

FINANCIAL ADVISERS' PROPOSAL FORM

STRICTLY PRIVATE & CONFIDENTIAL



Important Notice – Please read before completing this proposal form

The proposal must be signed by a Principal, Partner, Director or LLP Member of the Firm with authority to do so, and who has made full enquiry of all Partners, Directors, Members and Staff to enable questions to be answered accurately.

Your disclosure obligations – what you should tell Insurers

It is extremely important that you understand your responsibility to disclose all material information that is known to you. Material information is that which might influence Insurers judgment in determining whether to accept the risk or not, the scope of cover, and the premium to charge. Completing a proposal form may not, in itself, satisfy full disclosure, and any additional material information will need to be disclosed to Insurers. Any material change to the information disclosed to Insurers taking place prior to the insurance being arranged must also be advised.

Presentation

All questions contained within this proposal must be answered. **Where a question is not applicable please state N/A.** Where there is insufficient space within the form to provide full answers please use the Additional Information section at the end of the form (unless otherwise stated). Where available please provide brochures, standard contract conditions, conditions, agreements and letters of engagement.

Guidance

If you are in any doubt as to the meaning of any question contained within this questionnaire, or the issues raised in above please contact Professional Indemnity Ltd for advice on 0845 251 4000.

FSA Risk Classification

As part of Professional Indemnity Ltd's FSA compliance requirements it is necessary to classify your risk as either Small Commercial or Large Commercial.

In the last financial year did the Firm have at least two of the features below?

YES NO

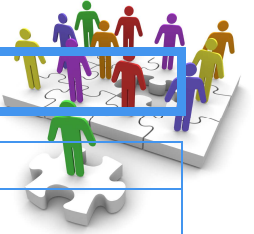
- Turnover of €12.8m or more
- Balance sheet of €6.2m or more
- Average number of staff of 250 or more

When you have completed your proposal submission, please return this form and attachments to:

Professional Indemnity Ltd
1 The Old Schoolhouse
Cheddar Road
Wedmore
Somerset
BS28 4EP

Professional Indemnity Ltd is an Appointed Representative of NTEGRITY Insurance Solutions Ltd. Authorised and Regulated by the Financial Services Authority number 467019. www.ntegrity.co.uk

Practice Profile



1) Full name/s of Firm

2) Date the Firm was established

3) Address of principal office

 Post Code

Other office locations (including overseas) for which you require cover

Telephone number

Fax number

Email address of primary contact

Website address

4) Please provide details of all other names under which you Firm and any other entities for which you are seeking cover, including trustee and/or nominated companies

5) Please detail below all prior Firm names.

Name of Firm	Date Established	Date of cessation

Do you require cover for all past activities of the above businesses?

YES NO

6) Are the activities of any prior Firms' essentially the same as the current Firm?

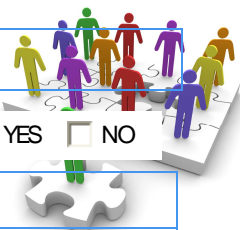
YES NO

If NO Please provide details of any activities previously undertaken

7) Was the Firm or any predecessor in business designated a 'departed firm' or declared by the FSCS to be 'a firm in default'?

YES NO

If YES Please provide details



8) Who is the Firm is regulated by?

9) Is the Firm a member of any Professional Associations/Groups/Networks?

YES NO

If YES Please provide details

10) Is the signatory to the proposal form or any Director, or Partner, or Employee a member of the Personal Finance Society?

YES NO

11) During the last 12 Months has the Firm applied to the Financial Services Authority in respect to any exemptions/change of status required by MiFID (e.g. CAD Exempt Status) or applied for a 'Passport' under IMD rules?

YES NO

12) Has the Firm ever acted as an Appointed Representative or tied agent for financial services or general insurance business?

YES NO

If you have answered to YES to questions 11, 12 or 13 please provide details below

People Profile

13) Does the Practice/or any Principal, Partner, Director or Member carry out any work on behalf of any other business in which they have a controlling financial interest (other than as a shareholder in a public quoted company)?

YES NO

If YES Please provide details

14) Has any Partner/Director/Member or Employee, either past or present, ever been the subject of disciplinary proceedings by any professional association or authorising body?

YES NO

If YES Please provide details on supplementary sheets

15) Please complete the table below with details of all Principals, Partners, Directors and Members:

Name	Position	Age	Year Joined Practice	Qualification	Date Qualified

16) Please complete the table below with details of permanent staff currently in the Practice



	Full Time	Part Time	Consultants
Individuals performing controlled functions			
Appointed Representatives			
Appointed Introducer Representatives			
Administrative Staff			
Others			
TOTAL			

17) If you have indicated that you have/had Appointed Representatives please complete the table below with details.

Name	Date Joined	Date Departed

18) Is the Firm planning any major changes to the total number of staff employed within the next 12 months?

YES NO

If YES Please provide details

19) Annual average percentage rate of staff turnover in the last 3 years?

 %

20) Is the Practice/or any Principal, Partner, Director or Member a member of a consortium, joint venture, single project partnership or group practice?

YES NO

If YES Please provide details

Financial Profile

21) When is your financial year end?

22) Please complete the table below with the amount of gross commission/brokerage/fees received in your last 5 financial years:

Year Ending	In the UK	USA/Canada	Elsewhere	Total	Largest Fee from any one Client
Last Return / /	£	£	£	£	£
/ /	£	£	£	£	£
/ /	£	£	£	£	£
/ /	£	£	£	£	£
/ /	£	£	£	£	£
Estimate for this year	£	£	£	£	£
Profit for last year	£	£	£	£	£

23) If you require cover for overseas offices please detail below the fees (included in the table above) derived from each overseas office:

Office Location	Fees (Last Return)	Estimate for this year	Jurisdiction
	£	£	
	£	£	
	£	£	
	£	£	

24) For your last completed Financial Year, please provide a division of your fee income between:



	Less than £15,000	£15,001 - £40,000	Over £40,000
Number of Clients			
Total Fees	£	£	£

Work Profile

25) Please complete the table below with the Percentage of gross fees/commission/brokerage for all activities undertaken by the Firm in the last financial year.

Stakeholder pensions	%	Film Partnerships/Film Finance	%
Pension Transfers	%	Traded Endowment Policies	%
Pension Fund Withdrawal Plans, Income Drawdown's & Phased Retirement	%	Endowments	%
SIPPs as a Provider/Administrator	%	Life Products	%
Pension Fund Managers	%	Self Certification Mortgages	%
Pension Fund Trustees	%	Other Mortgages	%
Pension Fund Administrator	%	Building Society Agency	%
Endowments	%	Discretionary Portfolio Management	%
Life Products	%	Private Health, Critical Illness Medical Insurance & ASU	%
Self Certification Mortgages	%	Personal Lines Insurance	%
Income Bonds	%	Commercial General Insurance	%
Venture Capital Trusts	%	Film Finance Schemes	%
Enterprise Initiative Schemes	%	Venture Capital Trusts (VCT)	%
Real Property Funds	%	Enterprise Zone Investments (EIS)	%
Home Income Plans/Equity Release Schemes	%	Deferral Relief Companies	%
Hedge Funds	%	Estate Planning	%
Split Capital Investment Trusts/ Zero Dividend Preference Funds	%	Share Dealing	%
Other Business – Please provide details below			%

26) Are the percentages shown above representative of the work undertaken by the Practice in the last 6 years?

YES NO

If **NO** Please provide details particularly where you have answered 'nil' but have undertaken such work in the last 6 years

If the Firm acted as an introducer, advised on or sold any shares in Split Capital Investment Trusts, or any collective investment which invests in shares of Split Capital Investment Trust *please complete the table at the end of this form.*

If the Firm acted as an introducer, advised on or sold any Structured Capital Risks Products where the sum invested is greater than £7,000 *please complete the table at the end of this form.*

PENSIONS BUSINESS – Please complete if relevant



27) If you have transacted any Pension Fund Withdrawal Plans, Income Drawdown's or Phased Retirement, please complete the table below.

Type of Product	No. of Cases	Average Value/Investment	Maximum Value/Investment
		£	£
		£	£
		£	£
28) Please indicate the number of cases where the original fund value was less than £100,000			

29) Does the Firm require cover for cases which fell within the Pension Review? YES NO

If YES Please complete the table below

- i. Has the Firm Pension Review been completed? YES NO
- ii. Please confirm the date the date that the Firm sent the final Pension Review mailing:
- iii. Have all cases which requested a review or complained under the terms of the Pension Review, been notified to previous Professional Indemnity Insurance policies as claims/circumstances? YES NO
- iv. Were any of the Practices' non responders transfers from the Miners' Pension Scheme? YES NO
- v. Were any of the Practices' non responders pension transfers with a transfer value greater than £20,000? YES NO

if YES please provide details on a separate sheet

30) Please complete the table below with details of your Pension Review Cases:

	Total number of PP's sold in Review Period (inc S32's & 226's)	Total number cases mailed	Number of cases declining review	Number of Non-reviewable cases	Number of cases reviewed	Number of Non responders
Opt outs & Non Joiners						
Transfers						
Rebate Only						
Total						

31) If the Firm ever transacted/given advice in respect of SERPS/S2P please provide details in the table below.

Financial Year								
Total number of recommendations to contract out								

32) Does the Firm review the recommendations to contract out each year? YES NO

33) Please provide a brief outline of the Practices' philosophy in relation to advising clients regarding contracting out.



- 41) Where Income Drawdown's have been transacted in order to raise cash, please confirm that the Practices' Reason Why letter has highlighted;
- i) The effects that the withdrawal will have on future pension benefits? YES NO
 - ii) Established why the needed cash and why other methods of raising finance were unsuitable? YES NO
- 42) Does the file show that the beneficiaries of the Clients estate were informed when the plans were arranged? YES NO
- 43) Has the Firm ever transacted any business where the client has given up G A R? YES NO
- 44) Please provide a brief outline of the Practices' philosophy in relation to advising clients regarding income in retirement.

INVESTMENT BUSINESS – Please complete if relevant

45) If you have you have indicated that the Firm has undertaken work in the last financial year in Venture Capital Trusts, Enterprise Initiative Schemes, Real Property Funds, Hedge Funds, Film Partnerships/Film Finance or Traded Endowment Policies, please complete the table below.

Type of Product	No. of Cases	Average Value/Investment	Maximum Value/Investment
		£	£
		£	£
		£	£
		£	£
		£	£
		£	£
		£	£

MORTGAGE BUSINESS – Please complete if relevant

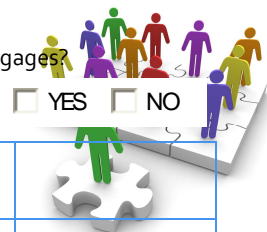
46) If you have you have indicated that the Firm has carried out Self Certification Mortgages in the last financial please complete the table below.

Number of Cases	Average Value	Maximum Value

- 47) Does the Firm obtain written confirmation from the Clients that the information provided is true, correct and substantive? YES NO
- 48) Does the Firm advise Clients in writing of the consequences of giving false information? YES NO

49) Has the Firm ever given advice or arranged 'Low Cost' or 'Low Start' endowment policies in connection with mortgages?

YES NO



If YES Please advise;

Financial Year								
Number of cases								
Average value								
Largest value								

50) Please confirm whether the Firm advises intending investors, and documents that:

- i) An Endowment can not be guaranteed to pay off a mortgage loan at maturity? YES NO
- ii) Other forms of mortgage repayment are available which could meet the client's needs? YES NO
- iii) An Endowment policy involves an investment risk? YES NO

If you have answered NO to i, ii or iii please provide further details.

TAX SHELTERING – Please complete if relevant

If you have indicated that the Firm has undertaken work in Tax Sheltering, in the table on pages 7, please provide details on the Firm headed paper.

51) Has the Inland Revenue indicated that they intend to challenge the tax status of any of the products arranged on behalf of any client?

YES NO

If YES Please provide details

52) Are any substantial changes planned to work undertaken by the Firm within the next 12 months?

YES NO

If YES Please provide details

Claims Profile

53) Have any claims been made against the Practice any present or former Partner, Director, Member or Employee for breach of professional duty, whether successful or otherwise?

YES NO

54) Has the Firm sustained any loss through fraud or dishonesty of any Partner/Member or Employee?

YES NO

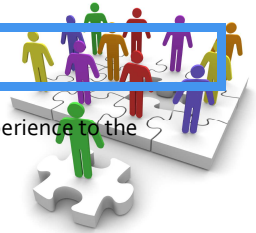
55) Does the Firm know of any fraud or dishonesty of any present or former Partner, Director, Member or Employee?

YES NO

56) After full enquiry does any person know of any circumstance or unreported claims which may give rise to a claim against the Firm or which could result in an action against the Firm, any prior Firm, or any past or present Partner, Director, Member or Employee of the Firm?

YES NO

Insurance Profile



59) Has any Insurer declined to renew a policy, cancelled a policy or refused to offer terms on the grounds of claims experience to the Practice or any prior Practice, Partner, Director or Member terms for Professional Indemnity Insurance?

If YES please provide details below

YES NO

60) Does the Firm currently hold Professional Indemnity Insurance?

If YES please provide details below

YES NO

Renewal Date	
Retroactive Date (if any applies)	
Insurer	
Limit of Indemnity	£
Excess – Each Claim (the first amount of each claim that you pay)	£
Excess – Aggregate (the total amount paid for all claims in a year)	£
Premium	£
Broker Fee	£
Broker	

Insurance Needs

61) Please confirm the total limits of indemnity that you would like to receive a quote for:

£	£	£
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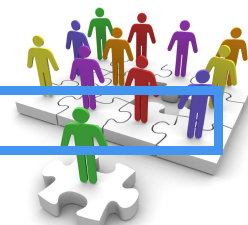
62) Please confirm the excesses that you would like to receive a quote for:

£	£	£
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63) Please provide details of all regulators and any professional bodies that your Professional Indemnity Insurance will need to satisfy.

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64) Please provide details of any special cover requirements that you might have (such as any that may be addressed by your current policy and any extensions in place, or any new needs that you believe need to be indemnified)



Declaration

INFORMATION SUPPLIED

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 underwriters consideration of this proposal form. I/We 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 provided 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 the policy provided.

I/We understand that if the Firm acquires, merges with or absorbs another Firm during the period of the insurance, Insurers will require similar information in relation to that Firm and may charge an additional premium.

CLAIMS

I/We confirm that all claims made against the Firm or any Principal, Partner, Director, Consultant, Employee or LLP Member of the Firm or Prior Firm ("Members of Staff") during the last 6 years, in respect of the type of liabilities to which this proposal relates, or any claims pending or circumstances that might give rise to a claim against the Firm or any present or previous Members of Staff of which any Members of Staff are aware, have already been notified to my/our existing insurers.

CIRCUMSTANCES

I/We confirm that, after enquiry with all Members of Staff, I/we have no knowledge of any circumstances which would be notifiable under my/our existing insurance agreements, other than those declared within this proposal for. I/we confirm that if I/we become aware of any such circumstances up to the effective date of any contract of insurance I/we will notify them forthwith.

DATA PROTECTION ACT

In signing this proposal form you consent to [Professional Indemnity Ltd](#) using the information we may hold about you for the purpose of providing insurance advice and where appropriate 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, 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 their 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 relevant, in compliance with the Data Protection Act 1998. Data subjects have to apply for a copy of their information (for which we may charge a small fee) and to have inaccuracies corrected.

Signing this form does not bind the Firm to complete the insurance.

Date	<input type="text"/>	Signature	<input type="text"/>
Print Name	<input type="text"/>		
On behalf of Firm	<input type="text"/>		

Checklist

- Have you signed and dated the Proposal form and any supplementary Questionnaires? YES
- Have you attached a current Schedule of all claims and circumstances? YES
- Have you attached additional details of work undertaken, where relevant? YES
- Have you completed the SPLIT's and SCARP's tables, where relevant? YES

Additional Details



A large rectangular area with horizontal blue lines, intended for providing additional details.

Risk Management



(Completing this section of the form is not mandatory; however responses may enhance your risk profile to Insurers)

1) Please provide details of the person responsible for Risk Management within the Firm below:

Name	
Position	

2) Please provide a Management structure chart for the Firm.

3) Have there been any changes in the management structure within the last three years? YES NO
If YES please provide details below

4) If the Firm is managed by either a management committee or executive committee or the like, do they meet?

Weekly
 Monthly
 Other (please Specify)

5) Does the Firm employ a full-time administrator? YES NO

6) Does the Firm always require satisfactory written references when engaging employees? YES NO

7) Please indicate how the Firm handles the Compliance function.

Internally - Please advise how many full time compliance staff are employed:
(attach copy of the Compliance Officers CV to this form)

Externally - Please provide the name of the specialist provider:

Other - Please provide details:

8) Please provide details of the following Key Performance Indicators;

i) How many policies were made Paid Up or Lapsed in the last 12 Months?	
ii) How many policies were cancelled during the "cooling off" period in the last 12 months?	
iii) How many recommendations were "Not Taken Up" in the last 12 months?	
iv) How many "policy replacement" recommendations were made in the last 12 months to discontinue premiums or surrender existing contracts and replace with similar contracts?	

9) In the process of providing advice and recommendations to clients does the Practice;

i) Conduct a fact-find or other form of structured research to ensure personal and financial information is established and recorded in a consistent manner?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
ii) Establish and record the clients understanding of risk and appetite for it?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iii) Establish and record the need for any particular exclusions, limitations, excesses or conditions in relation to any insurance/assurance products?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
iv) Fully research providers and products available?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
v) Advise the client of any action required, any critical dates and the implications if the dates are missed?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
vi) Assess and record any concerns about risks to the Firm in dealing with a client and/or products they are interested in?	<input type="checkbox"/> YES	<input type="checkbox"/> NO
vii) Explicitly advise clients if their duty to disclose all material information?	<input type="checkbox"/> YES	<input type="checkbox"/> NO



- 10) Does the Firm confirm in writing at the quotation or acceptance stage,**
- i) Your recommendations – demonstrating a clear link to the clients requirements? YES NO
 - ii) How much your recommendations cost to implement, together with any future changes? YES NO
 - iii) Any important dates, with the action required by both parties and the implications if the dates are missed YES NO
 - iv) Any fees which the Firm will be paid if the recommendations are accepted? YES NO
- 11) Does the Firm designate or employ an individual with management responsibility for evaluating or dealing with complaints, actual or potential claims and other such matters?** YES NO
- 12) Does the Firm have a formal conflict of Interest procedure in place?** YES NO
- 13) Does the Firm have formal risk management procedures which are regularly reviewed, circulated and discussed?** YES NO
- 14) Does the Firm have a written business continuity plan?** YES NO

Is the plan reviewed: 6 Monthly Annually Other

How is the plan deployed to management/Staff

15) Where is the Plan kept?

16) Has the plan been tested? YES NO

If YES please confirm when and the outcome of the test

17) Does the Firm have authority to handle client monies? YES NO

If YES Please provide details below of the procedures

18) Is any Principal, Partner, Director, Member or Employee allowed to sign cheques on their sole signature? YES NO

If YES please confirm the limit and advise of the procedures used £

19) Do all cheques for more than £25,000 require two signatures? YES NO

20) Independently of employees who receive or bank monies belonging to the Practice, how often are checks carried out on all cash book entries with paying-in books, receipts, counterfoils and vouchers and reconciled with bank statements?

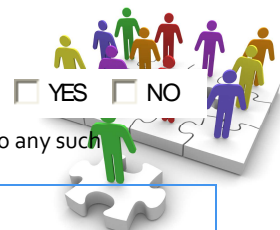
- Weekly Monthly Quarterly Other/Irregularly

21) Are employees who receive cash and cheques in the course of their duties required to pay it in daily? YES NO

22) Does the Firm always use standard Terms of Business or scope of services letters?

23) Have the Firm documents for Initial Disclosure (IDD and/or Terms of Business) been development using the FSA's developments wizard, following FSA guidance, and/or been reviewed and approved by an independent compliance professional?





24) Does the Firm limit its liability with Clients?

If **YES** please advise how this is implemented and confirm whether all or a proportion of clients are subject to any such limitation

25) Are regular file audits undertaken in each department, including those of Partners'/Directors'/Members'? YES NO

26) Are checklists used in the file audit process? YES NO

27) Is a Partner/Director/Member present at all the Practice's offices? YES NO

28) Does the Firm operate a firm wide diary system? YES NO

29) Does the Firm have any procedures to ensure compliance with the diary system? YES NO

30) Does the diary system provide for staff absence to ensure deadlines are not missed? YES NO

31) Does the Firm have written work instructions and checklists in place for the services provided? YES NO

32) Please provide details of the Firm's approach to document retention.

33) Does the Firm have an email/internet policy or formal guidelines in place? YES NO

34) Does the Firm undertake staff and Partner reviews at least once in every 12 months? YES NO

35) Does the Firm review its complaints and claims record on a regular basis? YES NO

36) Does the Firm have training and development plans in place for Partners and Staff? YES NO

37) Does the Firm undertake any professional services for any client in which any Partner holds a Partnership/directorship or has any financial interest? YES NO

If **YES** Please provide details below

38) Has the Firm had a risk management seminar or audit conducted within the last 3 years by an external risk management specialist? YES NO

If **YES** have all the recommendations been implemented? YES NO

If **NO** Why?

39) Does the Firm provide advice via its website? YES NO

40) Is this generic advice only? YES NO

In addition to the above please attach any information regarding your risk management procedures which will assist in the underwriting of your Insurance.