



# PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM FOR INSURANCE BROKERS & IFA's

## INSTRUCTIONS

Please provide a full answer to every question. Please ensure that all answers are typewritten or printed in block letters within the spaces provided. A principal of the Firm must sign and date this form and any separate sheets.

## QUESTION ONE

Practice name (please include all names under which you practice)

## QUESTION TWO

Date business established

## QUESTION THREE

Main office address

  
  
  

Postcode

Main office telephone number

Main office fax number

Contact e-mail address

Practice website

If more than one office exists, is there a senior Partner/Director/Member at each office to oversee operations? Yes  No

If 'No', please provide a C.V. of the person overseeing the office.

**PLEASE LIST ON A SEPARATE SHEET ALL BRANCH OFFICES INCLUDING ADDRESSES FOR WHICH YOU ARE SEEKING COVER.**

## QUESTION FOUR

Please advise the following (including details of sole practitioner).

Name of all Partners/Directors/Members	Age	Qualifications	Date Qualified	How long as Partner / Director / Member of the Firm(s)

## QUESTION FIVE

Please advise number of permanent staff (excluding Partners/Directors/Members)

Qualified

All Other Staff

## QUESTION SIX

- (a) Has the name of the business changed or have any mergers or acquisitions taken place for which cover is required for the predecessor firms? Yes  No

If 'Yes', please give full details, including dates

- (b) Have the business activities changed substantially during the past six years? Yes  No

If 'Yes', please give details

## QUESTION SEVEN

Please indicate the professional associations of which the business is a member

FSA

IIB

BIBA

MCCB

Other

If you have ticked 'Other', please specify

Please provide your FSA authorisation number?

## QUESTION EIGHT

- Does the Firm have any Appointed Agents / Appointed Sub-Agents? Yes  No

If 'Yes', please complete the questionnaire at the end of the proposal form.

## QUESTION NINE

Please give the total gross commission / fee income for the last five years

	Last Financial Year	Year Ending ____	Year Ending ____	Year Ending ____	Year Ending ____
United Kingdom	£	£	£	£	£
Overseas	£	£	£	£	£
Total	£	£	£	£	£

Please state financial year end date

Estimated Income for current year

£

## QUESTION TEN

Please specify the approximate percentage of the business' gross commission/brokerage/fees derived from the following for the last complete financial year

(i)	Personal Lines Insurance (excluding Motor)	%
(ii)	Commercial Lines Insurance (excluding Motor)	%
(iii)	Motor Insurance (Personal / Private)	%
(iv)	Motor Insurance (Commercial)	%
(v)	Professional Indemnity Insurance	%
(vi)	Aviation / Marine Insurance – Please provide full details in the box below	%
(vii)	Pensions	%
(viii)	Life Assurance	%
(ix)	Endowments	%
(x)	Mortgages	%
(xi)	Building Society Agencies	%
(xii)	PHI Medical Assurance	%
(xiii)	Pension Fund Managers, Trustees or Administrators / Investment in Unit Trusts or Insurance Bonds	%
(xiv)	Other – Please provide full details in the box below	%
<b>Total</b>		<b>100%</b>

If you have ever undertaken work between categories vii – xiv please complete the attached Financial Services Questionnaire

Full details of work in categories (vi) and (xiv):

## QUESTION ELEVEN

(a) In respect of fire and perils, please give details of the two largest sums Insured that you place i.e. 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

## QUESTION TWELVE

Please give details of any insurances placed for clients resident outside of the United Kingdom.

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## QUESTION THIRTEEN

Please give details of any insurances placed with Insurers or Underwriters who do not operate in the United Kingdom or who are not members of the ABI or Lloyds.

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### QUESTION FOURTEEN

Does the business operate any binding authority arrangement whereby an Insurer or Underwriter has granted the business authority to set rates terms and conditions and/or to handle claims without referral? Yes  No   
If 'Yes', please complete the supplementary questionnaire

### QUESTION FIFTEEN

(a) Has the business sustained any loss during the past six years as a result of the fraud or dishonesty of any partner, director or employee of the business? Yes  No   
If 'Yes', please give details

(b) Is any individual authorised to sign cheques as a sole signatory on behalf of either the business or clients' accounts? If 'Yes', please give details, specifying limit. Yes  No

(c) How often are entries in cash books reconciled with bank statements by a Partner/Director/Member or Company Secretary (other than the head cashier and/or chief Bookkeeper)? Weekly  Monthly  Quarterly

(d) Is there a complete annual audit by a firm of professional accountants? Yes  No

(e) Are clients' funds kept in properly designated clients' account separate from the accounts of the business? Yes  No

### QUESTION SIXTEEN

In respect of professional indemnity insurance, has any Insurer ever declined a proposal, declined to pay a claim, refused renewal, cancelled such insurance or imposed special conditions? If 'Yes', please give details. Yes  No

### QUESTION SEVENTEEN

(a) Has any claim been made against the business or an employee of the business or any Partner, Director, Member or Consultant or their predecessors in business during the last ten years in respect of the type of liabilities to which this proposal relates? If 'Yes', please give details Yes  No

Date of Claim	Brief Details	Amount of Claims Paid £	Reserves Outstanding £

(b) Has any action been taken to prevent a recurrence of a claim? Yes  No

If 'Yes', please give details

(c) After enquiry, are any of the business Partners/Directors/Members aware of any claim pending or any circumstance which might give rise to a claim against the business or any of the present or previous Partners or Directors of the Business? If 'Yes', please give details. Yes  No

## QUESTION EIGHTEEN

Please give details of the firm's current Professional Indemnity Insurance.

**DO NOT COMPLETE THIS QUESTION IF YOU ARE ALREADY A CLIENT OF SBJ PROFESSIONAL**

Limit of Indemnity	Excess	Premium	Name of Insurer	Renewal Date
£	£	£		

## QUESTION NINETEEN

Please advise your requirements

Option 1

Option 2

Option 3

Limit of Indemnity	£	£	£
Excess	£	£	£

## CONFIRMATION

### Disclosure of Material Facts

It is essential that every Proposer or Insured when seeking a quotation, taking out or renewing an insurance, reveals to the prospective Insurers any material facts or information (including any material circumstances or change in circumstance) which might influence the judgement of Insurers in fixing the premium or in determining whether they will accept the risk. Failure to do so may render the contract of insurance voidable from inception at the option of the Insurers and enable them to repudiate liability thereunder. If you have any doubt as to what constitutes a material fact or circumstance, seek our advice.

I declare that the above statements and particulars are true, full enquiry having been made, and I have not omitted, suppressed or mis-stated any material facts and undertake to inform the Insurer of any change to any material fact. I understand that the information I provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application. I further agree that this declaration, together with any other information provided shall be the basis of any contract between me and the Insurer.

A copy of this proposal should be retained by you for your own records

## THIS FORM MUST BE SIGNED BY A PRINCIPAL OF THE FIRM

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_

Please return this Application Form along with any other supplementary information sheets to the following address:-

SBJ Professional | Castlemead | Lower Castle Street | Bristol | BS1 3AG  
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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Total Fees</b>										
<b>No. of Cases</b>										

- (i) Has the firm always advised potential investors that an Endowment can not be guaranteed to pay off any loan or mortgage sum at maturity and documented this advice on file? Yes  No
- (ii) Has the firm always advised potential investors in an Endowment where the Monies are to be invested and documented such advice on file? Yes  No
- (iii) Has the firm always completed and maintained on file a "Client Financial Planning Analysis" or "Know Your Client" questionnaire in respect of all Endowments arranged? Yes  No

If 'No', to Q6 i), ii) or iii) please explain

(iv) Please can you confirm the Maximum Maturity Value

(v) Please can you confirm the Average Maturity Value

(vi) Have you ever advised or arranged Cancellation of an Endowment? Yes  No

If 'Yes', how many and why?

(vii) Have you ever advised or arranged an Endowment where the maturity date is after the retirement date of the Beneficiary? Yes  No

If 'Yes', how many and why?

(viii) Have you ever advised or arranged any low cost start-up Endowments? Yes  No

If 'Yes', how many and why?

**QUESTION SEVEN**

(i) For completion if income is disclosed under Question 1 (16)

Of the income disclosed under question 1 (16), please state the percentage derived from:

a) Residential Mortgages (exc. b), c) & d) below	
i) Repayment mortgages	%
ii) Interest-only mortgages	%
b) Equity Release, Home Reversion etc	%
c) Sub Prime Mortgages	%
d) Self-certification Mortgages	%
e) Secured Loan	%
f) Commercial Mortgages (incl. Buy to Let)	%

Is all commercial advice/sales (other than Buy to Let) conducted in accordance with the NACFB regulations? Yes  No

(ii) In respect of above, please confirm:

i)	The average mortgage loan amount	ii)	The largest mortgage loan amount
a) i)	£	a) i)	£
ii)	£	ii)	£
b)	£	b)	£
c)	£	c)	£
d)	£	d)	£
e)	£	e)	£
f)	£	f)	£

(iii) In respect of a)ii above, do you always ensure that the client is aware of the need for a repayment vehicle and that is always recorded in writing? Yes  No

(iv) Has the Firm, (or any other company requiring cover under this proposal for Insurance), acted as an introducer, advised on or sold any Equity Release Schemes and/or Home Income Plans and/or Reversionary Income Plans in the last 10 years? Yes  No

If 'Yes', are non regulated equity release products treated as regulated advice? Yes  No

Please state the number of cases and years involved:-

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. of Cases												

Please advise the largest average bond investments arranged for the following years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Largest												
Average												

Please advise the largest and average amounts of equity release in the following years:

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Largest												
Average												

Do you intend to advise on these products in the forthcoming year? Yes  No

What is the estimated income for the forthcoming year? £

Are all these products signed-off by suitably qualified and competent persons? Yes  No

Do you advise on home reversion plans? Yes  No

Are you a member of SHIP? Yes  No

Do you advise on home purchase plans? Yes  No

Do you make any "non-advised" sales? Yes  No

Are you advisors for lifetime mortgages compliant with TC2? Yes  No

(v) Has the Firm ever arranged/does it intend to arrange/offer advice on equity release or Home Reversion type products? Yes  No

If 'Yes', is it your standard procedure to deal only with providers that abide by the SHIP code? If 'No', please provide details Yes  No

What is the total income for the last 12 months derived from such products? £

What is the total income for the last 12 months derived from such products? £

Who offers advice on this type of product within the Firm, and what are their relevant qualifications (have they passed the CF7 Lifetime Mortgages examination?)  
What experience do they have?

Have you given / will you give advice on the release of funds from property and the subsequent reinvestment of the fund realised, other than in respect of care home free planning/long term care planning etc? Yes  No

- If 'Yes', do you have advise on products that encourage the release of equity for the purpose of investment in a specific and pre-defined product of a higher risk nature than property? Yes  No
- Do you insist on/recommend (with a record) the involvement of a solicitor in the advice process? Yes  No
- Do you insist on/recommend (with a record) the involvement of family members/heirs in the advice process? Yes  No
- Do you always ensure that alternative means of raising capital are considered and that the deliberations are recorded? Yes  No
- If the Firm arranges, or has in the past arranged, self-certification mortgages:  
Do you provide confirmation to the lender that an applicants stated income is correct and the loan amount is affordable? Yes  No
- If 'Yes', is this always fully researched (if not, please provide further details)? Yes  No

## QUESTION EIGHT

(i) Income Draw downs

Please complete the following table:

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Number of draw down cases transacted													
Number of Cases where original fund value was less than £100,000													
Number of cases where original fund value was more than £100,001 and £300,000													
Fund value of largest case in Year	k	k	k	k	k	k	k	k	k	k	k	k	k

(ii) Please provide a brief analysis of your strategy for the sale of income drawdown/phased retirement products terms of fund values (e.g. why might you recommend drawdown on a fund value below £100,000?) drawdown amount taken and commission is taken.

Do you intend to advise on these products in the forthcoming year? Yes  No

What is the estimated income for the forthcoming year?

£

Are all these products signed-off by suitably qualified and competent persons? Yes  No

## QUESTION NINE

Structured Capital at Risk Products (Scarps)

Name of Investor	Product	Date of Investment	Maturity Date	Sum Invested	Relevant Tracking Index	Current maturity value*	Guaranteed income / growth amount	Execution Only basis

\* (excluding accrued interest). Continue on additional sheet if necessary.  
Please provide the Key Feature Document for each product indicated above.

Do you intend to advise on these products in the forthcoming year? Yes  No

What is the estimated income for the forthcoming year?

£

Are all these products signed-off by suitably qualified and competent persons? Yes  No

## QUESTION TEN

### Split Capital

Please advise which of the following you have been involved in relative to Split Capital or Zero Dividend Preference Share Investments.

- |                          |     |                          |    |                          |
|--------------------------|-----|--------------------------|----|--------------------------|
| i) Marketing             | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) Arrangement of       | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) Stock Selection     | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iv) The giving of advice | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

Please provide full details (all figures in £ sterling)

Name of Investor	Name of Fund / Provider	Amount invested in split Cap / Zero	% of C out of named investors Total Investment	Current value of Split Cap / Zero	Current Loss of Split Cap / Zero (C-E)	Gain / Loss on all other Investment	Current Loss of Split Cap / Zero as % of Total Investment

Do you intend to advise on these products in the forthcoming year? Yes  No

What is the estimated income for the forthcoming year?

£

Are all these products signed-off by suitably qualified and competent persons? Yes  No

## QUESTION ELEVEN

### High Income or Extra Income Bonds

Please advise which of the following you have been involved in relative to high income or extra income bonds Investments.

- |                          |     |                          |    |                          |
|--------------------------|-----|--------------------------|----|--------------------------|
| i) Marketing             | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| ii) Arrangement of       | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iii) Stock Selection     | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| iv) The giving of advice | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

If "Yes", state below the number of cases and years involved:-

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
No. of Cases												

Please advise the largest average bond investments arranged for the following years:-

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Largest												
Average												

Do you intend to advise on these products in the forthcoming year? Yes  No

What is the estimated income for the forthcoming year? Yes  No

Are all these products signed-off by suitably qualified and competent persons? Yes  No

## CONFIRMATION

### Disclosure of Material Facts

It is essential that every Proposer or Insured when seeking a quotation, taking out or renewing an insurance, reveals to the prospective Insurers any material facts or information (including any material circumstances or change in circumstance) which might influence the judgement of Insurers in fixing the premium or in determining whether they will accept the risk. Failure to do so may render the contract of insurance voidable from inception at the option of the Insurers and enable them to repudiate liability thereunder. If you have any doubt as to what constitutes a material fact or circumstance, seek our advice.

I declare that the above statements and particulars are true, full enquiry having been made, and I have not omitted, suppressed or mis-stated any material facts and undertake to inform the Insurer of any change to any material fact. I understand that the information I provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application. I further agree that this declaration, together with any other information provided shall be the basis of any contract between me and the Insurer.

## THIS FORM MUST BE SIGNED BY A PRINCIPAL OF THE FIRM

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_

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# PROFESSIONAL INDEMNITY INSURANCE BINDING AUTHORITY QUESTIONNAIRE

**PLEASE COMPLETE A SEPARATE QUESTIONNAIRE FOR EACH BINDING AUTHORITY HELD**

## QUESTION ONE

- (i) Date authority commenced
- (ii) List all insurers, reinsurers or Lloyds syndicates subscribing
- (iii) Classes of business underwritten  
Please state direct / or reinsurance as applicable
- (iv) Maximum underwriting limits permitted in each class

## QUESTION TWO

Please state total premium income as follows:

	Past Financial Year	Previous Financial Year	Estimate for coming Year
United Kingdom	£	£	£
Europe	£	£	£
USA / Canada	£	£	£
Elsewhere	£	£	£

Please state total commission / fees or earnings as follows:

	Past Financial Year	Previous Financial Year	Estimate for coming Year
United Kingdom	£	£	£
Europe	£	£	£
USA / Canada	£	£	£
Elsewhere	£	£	£

## QUESTION THREE

Does the firm only accept business by way of an underwriting stamp being put down on a brokers placing slip? Yes  No   
If 'No', please give brief details of normal methods of accepting business

## QUESTION FOUR

Does the firm in its own right handle the placing of any reinsurance protection on behalf of those insurers for whom they are accepting risks under the above authority/authorities? Yes  No

If 'Yes', please state commission earned in last twelve months in this respect and provide full details

## QUESTION FIVE

Is the Binding Authority: (please choose one of the following options)

Non-Discretionary with no deviation from the Binding Authority in respect of the type of risks, the rates, the period of insurance or the policy wording applicable, as specified in the Binding Authority? Yes  No

Non-Discretionary with no deviation from the Binding Authority in respect of the type of risks, the period of insurance or the policy wording applicable, but with a limited amount of deviation permissible to the extent of discounts or loadings specifically outlined within the Binding Authority? Yes  No

Non-Discretionary with no deviation from the Binding Authority in respect of the type of risks and policy wording applicable but deviation permissible in respect of the period of insurance or non-specified discounts or loadings? Yes  No

Discretionary Binding Authority with no limits in respect of the type of risk, rating, policy wording or the period of insurance? Yes  No

## QUESTION SIX

Do you have a claims handling / settlement authority? Yes  No

If 'Yes', what is the financial limit of the authority?

£

## QUESTION SEVEN

Is there any restriction in the authority as to whom within the firm may accept risks? Yes  No

Does the firm delegate their authority to any outside agent, firm or organisation? Yes  No

## QUESTION EIGHT

Please complete the following in respect of all persons engaged in the acceptance and binding of risks under the authority.

Name

Position

(If less than three years practical experience in this area please give brief details of previous occupation)

## CONFIRMATION

I declare that the above statements and particulars are true, full enquiry having been made, and I have not omitted, suppressed or mis-stated any material facts and undertake to inform the Insurer of any change to any material fact. I understand that the information I provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application. I further agree that this declaration, together with any other information provided shall be the basis of any contract between me and the Insurer.

## THIS FORM MUST BE SIGNED BY A PRINCIPAL OF THE FIRM

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_

Please return this Application Form along with any other supplementary information sheets to the following address:-

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# PROFESSIONAL INDEMNITY INSURANCE APPOINTED REPRESENTATIVES QUESTIONNAIRE

**If you have answered 'Yes' to question eight of the main proposal form, please complete the following questions.**

## QUESTION ONE

Please advise the number of appointed representatives used on an annual basis?

What is the annual brokerage income you receive from this?

## QUESTION TWO

In respect of the above, do you have a written agency agreement in place with each representative? If 'Yes', Yes  No

Does the agency agreement retain subrogation rights? Yes  No

Does the agency agreement hold you harmless? Yes  No

## QUESTION THREE

Do you ensure that each representative has adequate professional indemnity insurance in place? Yes  No

## QUESTION FOUR

Prior to placing business on behalf of an appointed representative do you check to ensure that they have the necessary expertise to deal with the client and fully explain the insurance in question? Yes  No

Do you regularly audit each appointed representative to ensure that they are acting in a professional and correct manner? Yes  No

If you were not satisfied that the appointed representative had the necessary expertise to deal with the risk would you act on their behalf? Yes  No

## QUESTION FIVE

Do you check to ensure that each appointed representative has adequate systems in place to prevent any dishonest or fraudulent act? Yes  No

If you were not satisfied with the systems in place, would you act on behalf of the appointed representative? Yes  No

## QUESTION SIX

Do you check to ensure that the appointed representative has ever sustained any loss for fraud or dishonesty? If 'Yes', Yes  No

Would you place business on behalf of any appointed representative if their professional indemnity claims experience was poor? Yes  No

## CONFIRMATION

I declare that the above statements and particulars are true, full enquiry having been made, and I have not omitted, suppressed or mis-stated any material facts and undertake to inform the Insurer of any change to any material fact. I understand that the information I provide will be used in deciding the price charged by the Insurer for the risk and whether the Insurer will accept the application. I further agree that this declaration, together with any other information provided shall be the basis of any contract between me and the Insurer.

## THIS FORM MUST BE SIGNED BY A PRINCIPAL OF THE FIRM

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print name: \_\_\_\_\_

Position: \_\_\_\_\_

Please return this Application Form along with any other supplementary information sheets to the following address:-

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