



PROFESSIONAL  
INSURANCE AGENTS LTD

# Proposal form for **Directors & Officers Insurance**

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# 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

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

A copy of the last two completed financial year accounts *(if applicable)*

A Business Plan displaying the projected financials *(applicable to new business start-ups)*

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:

How many Employees are there?

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

Please describe below the specific nature of your business activities, this should include any previous activities which you no longer perform, but you still require cover for (*we strongly recommend that past activities are noted with Insurers*):

## I.3

If the above activities involve the provision or performance of financial services, supervision of children or vulnerable adults, or certification / regulation of your members. *Please provide full details below*

## I.4

Is your business associated with any regulatory bodies? *If Yes, please provide details below.*

Yes  No

## I.5

Please confirm the type of your company / organisation

<input type="checkbox"/> Private Limited Company	<input type="checkbox"/> Club
<input type="checkbox"/> Limited Liability Partnership	<input type="checkbox"/> Association
<input type="checkbox"/> Sole Trader / Partnership	<input type="checkbox"/> Charity

## 1.6

Have you been trading for at least 12 months?

Yes  No

## 1.7

If 'no' to the above question, do you have sufficient funding in place?

Yes  No

## 1.8

Is the company/ies listed on any UK stock exchange?

Yes  No

## 1.9

Is the company/ies listed on any foreign stock exchange?

Yes  No

## 1.10

Are there any plans to issue a new public offering of securities (IPO) within the next year in the UK, or overseas?

Yes  No

*if yes to 1.8, 1.9 and 1.10 please provide details below*

## Section 2 Directors' & Officers' Liability & Corporate Legal Liability Insurances

### 2.1

#### Financials

Turnover for last completed financial year

Estimated turnover for forthcoming financial year

Pre-tax profit/loss *(estimate if new start up)*

Net worth *(i.e. share capital plus reserves, estimate if new start up)*

### 2.2

Please provide details of any shareholder with greater than a 10% holding

Name	Class	% holding
<div style="background-color: #f0f0f0; height: 25px;"></div>	<div style="background-color: #f0f0f0; height: 25px;"></div>	<div style="background-color: #f0f0f0; height: 25px;"></div>
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## 2.3

### Over the past three years, have any of the following occurred?

Any Acquisitions and / or mergers taken place?

Yes  No

Any of your Subsidiary company/ies been sold or ceased trading?

Yes  No

Any material changes to your capital structure?

Yes  No

*If yes to any of the above, please provide full details below*

## 2.4

Are all duties segregated so that at least dual control exists on signing cheques (above £2,500), issuing instructions for disbursement of assets or funds, fund transfer procedures and investments?

Yes  No

*If no, please confirm below in what instances and why you do not*

## 2.5

Do you trade in the USA or Canada? *(If Yes, please answer the USA/Canada related questions below shown in section 4)*

Yes  No

## 2.6

Do you have any assets in USA or Canada?

Yes  No

## 2.7

Do you have a written data protection policy in place?

Yes  No

## 2.8

Do you have a written health and safety policy in place?

Yes  No *(If Yes, is this available to employees?)*  Yes  No

## 2.9

Have any Directors/Officers of the company, or its subsidiaries resigned or been replaced, in the last 12 months? *(If Yes please provide full details in the 'additional information' section below.)*

Yes  No

## Section 3 Employment Practice Liability

### 3.1

Have you made any redundancies in the last 12 months, or plan to make any in the forthcoming 12 months?

Yes  No

### 3.2

How many employees have left the business in the last 12 months?

Voluntary:

Non-voluntary:

### 3.3

How many employees (including directors) have salaries above £50,000?

### 3.4

Do you have a Human Resources (HR) Department?

Yes  No

If yes, how many employees work in this department?

If no, how is this function handled?

### 3.5

Do you have a written HR manual or similar written HR guideline?

Yes  No

### 3.6

Do you have a written employee handbook or procedure manual?

Yes  No

### 3.7

Do you insist that all employees complete a written application form before they start their employment?

Yes  No

### 3.8

Does your HR department review all offers of employment?

Yes  No

### 3.9

Do you have regular written performance reviews for all employees?

Yes  No

### 3.10

Is any disciplinary action or employee termination subject to prior review and approval by your human resources team?

Yes  No

*\* If you have answered 'no' in respect of questions 3.5 to 3.10, please provide full details below*

### 3.11

Do you have an in-house legal department?

Yes  No

### 3.12

Do you obtain professional advice for HR, legal and/or health and safety matters?

Yes  No

## Section 4 Activities in USA/Canada *(please complete if you have operations in USA/Canada)*

### 4.1

Please confirm your total gross assets within USA/Canada

### 4.2

Please confirm the total turnover derived from USA/Canada

### 4.3

Are all subsidiaries in USA/Canada wholly owned?

Yes  No

### 4.4

Do you, or any of your subsidiaries have any shares or debt traded in the USA/Canada?

Yes  No

## Section 5 Claims

### 5.1

Have any of the past or present Directors / Officers / Trustees / Employees of the company, or its subsidiaries ever had a claim made against them, that this proposed insurance might have covered, had it have been in force? Or has a claim occurred which has been previously notified to your Management Liability Insurer?

Yes  No

## 5.2

Have any of the present Directors/Officers/Trustees of the company, or its subsidiaries ever been...

I) Declared bankrupt or gone into liquidation?

Yes  No

II) Been charged or convicted of a criminal offence, or been sanctioned by a regulatory/disciplinary body?

Yes  No

## 5.3

After full enquiry are any of present Directors/Officers/Trustees/Employees aware of any circumstances or incidents which they believe might potentially lead to a claim, that may fall into the scope of this proposed insurance coverage?

Yes  No

## 5.4

Have any employment related disputes occurred in the last 3 years (even if tribunal proceedings were not issued)?

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 Director / Officer

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. What is a Management Liability Insurance policy?

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 (EPL) 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 any compensatory awards made to the claimants. With members of society becoming increasingly more aware of their rights, we would strongly encourage all companies who employ personnel to include ‘EPL’ in their cover.

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

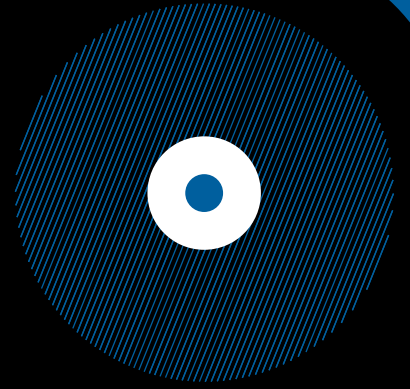
**Professional Indemnity Insurance** – Applicable to companies providing professional advice, design or service to third parties and in the event of a claim arising from a breach of their duty owed to their clients (usually in the form of errors, negligence, omissions), this policy is generally designed to cover the legal defence costs and compensatory awards made to the claimants.

**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.

**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.

**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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