



Professional Indemnity Insurance Proposal Form

Insurance Brokers

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Broker at **LLOYD'S**

Professional Indemnity Insurance for General Insurance Brokers

1. Name and Address Details

Company Name	<input type="text"/>	Date Established	<input type="text"/>
Main Office Address	<input type="text"/>	Contact Name	<input type="text"/>
<input type="text"/>		Contact Email	<input type="text"/>
Postcode	<input type="text"/>	FCA Reg No.	<input type="text"/>
Telephone No.	<input type="text"/>	BIBA Member	<input type="checkbox"/> Yes <input type="checkbox"/> No

1.1) Please provide details of any other trading titles, including predecessor firm(s) for which cover is required (use a separate sheet if necessary). All addresses must be shown with the partner(s), director(s) or principal(s) responsible for the work at each office.

Company Name	<input type="text"/>	Date Established	<input type="text"/>
Main Office Address	<input type="text"/>	Telephone No.	<input type="text"/>
<input type="text"/>		Fax No.	<input type="text"/>
Postcode	<input type="text"/>	Website	<input type="text"/>
Profession (state all services provided)	<input type="text"/>	Trading Title or Predecessor?	<input type="text"/>
Partner(s)/Directors(s)/Principal(s)	<input type="text"/>	Succession date (if applicable)	<input type="text"/>

2. Employee Details

2.1) Please give details of numbers of staff:

a) Number of Partners/Directors/Principals	<input type="text"/>	Those qualified?*	<input type="text"/>	Those part-qualified?*	<input type="text"/>
b) Number of Employees (excl. Appointed Representatives)	<input type="text"/>	Those qualified?*	<input type="text"/>	Those part-qualified?*	<input type="text"/>
c) Number of Appointed Representatives:	<input type="text"/>	**"qualified" denotes a person who has achieved Cert CII status or higher, and "part-qualified" denotes a person working towards becoming "qualified"			
d) Number of Introducer Appointed Representatives:	<input type="text"/>				

2.2) Please give details of numbers of all partners, directors, principals, consultants and qualified employees of the firm:

Title	Full Name	Year of Birth	Status e.g. Partner/ Director/Principal/ etc.	Full/Part Time	Period of time as Partner/ Director/Principal	Qualifications	Date Qualified
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2.3) Please list any other professional bodies, associations or organisations of which the Firm is a member?

3. Fees & Business Activities

3.1) Please state the Gross Fees received for the past two financial years and estimates for current and forthcoming years:

	Next year (estimated)	Current year (estimated)	Last completed year	Previous completed year
Year ending:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
UK (£)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Elsewhere (£)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total Gross Income (£)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

3.2) Please estimate the percentage of fees allocated to each area of practice for the last 12 months or, if a new practice, estimated percentages for the forthcoming year.

Private Motor	<input type="text"/> %	Marine - small pleasure craft/cargo only	<input type="text"/> %
Commercial Motor/Trade	<input type="text"/> %	Marine - other (please provide details)	<input type="text"/> %
Commercial Property	<input type="text"/> %	Aviation	<input type="text"/> %
Commercial Liability	<input type="text"/> %	Personal Accident/Travel	<input type="text"/> %
Household	<input type="text"/> %	Financial Services (Life, Mortgage Broking, Pensions & Investment Advice)	<input type="text"/> %
Professional Indemnity	<input type="text"/> %	Reinsurance	<input type="text"/> %
Directors' and Officers'	<input type="text"/> %	Other (please specify:)	<input type="text"/> %
Total		100%	

3.3) What approximate percentage of your Income was derived in the **Last Financial Year** from your largest client? %

3.4) In your **Last Financial Year**, have you acted as a wholesale insurance broker*? ☐ Yes ☐ No

3.5) If "Yes", please confirm your retained commission income from such insurance transactions £

3.6) If "No", do you intend to act as a wholesale insurance broker* in your next Financial Year? ☐ Yes ☐ No

3.7) Is cover required for any previous, now ceased, activity which is different from that declared within this proposal form? If "Yes", please provide full details. ☐ Yes ☐ No

3.8) Are the above percentages a fair representation of your Business Activity over the last 3 years? ☐ Yes ☐ No

3.9) In respect of the Firm's Last Financial Year, what was the approximate:

i) renewal client retention ratio? % proportion of the total income derived from new clients? %

3.10) Of your declared Gross Commission/Fee Income for the Last Financial Year, please state any Income that has been derived from the following headings:

a) Investment Income	<input type="text"/>	d) Over-riders	<input type="text"/>
b) Profit Sharing Income	<input type="text"/>	e) Additional Administration/ Policy Fees *	<input type="text"/>
c) Premium Financing Income	<input type="text"/>	f) Any other non-advice related Income	<input type="text"/>

Please specify the nature of any Income declared in "f" above:

*This refers to charges made for issuing client policies. For the avoidance of doubt, please do not include fees charged for the arrangement of Insurance.

3.11) In your Last Financial Year, have you made any payments to introducers or retail brokers? ☐ Yes ☐ No

If "Yes", do these third parties have their own, separate Professional Indemnity Insurance? ☐ Yes ☐ No

3.12) If any Income was derived in the Last Financial Year from clients NOT domiciled in the U.K. including the Channel Islands & Isle of Man, please provide details of the countries in which client(s) were based and the types of cover arranged: ☐ N/A

3.13) Has any Partner/Director/Member or Employee, either past or present, ever been the subject of disciplinary proceedings by a professional body, association or regulatory body? If "Yes" please provide full details. ☐ Yes ☐ No

3.14) Has any Principal ever been convicted of a criminal offence or are any charges pending? (excluding minor motoring offences) If "Yes" please provide full details. ☐ Yes ☐ No

4. Largest and Typical Commercial Clients

4.1) Please state the three largest placements arranged by the Firm in your Last Financial Year:

Client	Industry	Total Sum Insured	Max. possible loss at any one location	Total Limit of Indemnity
<input type="text"/>	<input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
<input type="text"/>	<input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>
<input type="text"/>	<input type="text"/>	£ <input type="text"/>	£ <input type="text"/>	£ <input type="text"/>

4.4) What is the Industry of your typical commercial client?

4.5) What is the approximate typical Material Damage Sum Insured for such clients above?

£

4.6) What is the typical Liability Sum Insured for such clients above?

£

4.7) What is your approximate total Gross Commission/Fee Income from such clients above, as a percentage of the Firm's Last Financial Year's Income (*not including your 3 largest clients*)?

%

5. Fraud and Dishonesty

5.1) Has the Firm sustained any loss through the fraud or dishonesty of any individual during the last 6 years?

☐ Yes ☐ No

5.2) Is any one person authorised to sign cheques or make BACS transfers on their sole signature?

☐ Yes ☐ No

5.3) Are all premium settlements reconciled at least monthly against bank statements, independently of Employees authorised to sign cheques?

☐ Yes ☐ No

5.4) Does the Firm obtain satisfactory written references before engaging any Employee responsible for accounts or premium settlement?

☐ Yes ☐ No

5.5) Are the Firm's accounts audited annually by an Accountant or Auditor?

☐ Yes ☐ No

6. Risk Management, Controls and Supervision

6.1) Are any Employees of the Firm remunerated on a commission-only basis?

☐ Yes ☐ No

6.2) Does the Firm arrange insurance with Insurers/Underwriters registered outside of the UK?

☐ Yes ☐ No

6.3) Does the Firm hold any Binding Authorities with any Insurer?

☐ Yes ☐ No

6.4) Does the Firm ever complete proposal forms on behalf of any clients?

☐ Yes ☐ No

If "Yes", is the form fully checked and signed off by the client?

☐ Yes ☐ No

6.5) Does the Firm have any on-line facilities with Insurers for arranging insurance contracts or issuing policies and/or schedules?

☐ Yes ☐ No

6.6) Does the Firm have any on-line facilities where clients may arrange their insurance directly?

☐ Yes ☐ No

6.7) Does the Firm arrange insurance with any Underwriting Agency?

☐ Yes ☐ No

If "Yes", has the validity of their Authority been checked?

☐ Yes ☐ No

6.8) Does the Firm have an operational Office Procedures Manual?

☐ Yes ☐ No

6.9) Does the Firm have formal procedures in place for:

☐ Yes ☐ No

Reviewing the financial security of Insurers with which it transacts business?

☐ Yes ☐ No

Triggering the renewal process for held clients?

☐ Yes ☐ No

Issuing and checking Cover Notes, Policy Documentation and Certificates of Insurance?

☐ Yes ☐ No

Handling client complaints, of which all staff are aware?

☐ Yes ☐ No

Ensuring Underwriter subjectivities and premium warranties are dealt with in good time?

☐ Yes ☐ No

6.10) Are regular file audits undertaken, including files of the Partner(s)/Director(s)/Principal?

☐ Yes ☐ No

If "Yes", who normally undertakes the file audits, and how frequent are they?

6.11) Has the Firm won, or been nominated for, any Industry awards?

☐ Yes ☐ No

If "Yes", please provide details:

7. Unrated Insurers

7.1) Do you arrange any policies, either directly or indirectly through third parties such as Wholesale intermediaries, with Unrated Insurers*?

☐ Yes ☐ No

(*Any Insurer who does not have a financial strength rating above B with A.M. Best, Standard & Poor's and/or any other recognised, reputable rating agency.)

If "No", please proceed straight to Section 8. If "Yes", please answer the remaining questions.

7.2) How many policies have been arranged with Unrated Insurers in the last six years?

7.3) How many policies are currently with Unrated Insurers?

7.4) Have there been any issues regarding non-payment of claims on policies with Unrated Insurers?

☐ Yes ☐ No

If "Yes", please provide further detail:

7.5) What products/lines of business are Unrated Insurers used for and why?

7.6) Of the policies arranged with Unrated Insurers, please provide the three largest:

a) Sums Insured in respect of material damage and business interruption combined exposures:

☐ N/A

Client Name	Type of Risk	Sum Insured	No. of Locations
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

b) Limits of Indemnity in respect of Public and/or Products Liability or Professional Indemnity Risks:

☐ N/A

Client Name	Type of Risk	Limit of Indemnity
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>

7.7) Have all affected clients been made aware their insurance is with an Unrated Insurer(s)?

☐ Yes ☐ No

7.8) Have you arranged any policies on behalf of your clients with Gable?

☐ Yes ☐ No

If "Yes":

a) Are you actively moving these cases away from Gable?

☐ Yes ☐ No

b) How long do you expect this process to take?

9. Binding Authority

9.1) In the last 2 years, has the Firm operated a binding authority?

☐ Yes ☐ No

9.2) If "Yes", has the Firm ensured that all binding authorities:

are agreed in writing between the Firm and Insurer(s)?

☐ Yes ☐ No

are subject to formal written guidelines of operation?

☐ Yes ☐ No

are not delegated to any third parties, including Appointed Representatives or Introducer Appointed Representatives of the Firm?

☐ Yes ☐ No

9.3) On a separate sheet, please provide details of training, performance reviews and internal audits undertaken to ensure that all binding authorities are operated in accordance with the agreed guidelines and terms.

9.4) How many binding authorities has the Firm operated in the last completed financial year?

(Please complete a separate Binding Authority Supplementary Questionnaire for each one).

Please request a Binding Authority Supplementary Questionnaire and complete one for each binding authority operated in the last year.

10. Cover

10.1) Please provide your current insurance details:

Insurer:	Broker:	Limit of Indemnity:	Excess:	Premium:
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

10.2) What limit of indemnity is required? Renewal date:

10.3) What excess is required?

10.4) Have any of the firms or persons named in answer to questions 1 and 2 at any time been refused similar insurance, quoted an increased premium, had a policy cancelled or had special terms imposed? ☐ Yes ☐ No
If "Yes", please provide details.

10.5) Do you require cover for any partner, director, consultant or employee for liability arising out of a previous business? If "Yes", please provide full details including names of person(s) and previous business(es) and the date of leaving previous business(es). ☐ Yes ☐ No

10.6) Do you require cover in respect of past work for any partner, director, consultant or employee who has left, retired or died? If "Yes", please provide full details including the name(s) of the person(s), their professional qualifications and their number of years as partner, director, principal, consultant or employee of the firm(s). ☐ Yes ☐ No

10.7) When does your employer's liability insurance expire?

11. Claims and Circumstances

11.1) Have any professional indemnity claims, whether successful or not, ever been made against the firm, predecessors of the firm or any of the partners, principals or directors of the firm? ☐ Yes ☐ No
If "Yes" please provide full details.

11.2) After full enquiry, are any partners, principals or directors of the firm aware of any circumstance which might give rise to a claim? If "Yes" please provide full details. ☐ Yes ☐ No

11.3) Has the Firm had a visit from the Financial Conduct Authority (an ARROW II Firms approach, an ARROW II Themes approach or any other FCA supervisory visit)? ☐ Yes ☐ No
If "Yes", please provide details regarding the visit, any regulatory recommendations or outcomes, and the expected re-visit date from the FCA:

12. Other Material Information (see definition below)

12.1) Do you expect there to be any significant change to or in your Company/Firm in the next 12 months? ☐ Yes ☐ No
If "Yes", please provide full details on a separate sheet.

12.2) Is there any other material information that may be relevant to this application? ☐ Yes ☐ No
If "Yes", please provide full details on a separate sheet.

13. Disclosure Notice

We would remind you that under English law, a business insured has a duty to disclose to the insurer every material circumstance which it knows or ought to know after reasonable search. This is the case before your cover is placed, when it is renewed and any time that it is varied. Your policy wording may also provide that this duty continues for the duration of the policy. A circumstance is material if it would influence an insurer's judgment in determining whether to take the risk and, if so, on what terms. If you are in any doubt whether a circumstance is material we recommend that it should be disclosed. Failure to disclose a material circumstance may entitle an insurer to impose different terms on your cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid.

14. Declaration

We declare that to the best of our knowledge and belief, the particulars and statements given in this application are accurate and complete. We declare that we have disclosed accurately every material circumstance which is known or ought to be known by senior management, or those responsible for arranging insurance, following a reasonable search. We understand that failure to disclose a material circumstance may entitle an insurer to impose different terms on our cover or proportionately reduce the amount of any claim payable. In some circumstances an insurer will be entitled to avoid the policy from inception and in this event any claims under the policy would not be paid. We accept that if we are in any doubt about whether a circumstance is material it should be disclosed. We agree that we have a continuing obligation to notify insurers of any material circumstances for the duration of the policy. We accept that deliberate or reckless breach of our duty of fair presentation may be referred to the relevant regulatory bodies.

Signature of Partner/Director: Date:

Print Name: For and on behalf of:

Specimen copies of policy wordings are available on request. We recommend you keep a record (including copies of letters) of all information provided to the insurer for your future reference.