES/NO

If **YES**, please provide the following details

Class of Business	Name(s) of Insurer(s) Subscribing	Year of Account	Expected ultimate loss ratio

3. In relation to Binding Authorities, does the firm have any claims handling/settlement authority?

YES/NO

If **YES** please provide details

This questionnaire forms part of the Proposal Form dated _____

Signature of Partner / Director / Proprietor _____

Name of Signatory _____