



PROFESSIONAL
INSURANCE AGENTS LTD



PI Proposal form for
**Miscellaneous
Professionals**

Professional Insurance Agents Ltd

Lion Works, Sidley Road,
Eastbourne, East Sussex, BN22 7HB
Tel: 01323 648000, Fax: 01323 648001



THE BRITISH
INSURANCE
AWARDS
FINALIST

- Best use of marketing
- Best use of technology

Broker
Innovation
Finalist 2013



info@professionalinsuranceagents.co.uk
www.professionalinsuranceagents.co.uk

Important information for clients before completing this form

1. Insurance Act 2015 – Your new legal obligations

The Insurance Bill received Royal Assent on 12 February 2015 and will be in force from August 2016. This change has led us to re-design our proposal forms to help you comply (as far as possible) with your new duty of 'fair presentation of the risk', when submitting your details via us to Insurers, requesting quotes – *for further details, we strongly recommend that you read the supplementary information contained in the back of the proposal form.*

2. How to complete this form

The person completing this form should be a principal, partner or director of the applicant firm and necessary enquiries should be made with fellow colleagues to ensure that all questions are answered as accurately as possible, to the best of the firm's knowledge and presented in a clear manner.

The additional information section should be used if you require extra space when providing certain answers.

A detailed submission generally allows Insurers to get a better understanding of your risk and should result in them applying a more accurate premium, than if a vague presentation was submitted.

3. Recommendations & Product Information

With the ever-changing risk landscape showing no signs of slowing in today's modern society, it is important that you protect your business from a range of growing threats – one 'small' mistake could ruin a solid reputation that has been established over a number of years and potentially put your personal assets at risk!

To help you improve your protection we have carefully selected some complimentary products that we believe you should seriously consider – *for further details, we strongly recommend that you read the supplementary information contained in the back of the proposal form.*

4. Checklist, prior to submitting the form

Fully completed proposal form & additional questionnaire *(if applicable)*

Any supplementary information that you believe should be shown to underwriters, in order for them to have a clear understanding of your business(es).

(If available) Copy of the principals/partners/directors' CV's

(If used and available) Copy of the standard terms & conditions used with your clients

Review of the 'supplementary information section' in the back of this form

Section I Business Details

I.1

Including all previous trading names / styles.

Name of Business:

Registered Business Address:

Contact Name: Email:

Contact Number(s): Business Establishment Date(s):

Website Address: Fax:

Do you require cover for any subsidiary companies and/or former companies? *If Yes, please confirm full details of their activities & income levels in the 'additional information' section below.*

Yes No

I.2

Names of Principals / Partners / Directors & Consultants	Age	Years in current position	Qualifications
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

How many Employees are there?

Please state your Employer Reference Number (ERN) & Wage Roll: ERN: Wage Roll:

I.3

Is your business a member of any professional organisations, regulatory bodies or trade associations? *If Yes, please provide details below.*

Yes No

I.4

Please state the gross turnover in respect of the following years:

	Last completed financial year	Estimate - current financial year	Estimate - next financial year
Domestic turnover:	<input type="text"/>	<input type="text"/>	<input type="text"/>
USA / Canada turnover:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Other territory turnover:	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total turnover:	<input type="text"/>	<input type="text"/>	<input type="text"/>

Date of financial year end:

How much gross turnover is paid to third party contractors?

Currency:

Client	Nature of projects and your specific responsibilities	Overall project value (if known)	Total fee income derived from the client	Start Date / End date

Section 3 Internal Risk Management

3.1

When entering into contracts with clients do you...

- | | | | | | |
|----|--|--------------------------|-----|--------------------------|----|
| a) | Only perform the work if the contract is in writing and signed by the client? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| b) | Confirm any changes to your originally agreed services back in writing to your client? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| c) | Seek specialist, qualified legal advice prior to entering into contracts? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| d) | Exclude liability for consequential loss or financial damages that is greater than the value of the contract? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| e) | Ensure that your client is responsible for the 'end sign-off' of the works? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| f) | Ensure that any sub-contractors you employ hold a separate and valid Professional Indemnity & Public Liability Insurance policy? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

3.2

(If applicable) Do you always obtain satisfactory written references direct from former employers for the three years immediately preceding the engagement of any professional employee?

Yes No

If you have answered 'no' to any question in section 3, please confirm below in what instances and why you do not.

Section 4 Insurance History

4.1

Current

Inception Date:	<input type="text"/>	Premium:	<input type="text"/>
Limit:	<input type="text"/>	Excess:	<input type="text"/>
Insurer:	<input type="text"/>		

Required

Limits:	<input type="text"/>	Excess:	<input type="text"/>
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4.2

Would you like us to request terms for the following?

Public Liability	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Employers' Liability	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
Office Contents	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No	Cyber Liability	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No

Section 5 Claims

5.1

Have any claims (successful or otherwise) been made against any of the companies to be insured and / or its past and present partners / principals / directors?

Yes No

5.2

Have any claims arisen in respect of employee dishonesty / fraudulent activity?

Yes No

5.3

Have any precautionary notifications been made to current/previous Insurers, that you believed at the time of notification may escalate into a claim?

Yes No

5.4

Have any fee disputes - which you believed could have resulted in a possible counter-claim being brought against you – been reported to current / previous Insurers?

Yes No

5.5

Has any proposal for insurance made on your behalf, or on behalf of any past and present partners / principals / directors ever been declined, or has any insurance ever been cancelled or refused at renewal?

Yes No

5.6

Has any disciplinary action been brought by a regulatory or professional body against any of the companies to be insured and / or its past and present Partners / Principals / Directors?

Yes No

5.7

Are you aware of any circumstances which may result in a claim being made against any of the companies to be insured and/or its past and present partners / principals / directors? *(this includes any shortcomings in your work not yet known to clients, that you believe cannot be adequately rectified).*

Yes No

If you have answered 'yes' to any of the questions above, and you have not previously reported these to PIA, please provide full details (including any payments made or reserves) in the 'additional information' section below. If a successful claim/disciplinary action was made, please also confirm the steps taken to mitigate the chances of re-occurrence.

Section 6 Declaration

I / We declare that the statements and particulars in this proposal and submission are true and I / We have made a fair presentation of the risk, by disclosing all material matters which I / We know or ought to know or, failing that, by giving the Insurer sufficient information to put a prudent Insurer on notice that it needs to make further enquiries in order to reveal material circumstances. Furthermore, I / We will agree to inform Insurers of any material alterations to my / our circumstances that may occur before or after the completion of any contract of insurance offered to me/us by the Insurer.

Signature of Principal / Partner / Director:

Full Name:

Date:

*** By signing this declaration, on behalf of our company and any applicable employees, we are also consenting to PIA sending relevant insurance information to us as part of their services. This consent can be withdrawn at any time by giving written notice to PIA.*

Please note that returning this proposal does not bind the Proposer or Underwriter to complete this insurance but does authorise 'Professional Insurance Agents Limited' to seek terms on my/our behalf from Insurers; including current Insurers.

Additional Information:

Section 7 Supplementary Information for Clients

Professional Insurance Agents Limited strongly recommend that you review the below information thoroughly, prior to forwarding all applicable information to us, requesting quotes. We are always willing to assist you through this process, or if you have any queries or concerns with the information provided below, please do not hesitate to contact us.

1. Insurance Act 2015 – Clients are now legally obliged to comply with the ‘Fair Presentation of Risk’ condition when presenting their details to Business Insurance providers

The Insurance Bill received Royal Assent on 12 February 2015 and will be in force from August 2016. It is widely reported to represent the greatest change seen to business insurance contract law in this country in over 100 years. The legislation has been designed with the aim of creating a more modern and fairer balance between policy holder and insurer, with new duties formed for both policy holder and insurer to comply with, whilst remaining as flexible as possible to cater for micro SME's to major corporations.

With regard to clients completing proposal forms and attaching any relevant additional information, the applicable component of the new Act is briefly outlined below:

- a) Presentation of Risk – The Act introduces the duty on a policy holder to make a ‘fair presentation’ of the risk, in place of the previous ‘duty of disclosure’. The policy holder still has a duty to disclose all material facts/circumstances which are known, or ought to be known by it, after making relevant enquiries. However, a new second element has been imposed which states that the disclosure of the material facts/circumstances need to be made by the proposer ‘in a manner which would be reasonably clear and accessible to a prudent insurer’ – meaning that the information must be presented in a well ordered manner which is clear enough for the insurer to make further requests for information, if necessary, when trying to understand a clear picture of the risk to be insured. *One point to note is that sending through bulk, un-filtered information to us may not comply with your duty under the new Law.*

Professional Insurance Agents Limited (PIA) has exercised reasonable care and skill in designing our new proposal forms which we believe should help our clients comply (as far as possible) with the above concept; ‘Presentation of Risk’. In our opinion, this is one example of how our clients’ best interests are at the forefront of our undertakings and the change in our proposal forms should not be viewed as just a regulatory ‘tick in the box’ exercise, or to make things unnecessarily awkward for our clients by requesting updated information.

** For the avoidance of doubt, it should be clearly understood that ‘PIA’ are not legally qualified to provide legal advice and does not issue a guarantee of full compliance with the Act itself, to its clients – separate specialist legal advice should always be obtained, if any legal queries arise – we can assist with recommendations to certain specialist insurance law firms, if required.*

2 (a) What is Professional Indemnity Insurance?

Professional Indemnity Insurance provides essential financial protection for a wide range of professional advisers. In the event that a client suffers financial loss as a result of alleged neglect, error or omission Professional Indemnity Insurance will meet the cost of defending claims and any damages payable.

Any person who gives advice, designs, or offers similar services in a professional capacity is seen by clients as an expert. In these times of high consumer awareness, clients will not hesitate to pursue a claim if they feel that they have received substandard service. The need for Professional Indemnity Insurance has never been greater.

While some professional people see Professional Indemnity Insurance as an expensive and unnecessary overhead, we know from experience that any professional can produce substantial claims. Court awards have risen sharply in recent years. Without insurance, the financial security of a business is threatened. The following examples highlight the importance of Professional Indemnity Insurance:

A business wished to be known by a particular trade name. After consulting with company registration agents, it was told that there was no objection to its chosen name. Proceedings were issued by a company with a similar name and £20,000 was paid in connection by the agents.

Detailers prepared structural drawings for the erection of steelwork. It was subsequently alleged that the drawings contained errors and £110,000 was claimed for the costs of alteration and the resulting delays in construction.

An auctioneer sold property at auction over a number of years. It was alleged that the property was stolen and a claim for £250,000 was brought for conversion.

It was alleged that consulting engineers were negligent in their design of waste heating boilers. A claim for £4m was brought for the cost of extra work and the resulting delays.

2 (b) How much cover is required?

Individual professions can assess the amount of cover appropriate to the business. However, in many cases this is determined by an authorising professional body which lays down the criteria and covers required often with minimum levels of indemnity and excesses. If in doubt you should check with your own authorising body, although as a professional indemnity insurance broker, PIA Ltd generally will be able to advise you of the different requirements required for your particular profession.

For others trying to determine how much cover to effect, it is important that a realistic view is taken of the potential damages and legal costs for which the business could become liable. Being under-insured can be almost as financially disastrous as being without insurance at all as the examples below reveal.

We recommend that no insurance policy is taken out with a limit of less than £250,000. We will, however, provide a quotation for lower levels of indemnity if asked to do so. We are also able to provide cover up to a limit of £10,000,000 in most cases. Any professionals in doubt about the amount of cover they should take out should consult their legal advisers.

3. Some other products that PIA recommends should at least be seriously considered by you, in addition to the Professional Indemnity Insurance – we are more than happy to assist with these additional requirements when requests are made to us

Public Liability – This is generally designed to provide cover for claims arising from third party (i.e. members of the public) property damage and bodily injury which may be caused at your place of work, or by you/your employees, when travelling to other members of the public's offices/sites etc. This policy has been created to provide the legal defence costs and compensatory awards made to the claimants.

Employers' Liability – This is generally designed to protect you against the cost of compensation claims arising from employee illness or injury, sustained as a result of their work for you. Unless falling into the scope of the 'exemptions' category of the 'Employers' Liability (Compulsory Insurance) Act 1969' (or overseas equivalent), all companies with more than one member have a legal requirement to hold and maintain a valid Employers' Liability Insurance policy. Failure to do so can lead to fairly significant daily fines, so we would encourage all applicable clients to incorporate Employers' Liability Insurance into their business insurance package. *For further information please review the HSE guide found online.

Contractors' All Risk Insurance (applicable to construction professionals) – If your business operates as a main construction contractor it is essential that you insure against the cost of physical loss/damage to building works, plant/machinery including hired-in plant & tools, as well as other risks such as advanced loss of revenue and public liability.

Office Contents & Business Interruption – Generally designed to protect your business' contents (i.e. computer equipment, office furniture and documents) against risks such as theft, fire and water damage etc. Business Interruption is designed to cover your business against the loss of income that occurs from being unable to trade because of an unforeseen circumstance, such as a major office fire, or flood.

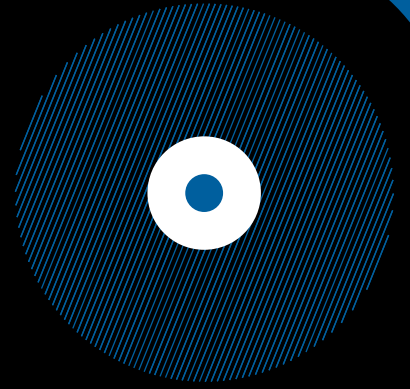
Management Liability – This is generally split into three sections, 1) Directors' & Officers' Liability, 2) Corporate Legal Liability, 3) Employment Practice Liability.

Directors' & Officers' Liability is designed to protect the individual directors/officers/employees (in a position of responsibility) from a wide range of claims attributed to 'wrongful acts' committed in the course of their responsibilities/duties – examples include discrimination allegations and breach of regulation. The individual directors/officers/employees (in a position of responsibility) personal assets may be at risk in the event of a claim, and this policy has been created to provide the legal defence costs and compensatory awards made to the claimants.

Corporate Legal Liability cover is formed to protect the company in the event that the entity is named on the legal proceedings, in respect of the failings by its individual directors/officers/employees (in a position of responsibility). Again this policy has been created to provide the legal defence costs and compensatory awards made to the claimants.

Employment Practice Liability cover aims to support the company and its individual directors/officers/employees (in a position of responsibility) in the event that an employment related dispute leads to tribunal proceedings, citing a breach of Employment Law. This policy has been created to provide the legal defence costs and compensatory awards made to the claimants.

Cyber, Privacy & Multimedia (CPM) Liability – With the exponential rise in reported data breaches and successful hacking attempts, occurring in line with the advanced transformations in the availability and modern day use of high-tech digital devices, we believe that based on the continued threat, all companies should protect themselves against the wide range of risks in this arena. In simple terms, when your systems are hacked you are potentially exposed to first party losses (damage caused to your own internal operations) and third party losses (liability claims for compensation that hold you responsible for the damage caused to an outside business' operations). Claims are significantly varied and range from computer system damage, and loss of money through scams/fraud to data protection investigations and breaches. A comprehensive 'CPM' policy is generally designed to protect your company against both first and third party losses, in the event of a 'hack' or cyber breach on your systems (which may occur unintentionally through an employee error), providing legal, specialist IT and PR assistance, as well as cover for legal defence costs, compensation and reimbursement awards. With the changes to the law shortly coming into effect (in particular the updated EU GDPR) and the continued threat of hacking attacks, we would strongly encourage all companies to add a 'CPM' policy to their business insurance portfolio.



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