

Professional Indemnity Insurance for Insurance Brokers



Proposal Form

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

Affinity
A division of Lockton Companies LLP
The St Botolph Building
138 Houndsditch
London
EC3A 7AG
Tel: 020 7933 2558
Fax: 020 7933 0739

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



Lockton Companies LLP
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IMPORTANT NOTICE REGARDING COMPLETION OF THIS PROPOSAL FORM

1. Disclosure

- Any “material fact” must be disclosed to Insurers.
- A “material fact” is any information which may affect the judgement of an Insurer in assessing a risk.
- Any “material change” must be disclosed to Insurers.
- A “material change” is any information which may affect the judgement of an Insurer or their perception of risk and exposure that has not previously been disclosed as a material fact.

(If you are unsure whether a fact or change is material or not, you should disclose it.)

Failure to provide all “material facts” and/or notify all “material changes” may cause the contract of insurance to be void and may result in Insurers repudiating liability entirely.

2. Presentation

- This Proposal Form must be completed in ink by an authorised individual, a Partner/ Principal/ Member or Director of the Firm.
- **All** questions must be answered.
- If there is insufficient space to provide answers, additional information should be provided on separate sheets (ideally on Company headed notepaper), clearly identifiable as forming part of the proposal form.
- Where available brochures, standard contract conditions, 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.

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 an Account Executive at Lockton.

SECTION 1 – General Details

- 1 Name of proposer(s) to be covered Establishment date(s)
(to include predecessors for whom cover is required)

2. Main address of the proposer and any overseas addresses (specifying the name and position of the individual responsible at each location including web and email addresses) Please use separate sheet for any additional addresses:

Address:	Name:
	Position:
	Email:
Tel:	Website:

3. Individual, Partner, Director, Consultants under a contract of service details:

<u>Name</u>	<u>Age</u>	<u>Qualification</u>	<u>Dates Qualified</u>

Attach CV where the proposer has been established less than 5 years and/or where any individual has no relevant qualifications.

4. Indicate the professional associations of which the proposer is a member.

☐ IIB ☐ BIBA ☐ Countrywide ☐ Key choice

If other please provide details:

5. Number of employees split between the following:

a) Qualified

b) Unqualified/Administrative

c) Self employed consultants

d) Other (specify)

Total :

SECTION 2 – Claims Information

1. After full enquiry has the proposer sustained any loss through the fraud or dishonesty of any person?

YES ☐ NO ☐

If 'YES' please provide details.

2. After full enquiry is the proposer 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. After full enquiry has any claim been made against the proposer'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 full enquiry is the proposer aware of any circumstance or incident which has or could result in any claim being made against the proposer's business, or any principal, partner, director or employee of this or any other business?

YES ☐ NO ☐

If 'YES' please provide details.

5. Have present or previous Insurers been notified of and accepted all claims, notifications and circumstances?

YES ☐ NO ☐

If 'NO' please provide details.

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

SECTION 3 – The Business : Work Undertaken

1. a) Please provide the proposer's fees/income in each of the financial periods derived from clients based in:

	Last Financial Year ended: / /	Current Financial Year ended: / /	Coming Financial Year ended: / /
UK			
Elsewhere			
Total			

If fees/income are/is declared as derived from Overseas offices (as declared Elsewhere above), please contact your Lockton representative as additional information will be required for regulatory and taxation purposes.

-
2. Please allocate below, as a percentage to a total of 100%, the split in fees/income between activities for the last complete financial year:

	UK	Elsewhere	Total
Personal Lines Insurance (excluding motor)			
Commercial Insurance (excluding motor)			
Motor Insurance (personal)			
Motor Insurance (commercial)			
Construction Insurance			
Professional Indemnity Insurance			
Aviation Insurance (full details required on separate sheet)			
Marine Insurance			
Risk Management/Consultancy			
Investment Business			
Mortgage Business			
Other (please specify)			
TOTAL			100%

If fees/income have/has ever been derived Binding Authorities or Marine Insurance the relevant supplementary questionnaire **MUST** be completed.

-
3. If marine activities have been disclosed in (2) above then please provide a breakdown of marine business (as specified above) into the following categories:

Marine (goods in transit, air)	%
Marine (goods in transit, road)	%
Marine (goods in transit, sea)	%
Marine (hull – commercial)	%
Marine (hull – small pleasure craft)	%
Other (please define below)	%
100	%

-
4. Does or has the proposer had any binding authority arrangement whereby an Insurer or underwriter has granted the business authority to set rates, terms and conditions and/or handle claims without referral?

YES ☐ NO ☐

If 'YES' please complete the **Binding Authority Supplementary Questionnaire**.

5. In respect of material damage and business interruption combined exposure, please provide details of the 2 largest sums insured placed directly by the proposer.

Client:	_____	Client:	_____
Risk:	_____	Risk:	_____
Sum Insured:	_____	Sum Insured:	_____

6. In respect of public liability, products liability, or professional indemnity risks, please provide details of the 2 largest sums insured placed directly by the proposer.

Client:	_____	Client:	_____
Risk:	_____	Risk:	_____
Sum Insured:	_____	Sum Insured:	_____

SECTION 4 – Insurance Coverage

1. Does the proposer currently have Professional Indemnity Insurance in force?

YES ☐ NO ☐

If 'YES' please provide the following details:
(unless currently insured via Lockton)

a) Insurer	_____
b) Limit	_____
c) Excess	_____
d) Premium	_____
e) Renewal Date	_____

2. What is the amount of indemnity now required?

£ _____

3. Has any Proposal for similar insurance made on behalf of the proposer's business, any predecessor of the business, or any principal, partner or director ever been declined or has such insurance ever been cancelled, renewal refused or any special terms imposed (other than general market increases)?

YES ☐ NO ☐

If 'YES', please give details.

SECTION 5 – Declaration

DATA PROTECTION

By signing this proposal form you consent to Lockton Companies International Limited 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 above statements and particulars are true, full enquiry having been made, and I/We have not omitted, suppressed or mis-stated any material facts which may be relevant to Insurers' consideration of this proposal form and undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been agreed. 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.

PRINT NAME:

SIGNATURE:

(authorised individual/partner/principal/director)

ON BEHALF OF:

DATE:

If completing online, please save your form and visit the [Contact Us](#) section for details on where to send your completed form.

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.

Supplementary Questionnaires

(Please complete, sign and return)

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

Binding Authority

1.

Are rates all pre-set by Insurer or are rates on a "prior submit" basis

PRE SET BY	PRIOR SUBMIT	
INSURER		NEITHER

If **NEITHER**, please give details of the authority held to vary rates contained within the agreement.

2. Does the Firm have Claims handling/settlement authority?

YES ☐ NO ☐

If **'YES'**, please detail any limitations.

3. List all classes of business authorised and state for each whether Direct or Re-Insurance.

Class of Business	Direct	Re-Insurance

4. Give maximum Underwriting Limits for each class

Class of Business	Underwriting Limit

5. Please provide total commission/fees/earnings derived from this binding authority for:

a) Previous year.

b) Last complete year.

c) Forthcoming financial year (estimate).

6. Is the Binding Authority subject to an audit by the Underwriter/Insurance Proposer? YES ☐ NO ☐

7. How often does the Insurer audit the arrangement and review the files? _____

8. What was the date of the last audit? _____

9. Was any remedial action required? YES ☐ NO ☐

If 'YES', please provide details on separate headed paper.

This questionnaire forms an integral part of the Proposal Form dated _____

Signature of Partner/Director/Proprietor _____

Name of Signatory: _____

FSA Authorisation Questionnaire – Appointed Representatives

1. Organisation and Structure.

- i) What supervision structure has the Proposer established to monitor the regulated activities of your Appointed Representatives.

- ii) What supervision methods does the Proposer use?

2. Contract Arrangements.

- i) Does the Proposer have a written contract with all Appointed Representatives / Introducer Appointed Representatives? YES ☐ NO ☐
- ii) Does the Proposer's contract with Appointed Representatives/Introducer Appointed Representatives include a requirement for the Appointed Representative/Introducer Appointed Representative to abide by all quality assurance systems specified by the Proposer as the responsible principal? YES ☐ NO ☐
- iii) Does this contract also include an agreement for the Proposer to be allowed access to any personnel, records and systems as necessary to supervise operations to ensure compliance with regulatory requirements? YES ☐ NO ☐

3. Fitness & Propriety

- i) Has the Proposer clarified (in accordance with the requirements and guidance of Supervision Chapter 12 of the FSA Handbook) that all existing Appointed Representatives/Introducer Appointed Representatives are suitable, solvent and of good repute? YES ☐ NO ☐
- ii) Does the Proposer also ensure this for all new Appointed Representatives/Introducer Appointed Representatives? YES ☐ NO ☐
- iii) How does the Proposer monitor these conditions on a continuing basis?

4. Training and Competence.

- i) How does the Proposer assess the competence of Appointed Representatives/Introducer Appointed Representatives?

- ii) At what frequency is this reviewed?

- iii) What role does the Proposer have in monitoring, training and development activities undertaken?
- _____

5. Multi-Principal Agreements.

- i) Does the Proposer have any Appointed Representatives/Introducer Appointed Representatives that are contracted to other principals? YES ☐ NO ☐
- ii) Has the Proposer entered into any multi-principal agreements with those firms? YES ☐ NO ☐
- iii) Is the Proposer nominated a lead principal in any of those agreements? YES ☐ NO ☐
- If 'YES', please provide details.
- _____

6. Networks.

- i) How many Appointed Representatives/Introducer Appointed Representatives has the Proposer contracted with? _____
- ii) Does the Proposer intend to contract with any more over the next twelve months? YES ☐ NO ☐
- iii) Do any of the Appointed Representatives/Introducer Appointed Representatives employ their own Agents? YES ☐ NO ☐
- If 'YES', please provide details.
- _____

Please provide a copy of any/all contracts the Proposer has entered into with an Appointed Representative/Introducer Appointed Representative/Multi-Principal agreements

IMPORTANT NOTE: If any agreements are entered into subsequent to the inception of this policy, copies of these agreements must be provided once agreed, in accordance with material fact disclosure requirements.

This questionnaire forms an integral part of the Proposal Form dated _____

Signature of Partner/Director/Proprietor _____

Name of Signatory: _____
