

PROPOSAL FORM

Professional Indemnity Insurance



Advice on completing this form

So we have sufficient time to negotiate with Insurers on your behalf, please ensure that you return this Proposal Form as soon as possible.

Wherever reference is made to the 'Firm', this shall mean and encompass all of the entities declared in Q1.1 and Q1.2 of the Proposal Form.

Presentation and Completing the Proposal Form

The Proposal Form is usually the main point of contact between your Firm and Insurers and it legally forms the basis of any insurance contract that may ultimately be entered into. It is therefore very important to provide accurate information. A poorly completed or inaccurate proposal can reflect badly on the Firm and deter Insurers from offering terms.

The Duty to Disclose and Fair Presentation

In accordance with English Law, the Firm owes a duty of disclosure to Insurers, this includes a duty to make a fair and accurate presentation of the risk for which insurance is being sought. A 'fair presentation' is one which:

- clearly discloses all material facts about the Firm to enable Insurers to make a fair and reasonable assessment of the risk. A 'material fact' is any information which may alter and influence the Insurer's assessment of the risk. If you are in any doubt as whether something constitutes as a 'material fact' or not, then you should disclose it to avoid any possible non-disclosure disputes and let Insurers determine its relevance;
- presents information in a clear manner which is comprehensible to a prudent Insurer (i.e. no 'data dumping');
- lists of all entities, trading titles and predecessors in business for which cover is required;
- details the full range of services and business activities performed by the Firm; and
- fully discloses any and all past and existing claims or circumstances which may give rise to a claim against the Firm.

If you feel there is any further information which may be pertinent to Insurers consideration of your application, then this can be set out as an addendum to this Proposal Form. Such additional information could include:

- Terms of Business (especially if it limits liability)
- Organogram
- A narrative explaining the firm's risk management procedures and compliance framework.
- Company brochure
- A narrative explain the Firm's client bank

The duty to disclose material facts is not confined to completion of proposal forms at inception or renewal. The contract of insurance is arranged on the basis of this information. If, during the period of insurance arranged there is any material alteration/change in the information disclosed in the Proposal Form, prompt disclosure to us is essential. This might include, but is not limited to:

- New partners, directors, corporate entities, partnerships or trading titles,
- Any change in the areas of activity of the insured Firm(s),
- The possibility of a claim being made against the Firm(s),
- Any change in the trading status of the Firm(s), or membership of professional bodies, or regulatory status.

Failure to fully disclose any material facts could lead to a claim or potential claim not being covered by the policy and/or render the contract of insurance voidable. If you are in any doubt as to what may or may not constitute material information, please err on the side of caution and notify us.

Claims and/or Claims Circumstances

The policy to be arranged provides cover on a "claims made" basis, which means it is the Policy that is in force at the time you first become aware of a claim or circumstances which may lead to a claim, not the Policy that was in force at the time the Firm gave the initial advice which subsequently led to the claim or circumstance.

Whilst every question in this Proposal Form is important and constitutes material information upon which Insurers rely, Insurers will be particularly concerned with the Firm's history of claims and/or circumstances. Full details of all claims and circumstances notified to previous Insurers must be fully disclosed.

Section 1: Company Details

1.1 Name of the Firm(s), including all associated Firm(s), Appointed Representatives and trading names/styles thereof for which cover is required:

Name of Firm	Date Commenced Trading

1.2 Is cover required for any predecessor Firm(s), former Appointed Representatives or any acquisitions where the Firm has assumed the prior liabilities?

YES / NO

If 'YES', please provide the following information:

Name of Firm	Period of Trading (From / To)

Please confirm that, in the completion of this Proposal Form, all questions have been answered taking into consideration full details of the Firm(s) listed in Question 1.2 and full information and all material facts have been fully disclosed.

CONFIRMED / NOT CONFIRMED

Note: For the purposes of the remainder of this Proposal Form all entities entered in Q1.1 and Q1.2 will collectively be referred to as the 'Firm'.

1.3

Principal Trading Address:	
	Postcode:
Telephone:	
Fax:	
Email:	
Website:	

1.4

Directors/Partners/Principals giving advice:	
Employed Persons giving advice:	
Self-employed persons giving advice:	
Back office / Paraplanners	

Section 2: Regulation & Compliance

2.1 Is the Firm:

- a) Directly Authorised by the FCA
- b) An Appointed Representative of a FCA regulated Principal Firm
- c) A Tied Agent
- d) Other

If you have ticked b), c) or d), please state the name of the FCA regulated Principal Firm:

2.2 Does the Firm retain all client files and associate correspondence in accordance with FCA timescales?

YES / NO

2.3 Does the Firm's systems and controls incorporate specific procedures to meet with the FCA's requirements relating to Conduct of Business?

YES / NO

2.4 As part of the Firm's normal procedure for conducting business with clients, do your files demonstrate and contain, without limitation, suitability letters, know your client questionnaires, product disclosure documents and risk warnings?

YES / NO

2.5 Has the Firm or any of its Directors/Partners/Principals/Advisers been the subject of an FCA/FSA regulatory investigation or enforcement action?

YES / NO

If 'YES', please provide full details:

2.6 Has the Firm or any of its Directors/Partners/Principals/Advisers been suspended and/or fined by the FCA/FSA?

YES / NO

If 'YES', please provide full details:

2.7 Has/does the Firm utilise the services of a third party compliance providers?

YES / NO

If 'YES', please confirm the name of the compliance provider(s) and the dates they were appointed.

Name of compliance provider	Dates Appointed (From / To)

Section 3: Income

3.1 Please confirm the Firm's Financial Year End

3.2 Please state the total gross brokerage/commission/fee income, including trail commission for:

The Last complete Financial Year	Forecast for the next Financial Year
£	£

3.3 Approximately, please state what percentage of the Firm's gross income is generated from renewal/trail/retainers:

3.4 Does any income derive from clients residing and/or domiciled overseas?

YES / NO

If 'YES', please confirm the professional service you provide to such clients is limited to work and advice on UK based and FCA regulated products.

CONFIRMED / NOT CONFIRMED

3.5 For the last complete Financial Year, please provide a percentage breakdown of the Firm's income:

Product/Activity	%
Pensions	
ISA's & PEP's	
Unit Trusts & Insurance / Income Bonds	
EIS	
VCTs	
Other Onshore Investments	
Offshore Investments	
Endowments	
Mortgages	
Life & Protection	
Non-Regulated Term Assurance	

Health Insurance	
Other Non-Regulated Financial Services	
General Insurance	
All other business not declared above *	

* please provide full details

- 3.6 Please confirm that the breakdown above provides an accurate reflection of the make-up of income that is expect to be achieved for the next Financial Year end.
CONFIRMED / NOT CONFIRMED

Section 4: Specific Products & Investments

- 4.1 Has the Firm ever provided any advice or services in respect of any of the following products?
- | | |
|---------------------------------|--------|
| Film Finance / Film Partnership | YES/NO |
| Deferral Relief Companies | YES/NO |
| Technology Partnerships | YES/NO |
| Enterprise Zone Trusts | YES/NO |
- 4.2 Has the Inland Revenue challenged or intends to challenge the tax status of any of the above products?
- 4.3 Has the Firm ever provided any advice or services in respect of any of the following products?
- | | |
|------------------------------------|--------|
| Hedge Funds | YES/NO |
| Traded Life Policies | YES/NO |
| Viatical Settlements | YES/NO |
| Discretionary Portfolio Management | YES/NO |
| Broker Bonds | YES/NO |
| Traded Endowment Plans | YES/NO |
| Pension Fund Trustee Services | YES/NO |
| UCIS | YES/NO |
| Precipice Bonds | YES/NO |

4.4 Is the Firm aware of any clients who may have an exposure to any failed and/or failing and/or suspended and/or insolvent funds, products or investments?

YES / NO

If 'YES', please provide full details

4.5 Has the Firm ever provided any tax planning advice or services in respect of any product which falls (or would have historically fallen) under the Disclosure of Tax Avoidance Schemes (DOTAS) regulations and GAAR regulation?

YES / NO

If 'YES', please provide full details:

4.6 Please detail below the number of single premium or annual (excluding monthly investments and pensions) made in the last financial year where the sum invested was:

Sum Invested	No. of Investments
£0 - £9,999	
£10,000 - 24,999	
£25,000 - £99,999	
£100,000 - £249,999	
£250,000+	

Section 5: Pensions

5.1 Please provide the number of:

	No. of Transfers	Average Value	Largest Value
Pension Transfers from Defined Benefit Occupation or Final Salary Schemes arranged in the past 10 years			
Pension Switches from one product provider to another since 6 th April 2006 (including all occupational and personal pension transfer/switches)			
Pension switches from one product provider to a SIPP in the last 10 years			

5.2 Please provide a narrative explaining the procedures and risk management controls that the Firm adopts in relation to Defined Benefit or Final Salary Transfers, including (but not limited to) peer-to-peer reviews, pre-sales checking and any advice that may be received from the Firm's third party compliance provider.

5.3 Has the Firm transacted any Defined Benefit or Final Salary Transfers on an 'Insistent Client' basis?
YES / NO

If 'YES', please confirm that in all such cases the Firm has issued their formal suitability letter advising against the transfer and has received, by return, a written response from each client acknowledging the advice not to proceed but insisting upon it nonetheless?

CONFIRMED / NOT CONFIRMED

5.4 Has the Firm provided any services in establishing a SIPP where clients have invested into product(s) for which no advice or recommendation has been given (including introductions from third parties)?

YES / NO

If 'YES', please provide full details:

5.5 Has the Firm provided any services in establishing a SIPP as a vehicle purely to invest in Esoteric Investments, including but not limited to UCIS, Overseas Property and commercial loans, whether on an advised or non-advised basis? YES / NO

If 'YES', please provide full details:

5.6 Has the Firm provided any advice or services in respect of QROPS?

YES / NO

If 'YES', Please provide a narrative explaining the procedures and risk management controls that the Firm adopts in relation to QROPS, including (but not limited to) peer-to-peer reviews, pre-sales checking and any advice that may be received from the Firm's third party compliance provider.

Section 6: Insurance and Claims History

6.1 Please provide the following details in respect of the Firm's Professional Indemnity Insurance cover over the last three years:

Limit of Indemnity	Excess	Premium	Insurer	Expiry Date

6.2 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?

YES / NO

6.3 Has the Firm sustained any loss during the past ten years as a result of the fraud or dishonesty of any present or past Partner, Director, Principal or Employee of the Firm?

YES / NO

6.4 Have any claim(s) and/or loss(es) been made against the Firm or any of the present or past Directors, Principals or Employees in the last ten years?

YES / NO

If "YES", please provide the following details:

Date of claim	Summary and current status	Amount Claimed	Amount Paid	Amount Reserved	Date of advice/sale

6.5 What action has the Firm taken to prevent a reoccurrence of a claim?

6.6 After full enquiry, is the Firm aware of any potential claim or circumstance which might give rise to a claim and/or loss against the Firm or any of the present or past Directors, Principals or Employees?

YES / NO

If 'YES', please provide full details:

6.7 Has the Firm notified the matters disclosed in Q6.6 to their present/previous Professional Indemnity Insurer(s)?

YES / NO

Defined Benefit Pension Questionnaire

Name of Insured Firm: -

1. Has the firm ever provided advice on, transacted or facilitated pension transfers from Defined Benefit (DB) pension schemes?

(if no please proceed to page 16 and sign the declaration)

2.

	1 Apr to 30 Sep 2015	1 Oct 2015 to 30 Sep 2016	1 Oct 2016 to 30 Sep 2017	1 Oct 2017 to 30 Sep 2018	1 Oct 2018 to date
a. How many individual DB transfers did the firm recommend for transfer? (multiple transfers for the same client to be counted separately)					
b. How many clients did the firm advise not to transfer their DB pension?					
c. How many cases do a. and b. above represent as a percentage of total firm case load for all work?	%	%	%	%	%
d. What percentage of total fee income for the firm do a. and b. above represent?	%	%	%	%	%
e. How many Pension Transfer Specialists (PTS) were employed by the firm?					
f. Average transfer value (using arithmetic mean and including advice both for and against a transfer)	£	£	£	£	£

3. Where a transferred fund value was less than £200,000 for any client, was this always due to extenuating circumstances, being a terminal illness, a divorce sharing order, or was incidental to retirement as not client's primary pension/wealth or a partial transfer from scheme?

4. Does the firm always ensure a pre-sale compliance and suitability check on DB pension transfers is carried out by a third-party compliance organisation or network?
5. Does the firm have written procedures regarding pension transfers which is understood and acknowledged by employees?
If yes, when was this last updated?
6. Does the firm have written procedures on remuneration?

If yes, how regularly is this reviewed?

7. Do you act as an introducer for DB transfers for other firms/individuals?
If yes, please provide copies of each formal introducer agreement

	1 Apr to 30 Sep 2015	1 Oct 2015 to 30 Sep 2016	1 Oct 2016 to 30 Sep 2017	1 Oct 2017 to 30 Sep 2018	1 Oct 2018 to date
a. How many clients discussed a DB pension transfer but did not proceed with a transfer?					
b. What percentage of clients transferred as insistent clients (as defined in COBS 9.5A.2)?	%	%	%	%	%
c. How many clients who transferred were introduced to the firm by third parties?					
d. Of the clients in c. who transferred, how many signed up to ongoing advice from the firm?	%	%	%	%	%
e. How many transfers relate to the same DB scheme? *					
f. How many transfers were for clients more than 5 years from anticipated retirement date and/or under 50?					
g. How many transfers were for clients who were members of the British Steel Pension Scheme?					
h. How many clients were advised to transfer by the firm from a scheme with safeguarded benefits?					

* Please complete appendix 1. for all schemes with multiple transfers handled by the firm

9. Does the firm employ a triage-based service for clients that does not involve considering client-specific information but where sufficient consideration is given about safeguarded and flexible benefits which allows the client to decide whether to take advice on a possible transfer?

If no, please complete appendix 2 , If yes, please provide a copy of the details

10. Where the advice given to the client is not to transfer, does the firm always ensure suitability checks are carried out and documented?

11. Does the firm always evidence the use of a cashflow modelling system that complies with the regulatory requirements COBS 19 Annex 4C?

12. Of the clients who transferred, how many: -

	1 Apr to 30 Sep 2015	1 Oct 2015 to 30 Sep 2016	1 Oct 2016 to 30 Sep 2017	1 Oct 2017 to 30 Sep 2018	1 Oct 2018 to date
a. transferred to a SIPP (link to GLOS definition)					
b. transferred to a Personal Pension					
c. transferred to a QROPS (or other overseas pension scheme)					
d. of the clients in a., b. and c. above signed up to ongoing advice from the firm?					
e. invested via a Platform?					

13. Do you hold non-standard assets within portfolios?

If yes, please supply a copy of the procedures

Question 8., e. Appendix 1.

Please list the names of all DB schemes where multiple transfers have been carried out by the firm.

1.	2.
3.	4.
5.	6.
7.	8.
9.	10.

Question 9. Appendix 2.

Please provide a detailed explanation, including under which specific circumstances, the reasons why the firm would not employ a triage-based service in order to allow a client to decide whether to take advice on a possible transfer

Declaration

I/we declare on behalf of the Proposing Firm(s) that the statements and details contained herein are true and that I/we have not misstated or suppressed any material facts."

I/we agree that this Proposal Form, together with any other information supplied by me/us, shall form the basis of any Contract of Insurance affected thereon.

I/We undertake to inform Insurers of any material alteration to these facts occurring before completion of the Contract of Insurance."

Print Name:	
On behalf of:	
Title:	
Date:	

Duty of Disclosure

We would remind you of the duty to disclose to Underwriters all material information relating to the risk under consideration. "Material" in this context refers to all information which a prudent Underwriter (not necessarily the Underwriters in question), would wish to take account of when considering whether or not to accept the risk, and if so, upon what terms and at what price. Material information does not necessarily have to increase the risk.

The duty of disclosure continues up until the Insurance has been concluded and "resurrects" in the event of any amendment to the risk during the policy period or any extension/renewal. It may also be that the terms of the policy include specific ongoing disclosure conditions or warranties which effectively extend the duty of disclosure post inception of the policy.

In the event that there is a breach of the duty of disclosure, the Underwriters have the right to avoid the Insurance from its commencement. Under such circumstances, the Underwriters would be entitled to seek recovery of any claims already paid by them under the Insurance, although at the same time the Underwriters would generally be obliged to return any paid premium (in the absence of dishonest conduct).



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