



## Accountants Professional Liability Insurance Application

**THIS IS AN APPLICATION FOR A CLAIMS MADE AND REPORTED POLICY. THIS APPLICATION IS NOT A BINDER.**

*This Application for Accountants Professional Liability Insurance is intended to be used for the preliminary evaluation of a submission. When completed in its entirety, this Application will enable the Underwriter to decide whether or not to authorize the binding of insurance. Please type or print clearly and answer all questions. If space is insufficient to answer any question fully, attach a separate sheet. Complete all required supplemental forms/applications.*

1. GENERAL INFORMATION			
Name of applicant (Firm)		Date established	
Trade or Doing Business as Name		Effective Date	
Street address		Phone	
City, State, Zip		Contact e-mail	
Branch office cities		Website	
Form of Business: <input type="checkbox"/> Sole Practitioner <input type="checkbox"/> Partnership <input type="checkbox"/> Individual <input type="checkbox"/> Limited Liability Partnership/LLP <input type="checkbox"/> Professional Corporation (PC) <input type="checkbox"/> Corporation <input type="checkbox"/> Professional Assoc. Limited Liability (LLC) <input type="checkbox"/> Other			
2. REQUIRED ADDITIONAL INFORMATION			
<b>List the Limit of Liability and Deductible options that the applicant would like quoted.</b>			
<b>Limits</b>		<b>Deductibles*</b>	
<b>*For deductible requests of \$25,000 or more, enclose a copy of your most recent annual financial statements.</b>			
<b>If coverage is desired under this proposed policy for any entities, other than the firm listed above, that provide accounting services, please complete the SA-10 Separate Entity Supplemental Application.</b>			
3. APPLICANT INFORMATION			
<b>a. List number of firm staff as follows (include employees who work 500 or more hours per year):</b>			
	<b>CPAs</b>	<b>Non-CPAs</b>	
<b>(1)</b> Owners, Partners, Shareholders			
<b>(2)</b> All Other Accounting or Tax Professionals			
<b>(3)</b> Other Consulting Professionals (not included above)			
<b>(4)</b> Administrative			
<b>(5)</b> Total			
<b>b.</b> What is the firm's anticipated twelve (12) month revenue for the current fiscal year? (Combine the actual revenue to date and estimated revenue until the end of the fiscal year).		\$	
<b>c.</b> What was the firm's actual twelve (12) month revenue for the prior fiscal year?		\$	

<p><b>d.</b> Have there been in the past twelve (12) months, or is it anticipated in the next twelve (12) months, any material changes to the firm, including mergers, acquisitions, restructuring or the addition of a new client industry or change to the scope of practice?  <b>If Yes, please explain:</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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**e.** For all services provided, please indicate the approximate percentage of the firm's prior fiscal year twelve (12) month revenue and whether engagement letters are used for each practice area. The total percentage must add up to 100%.

Area of Practice	% of Revenue	Engagement letters on all matters?	Area of Practice	% of Revenue	Engagement letters on all matters?
<b>Bookkeeping</b>			<b>Consulting</b>		
Bookkeeping/Write-ups/Payroll	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Business Valuations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Tax</b>			Forecasts and Projections	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Individual Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Forensic Accounting/Litigation Support/Investigative Accounting	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Hardware/Software Consulting and Sales	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Estate and Trust Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Management Advisory Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Attestation</b>			Mergers and Acquisitions	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Private Entity Audit <sup>(1)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Personal Financial Planning or Investment Advisory Services <sup>(2)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Publicly Traded Entity Audit <sup>(1)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Specialty Services</b>		
Non-Financial Statement Audit <sup>(1)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Executor/Administrator/Trustee <sup>(3)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Reviews	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Limited Partnership & Tax Shelter Syndication <sup>(4)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Securities <sup>(4)</sup>	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
			Registered Representative	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Other Services</b>			Life and Health Insurance Agent	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
(describe):	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Total:</b>	<b>100%</b>	

**Please complete:** (1) SA-1 Audit Services Supplemental Application, (2) SA-5 Personal Financial Planning and Investment Advice Supplemental Application, (3) SA-4 Executor, Administrator, and Trustee Supplemental Application, and/or (4) SA-9 Securities Supplemental Application for each marked areas of practice.

<p><b>f.</b> Does any member of the firm provide professional services as a practicing lawyer, real estate agent or broker, registered investment adviser, or securities agent or broker?  <b>If Yes, please complete the following chart:</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Employee Name	Type of License	Type of Services Provided	Separate Professional Liability Insurance in place?	Professional Liability Insurer	Limits of Liability
			<input type="checkbox"/> Yes <input type="checkbox"/> No		\$
			<input type="checkbox"/> Yes <input type="checkbox"/> No		\$

<p><b>g.</b> Please provide the following information:</p> <p><b>(1)</b> Indicate the total number of clients in the last two (2) years:  Last year: _____  Year prior: _____</p> <p><b>(2)</b> Does any client represent twenty-five (25%) percent or more of the firm's gross annual revenue?  <input type="checkbox"/> Yes <input type="checkbox"/> No  <b>If Yes, please provide details:</b></p>			<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Client Industry</b>	<b>Services Provided</b>	<b>Percent of Firm Revenue</b>	<b>No. of Years as a Client</b>
		%	
<p><b>h.</b> Within the past five (5) years, has the firm provided services to any client (or their spouse) while a member of the firm; served as a director or officer of the client; or had a combined ownership interest greater than ten (10%) percent in the client?  <b>If Yes, please complete the SA-8 Outside Interest Supplemental Application.</b></p>			<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>i.</b> Within the past five (5) years, excluding activities as a trustee or receiver, has any client been the subject of bankruptcy, insolvency, or any bankruptcy, or, if a financial institution, operated under regulatory direction or agreement?  <b>If Yes, please complete the SA-6 Insolvency Supplemental Application.</b></p>			<input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>j.</b> Within the past five (5) years, has the firm or any member of the firm:</p> <p><b>(1)</b> organized, arranged, procured, or evaluated investments or real estate tax shelters, or prepared projections for use in these areas?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>(2)</b> participated in the management of any investment partnership, limited partnership, tax shelter, or other investment venture?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>If Yes to j.(1) or j.(2) above, please provide details:</b></p>			<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>k.</b> Within the past five (5) years, has the firm or any member of the firm:</p> <p><b>(1)</b> received commissions, fees, reciprocity, or revenue for the referral, sale, or promotion of investments or tax shelters?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>(2)</b> made recommendations as to the sale or purchase of any investments, including specific stocks, bonds, or other securities, for which you received compensation?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>(3)</b> invested, received, disbursed, or in any way acted in a decision-making capacity, with respect to a client's funds?  <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>If Yes to k.(1), k.(2) or k.(3), please complete the SA-5 Personal Financial Planning and Investment Advice Supplemental Application.</b></p>			<input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>4. LOSS PREVENTION/RISK MANAGEMENT</b>			
<p><b>a.</b> Check all loss prevention and risk management controls below that are in place at the firm:</p> <p><b>(1)</b> Control systems and conflict of interest procedures:</p> <p><input type="checkbox"/> Are automated.</p> <p><input type="checkbox"/> Prohibit engagements potentially adverse to any current or former client.</p> <p><input type="checkbox"/> Prohibit engagements where any professional has a financial interest, including a loan, in the proposed client or subject matter.</p> <p><input type="checkbox"/> Have redundancies in input, review, and oversight procedures.</p> <p><input type="checkbox"/> Track tax, filing, and all other critical deadlines.</p> <p><b>(2)</b> Client screening procedures and suits for fees:</p> <p><input type="checkbox"/> Screening procedures examine the complexity of the proposed services, experience and ability to represent the client, and likelihood of success.</p> <p><input type="checkbox"/> Screening procedures examine the client's financial condition, credit rating or bill paying history, number of previous accounting firms employed, and reasonableness of expectations.</p> <p><input type="checkbox"/> Firm does not sue to collect professional fees. If the firm has sued for fees, describe all collection suits in the past two years in the Additional Information section at the end of this application. Include services rendered, dates of service, date of suit, fee amounts, status or outcome, and whether the firm is still providing services to this client.</p>			

**(3) Firm loss prevention procedures include:**

- Formal office policies and procedures.
- A formal risk control or loss prevention program.
- A member of the firm dedicated to overseeing client billing and reviewing all outstanding accounts.
- An administrator or executive dedicated exclusively to firm management issues.
- An executive committee with authority to overrule even the most senior members.

**(4) Engagement letters:**

- Are used for all matters, including updated letters for new matters for existing clients.
- Explain all issues, including matters undertaken, not undertaken, risks involved, and billing procedures.
- Contain an alternative dispute resolution, limitation of liability, or indemnification provision.

**(5) Firm oversight includes:**

- Regular review by firm management of the status of all engagements.
- Required updates to firm management on any problem files or engagements.
- Procedures to remove professionals from problem matters and reassign or withdraw from the engagement.
- Required attendance by all firm members at regular meetings communicating matters of common importance.
- Internal review of all significant GAAP and GAAS opinions and decisions.

**b. Is the firm subject to Peer Review?**  Yes  No  
**If Yes, is the firm in compliance with all peer review requirements?**  Yes  No

Date of most recent review: \_\_\_\_\_ Result:  Pass  Pass with deficiencies  Fail

**Attach a copy of the Peer Review and details of any corrective action.**

**5. CLAIMS AND PRIOR INSURANCE**

**a. Has any member of the firm ever:**

**(1)** had their license suspended, revoked, or been subject to any investigation or disciplinary action by any entity providing regulatory or professional oversight?  Yes  No

**(2)** been indicted or convicted of a felony or paid any criminal or civil penalty or fine, including a tax preparer's fine, in connection with any professional service or business activity?  Yes  No

**If Yes to a.(1) or a.(2), describe below.**

**b. Has any claim involving professional services been made against the firm, any predecessor firm, or any current or former partner, officer, shareholder, or employee in the past 5 years or earlier if the claim is still pending?**  Yes  No

**If Yes, please complete the SA-2 Claim, Suit, or Incident Additional Information Supplemental Application for each claim.**

**c. Does any person seeking coverage under this proposed policy have knowledge of any incident, act, error, or omission involving professional services that could reasonably be expected to be the basis of a claim?**  Yes  No

**If Yes, please complete the SA-2 Claim, Suit, or Incident Additional Information Supplemental Application for each claim or incident.**

**d. Does the firm currently carry professional liability insurance?**  Yes  No

**If Yes, please complete the following chart or provide copies of the current declarations page:**

Carrier	Policy Period	Limits	Deductible	Premium	Retroactive Date
		\$	\$	\$	
		\$	\$	\$	

**e. Has any person or entity seeking coverage under this proposed policy ever had their professional liability insurance non-renewed or cancelled? (Missouri applicants: do not respond)**  Yes  No

**If Yes, please provide details:**

<b>6. NETWORK SECURITY AND PRIVACY LIABILITY</b> <input type="checkbox"/> Check if not applying for this coverage option.	
<p>Complete this section only if your firm is applying for Network Security and Privacy Liability coverage.  *Depending on the Applicant's responses to the questions below and/or the class of business, additional information and/or supplemental applications may be needed.</p>	
<p>a. How does your firm store personal information about your clients (including, but not limited to, social security numbers, credit card information, and zip codes)?</p> <p><b>Check all that apply:</b></p> <input type="checkbox"/> Electronically <input type="checkbox"/> Physically	
<p>b. Is the total number of customer and employee records you store either electronically or in physical files of 500,000 or less?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>c. Access to this personal information is controlled by:</p> <p><b>Check all that apply:</b></p> <input type="checkbox"/> Password <input type="checkbox"/> Encryption <input type="checkbox"/> Physical Security (e.g. locked doors, file cabinets, etc.) <input type="checkbox"/> Other (Specify):	
<p>d. Does your firm collect credit card information from your customers or vendors?</p> <input type="checkbox"/> Yes <input type="checkbox"/> No <p><b>If Yes, how much of your firm's revenue is collected using credit cards?</b></p> <input type="checkbox"/> Less than 10% <input type="checkbox"/> 10-25% <input type="checkbox"/> 26-50% <input type="checkbox"/> More than 50% <p><b>If Yes, is your firm <a href="#">PCI DSS</a> compliant?</b></p> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<p>e. Your firm's computer systems contain which of the following security measures?</p> <p><b>Check all that apply:</b></p> <input type="checkbox"/> Anti-Virus <input type="checkbox"/> Firewall <input type="checkbox"/> Intrusion Detection <input type="checkbox"/> Automatic Updates <input type="checkbox"/> Other (specify):	
<p>f. Within the last five (5) years, has your firm had any of the following:</p> <p><b>Check all that apply:</b></p> <input type="checkbox"/> A breach of security? <input type="checkbox"/> Unauthorized acquisition, access, use or disclosure of personal information? <input type="checkbox"/> Violation of any privacy law, rule or regulation? <input type="checkbox"/> Transmission of any virus or malicious code? <input type="checkbox"/> None <p><b>If any of the above apply, please explain in detail what happened and the steps taken to mitigate the problem and prevent a recurrence (use additional sheets as necessary).</b></p>	
<p>g. Does your firm have access to, collect, store, maintain or transmit personal information on behalf of your clients(s)?</p> <p><b>If Yes, please complete the SA-11 Network Security and Privacy Supplemental Application.</b></p>	<input type="checkbox"/> Yes <input type="checkbox"/> No

**NOTICE TO APPLICANT**

IT IS UNDERSTOOD AND AGREED THAT, WITH RESPECT TO THE QUESTIONS IN SECTION 5 ABOVE, IF SUCH KNOWLEDGE OR INFORMATION EXISTS, ANY CLAIM OR ACTION ARISING THEREFROM IS EXCLUDED FROM THIS PROPOSED COVERAGE.

**NOTICE TO NEW YORK APPLICANTS: ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.**

The Applicant hereby acknowledges that he/she/it is aware that the limit of liability shall be reduced, and may be completely exhausted, by claim expenses and, in such event, the Insurer shall not be liable for the amount of any claim expenses, judgment or settlement that exceeds the limit of liability.

**I HEREBY DECLARE that, after inquiry, the above statements and particulars are true and I have not suppressed or misstated any material fact, and that I agree that this application shall be the basis of the contract with the Underwriters.**

**CERTIFICATION AND SIGNATURE**

The applicant has read the foregoing and understands that completion of this Application does not bind the Underwriter or the Broker to provide coverage. It is agreed, however, that this Application is complete and correct to the best of applicant's knowledge and belief and that all particulars which may have a bearing upon acceptability as a Professional Liability insurance risk have been revealed. It is understood that this Application shall form the basis of the contract should the Underwriter approve coverage and should the applicant be satisfied with the Underwriter's quotation.

It is further agreed that, if in the time between submission of this Application and the requested date for coverage to be effective, the applicant becomes aware of any information which would change the answers furnished in response to any questions of this Application, such information shall be revealed immediately in writing to the Underwriter.

The Application shall be deemed attached to and form a part of the Policy should coverage be bound.

**Must be signed by a Principal, Partner, Officer or Director**

Print or Type Applicant's Name	Title of Applicant
Signature of Applicant	Date Signed by Applicant