

The policy insures individual accountants or associations/partnerships for their legal liabilities to third parties arising from their professional negligence or that of their employees. Accountants herein referred to as Professionals.

**THE COVER:** Professionals may fail to exercise the skill and care that is expected of them - this skill and care is above and beyond the 'normal' duty of care. Professional indemnity cover is for 'Loss arising from a breach of professional duty by reason of any negligent act, negligent error or negligent omission'.

The main elements of the professional indemnity cover will typically consist of:

- legal liability/civil liability involving payment of;
  - damages,
  - claimant's costs and expenses,
  - defence costs;
- libel and slander (negligence does not have to be proven for a claimant to succeed with a libel and slander action);
- dishonest, fraudulent or malicious act of employees;
- loss of documents;
- compensation for court appearance.

**Claims Administration:** Policies are issued on a 'claims made' basis, which means that the claim must be made or reported to the insurer during the period of insurance.

#### **EXCLUSIONS**

- Liability covered under a Public Or Product Liability;
- Fidelity guarantee;
- Loss of documents;
- Consequential loss;
- Liability arising out of pollution or contamination of any kind;
- Activities in connection with fairs and/exhibition, grounds boundary surveys, survey of sub-surface conditions;
- Estimation of quantities and qualities/arranging/handling materials;
- Atomic works, mining, dams, tunnels, bridges, offshore work;
- Losses arising out of physical acts of the insured, their agents/employees in respect of third party injury or destruction of property;
- Losses associated with ownership, maintenance or operation of aircraft, boat, automobile;
- Insolvency; and War and related peril.

## SECTION A: Personal /Corporate Data

### (Individual Applicant)

Surname: \_\_\_\_\_ Other Name: \_\_\_\_\_ PIN No: \_\_\_\_\_

Place of Work: \_\_\_\_\_ Occupation: \_\_\_\_\_

Date of Birth: (dd) \_\_\_\_\_ / (mm) \_\_\_\_\_ (yy) \_\_\_\_\_ ID/Passport No: \_\_\_\_\_

### (Corporate Applicant)

Business name: \_\_\_\_\_ PIN No: \_\_\_\_\_

Nature of Business: \_\_\_\_\_

Name of Contact Person: \_\_\_\_\_ Position: \_\_\_\_\_

### (Both Corporate and Individual Applicants)

Postal Address: \_\_\_\_\_ Postal Code: \_\_\_\_\_ Town: \_\_\_\_\_

Physical Address: Bldg: \_\_\_\_\_ Floor: \_\_\_\_\_ Street: \_\_\_\_\_

Office Tel: \_\_\_\_\_ Fax No: \_\_\_\_\_ Mobile Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

## SECTION B: Technical Details

### (I) General data

1. Address of branch office(s) and name(s) of resident partner(s): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. When was the firm established? \_\_\_\_\_

3. During the past five years, has the name of the firm been changed or has any other firm purchased or any merger or consolidation taken place? Yes  No

If so, please give full details \_\_\_\_\_  
\_\_\_\_\_

4. Are you a member of any professional association? Yes  No

State association name. \_\_\_\_\_  
\_\_\_\_\_

**SECTION B: Technical Details (continued)**

5. Details of all practicing principals or partners

Names	Qualifications, dates qualified/total duration of professional experience	Position held in company and how long

6. Total number of principals, partners and staff

	Numbers
Technical - Principals, partners or officers	_____
- Solicitors and legal assistants	_____
- Staff other than typists and office boys (please specify)	_____
- Typists and office boys	_____

7. Does your firm, any partner, principal or staff manage, own or have financial control of any bank, trust company, mortgage or loan association, title guarantee or real estate company or undertake work as executor, trustee, director or company secretary? Yes  No   
 If so, please give full details.

\_\_\_\_\_

\_\_\_\_\_

**(II) Nature and volume of your present and foreseeable future activities**

1. Describe your firm by showing the percentage of gross fees to be received from the following activities during the current fiscal year:

- a) Taxation %
- b) Consultancies %
- c) Examination of annual reports %
- d) Audits %
- e) Share registration %
- f) Insolvencies/liquidations/receiverships %
- g) Management consultancies %
- h) Others (please specify) %

**Total 100%**

2. Does the firm's practice extend or has it ever extended to activities abroad? Yes  No

If so, please indicate:

a) In which countries and the respective share of total business. \_\_\_\_\_

b) Method of handling such business. \_\_\_\_\_

3. Fees

Please indicate your fiscal year. \_\_\_\_\_

What are the gross fees for:

a) Last fiscal year? \_\_\_\_\_

b) Current fiscal year (estimate)? \_\_\_\_\_

c) Next fiscal year (estimate)? \_\_\_\_\_

**(III) Previous Insurance/previous claims**

1. Have you previously been insured? If so, please specify:

Name of Insurer	Policy period	Limit of indemnity	Yes	No

2. Has a previous application been declined? Yes  No   
 Has a previous insurance:  
 a) Required increased premium? Yes  No   
 b) Required special restrictions? Yes  No   
 c) Been terminated/not been renewed by an insurer? Yes  No   
 If so, please give detailed information. \_\_\_\_\_

3. Have any claims been made during the past five years against your firm? Yes  No   
 If so, please advise amount and background of each claim. \_\_\_\_\_

4. Is your firm aware of any circumstances or incidents which may result in a claim or claims against your firm?  
 Yes  No  If so, please give details \_\_\_\_\_

**(IV) Indemnity required**

- Limit any one claim
- Limit in the annual aggregate
- Deductible each and every claim to be borne by insured

**(V) Extension to basic cover**

- Loss of documents. Yes  No   
Limit
- Dishonesty of employees Yes  No

If so, please answer the following questions:

- Has the firm sustained any loss through the fraud or dishonesty of any employee? Yes  No
- Is any employee allowed to sign cheques, without countersignature by a partner? Yes  No   
If so, up to what amount?

3. Libel and slander. Yes  Limit No

- Partner's previous business
  - Incoming partners Yes  No
  - Outgoing partners Yes  No

If extension is required, please advise names of the partners and incoming/outgoing dates.

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### SECTION C: Payment Details

#### Payment Type (Please Tick)

- Cash: (Please pay directly to THE INSURANCE COMPANY)
- Cheque: Cheque No ..... Bank: .....
- Premium Finance: (State the financing company) .....

#### IMPORTANT NOTICE

- Please note that all premium cheques must be written in favour of THE INSURANCE COMPANY. CASH must be paid direct to THE INSURANCE COMPANY and appropriate receipt obtained.
- Insurance cover will commence only after payment has been received by THE INSURANCE COMPANY. If any cheques are dishonoured cover will be deemed to have been inoperative with effect from inception

### SECTION D: Requirements

Please attach the following which form part of this proposal. Without these documents, we shall not be in a position to process the Proposal.

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### SECTION E: Declaration

I/We declare that the statements and particulars in this proposal are true and that I/We have not misstated or suppressed any material facts. I/We agree that this proposal, together with any other information supplied by me/us, shall form the basis of any contract of insurance effected thereon.

Signing this proposal form does not bind the proposer or underwriter to complete this insurance.

Executed at this ..... day of ..... 20 .....

For and on behalf of: .....

Name: .....

Signature: ..... Date: .....

(If Corporate): Designation of contact person: .....

Company Stamp: .....

### SECTION F: Official use only

Period of Insurance: From: ..... / ..... / 20 ..... Policy No: .....

To: ..... / ..... / 20 ..... (both dates inclusive)

First Premium: ..... Stamp Duty ..... Total .....

Name of Producer: .....

Proposal Status: (Note – check if all requirements are attached)

Approved .....

Deferred: Reason: .....

Rejected: Reason: .....

Underwriter's Name & Signature: ..... Date: .....