

# ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION



NOTE: THE INSURANCE COVERAGE FOR WHICH YOU ARE APPLYING IS WRITTEN ON A CLAIMS MADE BASIS AND ACCORDINGLY ONLY CLAIMS WHICH ARE FIRST MADE AGAINST YOU AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD ARE COVERED, SUBJECT TO POLICY PROVISIONS.

1. Full legal **Name of Applicant Firm\***: \_\_\_\_\_  
 Principal **Address**: \_\_\_\_\_  
 \*(Include all firm names, trading names, dba's, etc.) \_\_\_\_\_

NEW APPLICATION                      POLICY PERIOD                      RETROACTIVE  
 RENEWAL                      FROM: \_\_\_\_/\_\_\_\_/\_\_\_\_                      TO: \_\_\_\_/\_\_\_\_/\_\_\_\_                      DATE: \_\_\_\_/\_\_\_\_/\_\_\_\_

2. Year firm established: \_\_\_\_\_ 3. Does your Firm practice from any other office location(s)?  Yes  No  
 If "Yes", please provide addresses of other locations on a **Separate Sheet**.

4. Firm is a(n):  Sole Proprietor  Partnership  Professional Corporation or Association  Limited Liability Company  
 Limited Liability Partnership  Other \_\_\_\_\_

5. Has your name ever changed or have you merged with or acquired another Firm?  Yes...  No  
 If "Yes", please provide complete details including full legal names, dates of operation, etc. on a **Separate Sheet**.

6. Limits of Liability  \$100,000  \$250,000  \$500,000  \$1,000,000  \$2,000,000  \$3,000,000  \$4,000,000  
 (Per Claim/ Aggregate)  \$5,000,000  \$10,000,000  Other \_\_\_\_\_

7. Deductible Amount Requested. (PER CLAIM )  
 \$1,000  \$2,500  \$5,000  \$10,000  \$15,000  \$20,000  \$25,000  Other : \$ \_\_\_\_\_

8. Do you share office space, expenses or staff with any other accountant(s) or with any other professionals?.....  Yes  No  
 If "Yes", please describe arrangement and identify by name the space/expense sharer(s) on a **Separate Sheet**.

9. Is this a full-time Accounting or Bookkeeping practice?.....  Yes  No

10. Does any member of your Firm provide professional services as a practicing lawyer, real estate agent or broker, investment advisor, or securities agent or broker? .....  Yes  No  
 If "Yes", please provide complete details including whether covered by a separate professional liability policy on a **Separate Sheet**.

11. Total number of Professional Staff engaged in Accounting or Bookkeeping is: \_\_\_\_\_  
 Please list all personnel by Category (from all offices). Attach a **Separate Sheet** if necessary.

Name	Education or Work Experience	Owner, Partner, Officer, Employee, Per Diem	Years in Practice	Professional Membership or Association	Hours of CPE

<b>SUBMITTING INSURANCE AGENT:</b>	<b>INSURANCE AGENT: MAIL COMPLETED APPLICATION TO:</b>
PRODUCER CONTACT:	GULF INSURANCE GROUP
AGENCY NAME:	One Tower Square, 4 SB
MAILING ADDRESS:	Hartford, CT 06183-3004
Telephone: (    )                      Facsimile: (    )	Telephone: (860) 277-1654                      Facsimile: (800) 842-9326

12. a. Indicate the gross billable income for the applicable fiscal year.

Last Fiscal Year	Current Fiscal Year	Next 12 Months Projected
Ending: ____/____/____	Ending: ____/____/____	Ending: ____/____/____
\$ _____	\$ _____	\$ _____

b. Total # of clients for the past year. \_\_\_\_\_ If newly established, please estimate # of clients for next year. \_\_\_\_\_

13. Do you have any single client(s) representing 25% or more of your gross billable income?.....  Yes  No  
 If "Yes", please provide client(s) profile, services performed by you, % of your revenue, etc. on a **Separate Sheet**.

14. Indicate the approximate % of your last year's billings and whether Engagement Letters are used. Total percentage must add up to 100%.

Area of Practice	% of Income	Engagement Letters Used?	
<b>A. AUDITS</b>			
Municipal	%	Yes	No
Publicly-Held Companies *	%	Yes	No
Other	%	Yes	No
<b>B. GENERAL</b>			
Bookkeeping/Write-ups	%	Yes	No
Reviews	%	Yes	No
Compilations	%	Yes	No
Personal Financial Planning	%	Yes	No
<b>C. TAX SERVICES</b>			
Individual/Estate Returns	%	Yes	No
Corporate Returns	%	Yes	No
Limited Partnership Returns	%	Yes	No
<b>D. BUSINESS ACQUISITIONS</b>			
Divestitures	%	Yes	No
Evaluations & Projections	%	Yes	No
<b>E. MANAGEMENT ADVISORY SERVICES</b>			
(please describe)	%	Yes	No

Area of Practice	% of Income	Engagement Letters Used?	
<b>F. EDP/COMPUTER SERVICES</b>			
Hardware/Software Sales	%	Yes	No
Data Processing Service	%	Yes	No
Hardware/Software Consulting	%	Yes	No
<b>G. FIDUCIARY SERVICES</b>			
Administrator, Executor or ERISA Trustee	%	Yes	No
Bankruptcy Trustee or Receiver	%	Yes	No
<b>H. SECURITIES ACTIVITIES *</b>			
Limited Partnership & Tax Shelter Syndication *	%	Yes	No
Debenture Financing/Bonds *	%	Yes	No
Securities including Federal & State Securities *	%	Yes	No
<b>I. OTHER (please describe on next line)</b>			
	%	Yes	No
<b>TOTAL</b>	100 %		

\* Please complete the **Securities Supplement**

15. What percentage of your billings are derived from the following client types?

Individuals	%	Healthcare/HMO's	%	Construction Concerns	%
Privately-Held Companies	%	Real Estate Concerns	%	Financial Institutions	%
Publicly-Held Companies	%	Non-Profit Organizations	%	Other (Describe)	%

16. Have you provided professional services (including but not limited to audits) to a publicly traded client in connection with the registration, sale or offering of securities for clients or in connection with the offer and sale of private placement bonds? If "Yes", please complete the **Securities Supplement**. .....  Yes  No

17. Excluding activities as a trustee or receiver, has any client been the subject of bankruptcy, insolvency or receivership proceedings within the past three (3) years?.....  Yes  No  
 If "Yes", please provide date of client's bankruptcy, insolvency or receivership, services performed by you, date of first engagement and whether an engagement letter was used (if not, please explain) on a **Separate Sheet**.

18. Within the past five (5) years, have you:
- a. received commissions, fees, reciprocity or revenue for referrals, sale or promotion of investments or tax shelters?.....  Yes  No
  - b. organized, arranged, procured or evaluated investments, real estate or tax shelters or prepared projections for use in these areas? .....  Yes  No
  - c. participated in the management of any investment partnership, limited partnership, tax shelter or other investment venture? .....  Yes  No
  - d. received loans from any client? .....  Yes  No
  - e. made recommendations as to the sale or purchase of any investments, including specific stocks, bonds or other securities for which you received compensation?.....  Yes  No
- If "Yes" to any part of this question, please provide complete details on a **Separate Sheet**.*
19. Within the past five (5) years, have you invested, received, disbursed or in any way acted in a decision-making capacity with respect to a client's funds? .....  Yes  No  
*If "Yes", please indicate name of client, amount of funds, services performed by you, check signing authority (dual or sole), whether distributions are under a trust agreement, and whether you are bonded for the handling of client's funds (if so, indicate carrier and bond amount) all on a **Separate Sheet**.*
20. Does or has any member of the Firm served as trustee or performed professional services to any client(s) in which any Firm member or spouse serves as trustee? *If "Yes", please complete the **Trustee Supplement**.* .....  Yes  No
21. Has any member or former member of the Firm, provided auditing or any consulting services to, acted as a Director or 3 Officer of or been a committee member of any Financial Institution in the past 5 years? .....  Yes  No  
*If "Yes", please complete the **Financial Institution Supplement**.*
22. Has the Applicant Firm performed any professional service(s) in which any member of the Applicant Firm or his/her relative or spouse served as an officer, director, manager, owner, employee or contractor, or had a financial interest in the client firm?  Yes  No  
*If "Yes", please complete the **Outside Interest Supplement**.*
23. Do you anticipate, within the next (12) months, any material changes to the Firm or its practice?.....  Yes  No  
*If "Yes", please attach a complete description on a **Separate Sheet**.*
24. Within the past (3) years, have you had a quality peer review?.....  Yes  No  
 a. Was the review unqualified?.....  Yes  No  
 Please **attach a copy of the peer review** and any response you may have had to recommendations.
25. Please indicate method(s) used to identify any actual or potential conflicts of interest:  
 Oral/Memory  Computer  Index File  Conflict Committee  None  Other (describe): \_\_\_\_\_
26. In the past five (5) years, has any professional liability claim or suit been made against the Firm, any predecessor in business or any current or former partner, officer, shareholder or employed accountant? .....  Yes  No  
*If "Yes", please complete the **Claim Supplement** for each claim.*
27. Does any Accountant for whom coverage is sought know of any incident, act, error or omission that could result in a claim or suit against the Applicant Firm or any predecessor firm or any of the current or former members of the firm? .....  Yes  No  
*If "Yes", please complete the **Claim Supplement** for each claim or incident.*
28. Within the past (5) years, have you sued to collect fees or threatened to do so? .....  Yes  No  
*If "Yes", please describe all collection suits including Name of clients, Services rendered, Dates of services, Suit date, Fee amounts, Status or outcome of suit and whether your firm is still providing services for this client on a **Separate Sheet**.*



# CLAIM SUPPLEMENT

PLEASE COMPLETE THE FOLLOWING ONLY IF INSTRUCTED TO DO SO IN THE MAIN APPLICATION. IF THERE IS MORE THAN ONE CLAIM, PLEASE MAKE ADDITIONAL COPIES OF THIS SUPPLEMENT PRIOR TO COMPLETING.

1. Name of Individual(s) and/or Firm involved in the claim/incident: \_\_\_\_\_

2. Name of claimant: \_\_\_\_\_

- 3. a. Date of alleged act, error or omission: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_
- b. Date claim/incident was made against you: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_
- c. Date reported to insurer: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_
- d. Name of Insurance carrier responding to this claim or incident: \_\_\_\_\_

4. List any additional defendants: \_\_\_\_\_

5. Present status of claim:       Closed                       In Suit                       Open
- Total loss paid:              \$ \_\_\_\_\_              Claimant's settlement demand:      \$ \_\_\_\_\_
- Total Legal expense paid: \$ \_\_\_\_\_              Defendant's offer for settlement:      \$ \_\_\_\_\_
- Court judgment                      Insurer's Claim Reserve:              \$ \_\_\_\_\_
- Out-of-court settlement              Legal Expenses paid to date:              \$ \_\_\_\_\_
- Dismissed                      Insurer's Legal Expense Reserve: \$ \_\_\_\_\_
- Incident/Report Only (No reserve established, no expenses to date)

6. Description of claim or incident.  
a. Alleged act, error or omission upon which Claimant bases claim: \_\_\_\_\_

b. Describe what activities gave rise to the claim or incident: \_\_\_\_\_

c. Describe the type and extent of injury or damage allegedly sustained: \_\_\_\_\_

d. Does this incident or claim follow or result from an action to collect fees? .....  Yes       No

7. What steps have been taken to prevent the occurrence of a similar claim/incident? \_\_\_\_\_

**NOTICE** Any claims or incidents disclosed in the application or to which any member of the Firm has knowledge prior to the effective date of this application, will not be afforded coverage under any policy which may subsequently be issued by us.

Applicant understands the information submitted herein becomes a part of the Applicant's Accountants Professional Liability Insurance Application or Renewal Application and is subject to the same representations and conditions.

Must be signed and dated by a Owner, Partner, Principal, Member or Manager as duly authorized on behalf of the Applicant.

Signature of Owner, Partner, Principal, Member or Manager                      Title                      Date

# OUTSIDE INTEREST SUPPLEMENT

PLEASE COMPLETE THE FOLLOWING ONLY IF INSTRUCTED TO DO SO IN THE MAIN APPLICATION.  
IF MORE FORMS ARE NEEDED, PLEASE MAKE A COPY OF THIS SUPPLEMENT BEFORE COMPLETING.

1. Name of client : \_\_\_\_\_
  
2. Nature of client's business: \_\_\_\_\_  
*If the client is a Financial Institution, please complete the Financial Institutions Supplement.*
  
3. Dates of affiliation with client: From \_\_\_\_/\_\_\_\_/\_\_\_\_ To \_\_\_\_/\_\_\_\_/\_\_\_\_. Still a client? ..... Yes No
  
4. Annual percentage of the Firm's gross billable income derived from this client: \_\_\_\_\_ %
  
5. Name of individual(s) in Firm with relationship to client, nature of that relationship and services provided:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
6. Percent of equity interest in client: \_\_\_\_\_ % Dollar Value: \$ \_\_\_\_\_
  
7. Name of other individual(s) in Firm (including accountant and non-accountant staff) providing services to client  
and nature of those services: \_\_\_\_\_  
\_\_\_\_\_
  
8. If any Firm member is a present or past officer or director of the client, is Directors and Officers Liability Insurance currently in force? ..... Yes No  
*If "Yes", please indicate name of insurance company, policy expiration date, limits of liability and deductible carried:* \_\_\_\_\_  
\_\_\_\_\_
  
9. Describe any management role or committee assignments with client: \_\_\_\_\_  
\_\_\_\_\_
  
10. Has this client been sued or threatened with any suits in the past five (5) years? ..... Yes No  
*If "Yes", please provide details on the Claim Supplement.*

## NOTICE

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Must be signed and dated by a Owner, Partner, Principal, Member or Manager as duly authorized on behalf of the Applicant.

\_\_\_\_\_  
Signature of Owner, Partner, Principal, Member or Manager

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

# TRUSTEE SUPPLEMENT

PLEASE COMPLETE THE FOLLOWING ONLY IF INSTRUCTED TO DO SO IN THE MAIN APPLICATION. IF MORE FORMS ARE NEEDED, PLEASE PHOTOCOPY FORM BEFORE COMPLETING.

1. Name of employee or representative of the Firm designated as trustee:  
\_\_\_\_\_
  
2. Name of trust: \_\_\_\_\_
  
3. Date trust was established: \_\_\_\_/\_\_\_\_/\_\_\_\_ Value of the trust: \$ \_\_\_\_\_
  
4. Professional services provided to the trust: \_\_\_\_\_
  
5. Is a written agreement of the duties as trustee in place? .....  Yes  No
  
6. Are dual signatures required on all trust documents? .....  Yes  No
  
7. Do the activities as trustee include investment decisions resulting in the purchase or sale of:  
a. securities? .....  Yes  No  
b. real estate? .....  Yes  No  
c. other investments? .....  Yes  No  
*If "Yes" to any part of Question 7, please describe:* \_\_\_\_\_  
\_\_\_\_\_
  
8. Does Firm receive compensation from the purchase or sale of items identified in Question #7 in the form of a commission or fee? .....  Yes  No  
*If "Yes", please describe:* \_\_\_\_\_  
\_\_\_\_\_
  
9. Is an independent audit of the trust conducted? .....  Yes  No  
*If "Yes", how often and by whom?* \_\_\_\_\_  
\_\_\_\_\_
  
10. Is a report to a court or outside authority required? .....  Yes  No  
*If "Yes", please describe:* \_\_\_\_\_  
\_\_\_\_\_
  
11. Please provide a narrative description of the purpose of the trust: \_\_\_\_\_  
\_\_\_\_\_
  
12. Please describe the controls in place to monitor trust activity by a third party, trust beneficiaries, or other parties who are not trust beneficiaries:  
\_\_\_\_\_  
\_\_\_\_\_

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Must be signed and dated by a Owner, Partner, Principal, Member or Manager as duly authorized on behalf of the Applicant.

\_\_\_\_\_  
Signature of Owner, Partner, Principal, Member or Manager

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date





# SECURITIES SUPPLEMENT

PLEASE COMPLETE THE FOLLOWING ONLY IF INSTRUCTED TO DO SO IN THE MAIN APPLICATION.  
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## PUBLIC CLIENTS

1. Please provide the following information for each publicly-traded client:

Name of Client	Nature of Business	No. Yrs. A Client	Accounting Services Rendered	Were SEC Reports Prepared? Y/N	Was A Qualified Opinion Issued? Y/N

## SECURITIES

2. Please provide the following information for each filing. Include filings that were withdrawn, offerings which were unsuccessful, and filings made pursuant to an exemption from registration, and filings anticipated within the next 90 days. Also, provide this information on affiliated reports, statements, or similar offering documents.

Date Offering Began	Name of Issuer	Type Of Offering (1)	Nature of Client's Business	Dollar Amt. of Offering	Description of Security	Registered or Exempt Offering	Did Firm Render An Opinion? Y/N	Applicant Accountant for? (2)

**(1) Key**

Private Placement = PR      Syndication = SY  
 Public Initial Placement = PUI      Municipal Financing = M  
 Public Secondary Placement = PUS      Limited Partnership = LTP  
 Bond (Private) = B

**(2) Key**

Issuer = I      Purchaser = P  
 Underwriter = U      Auditor = A  
 Lender = L      Other = O (Please specify)

3. Exempted Securities: Within the past five (5) years, has the Firm provided accounting services in connection with the offer and sale of Securities in any transaction involving a Security that was intended to be an exempted Security under one of the provisions of Section 3(a) of the 1933 Act? .....  Yes  No

4. Tender Offers and Exchange Offers:

a. Has the Firm provided accounting services in connection with any tender offer or exchange offer? .....  Yes  No

b. Has the Firm advised any client with respect to a tender offer made or proposed to be made involving any entity whose management opposed or opposes such offer? .....  Yes  No

5. Proxy Contests:

a. Has the Firm provided accounting services in connection with any proxy contest involving a Public Company? .....  Yes  No

b. Was the Firm's client, in connection with any such contest, a person or entity opposing director nominees of the Public Company or its management? .....  Yes  No

# BONDS

6. Within the past five (5) years, has the Firm provided accounting services in connection with the offer and sale of Securities in any transaction involving a Security that was intended to be exempt under one or more of the following provisions of Section 3(a) of the 1933 Act:
- a. Section 3(a)(2) as it relates to any Security issued or guaranteed by a bank?  Yes  No
  - b. Section 3(a)(2) as it relates to any Security issued by the U.S. or any State or political subdivision or public instrumentality of the U.S. or any state?  Yes  No
  - c. Section 3(a)(6) as it relates to any Security issued by a Savings and Loan Institution?  Yes  No

**Please complete the schedule below for Securities addressed in Question 6a or 6c:**

Name of Institution	Location	Nature of Accounting Services Provided	Dates of Service

7. a. Has the Firm provided accounting services in connection with the offer and sale of private placement bonds?  Yes  No
- b. Is due diligence documentation retained for services in connection with all private placement bonds with an aggregate price of \$100,000 or more?  Yes  No

8. Within the past five (5) years, what is the number of bond issues for which the Firm has provided accounting services? \_\_\_\_\_

a. Indicate the number of bonds issued (by type):

General Obligation \_\_\_\_\_ Revenue \_\_\_\_\_ Other (provide detail) \_\_\_\_\_

b. Indicate the entity for which the Firm was employed in the above bond issues:

Bond Counsel \_\_\_\_\_ Issuer \_\_\_\_\_ Underwriter \_\_\_\_\_ Other (provide detail) \_\_\_\_\_

c. How many of the above indicated bond issues are currently in default \_\_\_\_\_ or have experienced a default proceeding \_\_\_\_\_?

## OTHER

9. Client Identification and Evaluation:

- a. Do you have a procedure for new client identification intended to assure that there will be no conflict of interest with respect to the Securities matters to be undertaken by the Firm?  Yes  No
- b. Do you evaluate a new client seeking Securities advice relevant to a proposed transaction or offering to determine such things as the client's reputation, the nature of its business, financial strength, management expertise, and history of changing Securities accountants and lawyers?  Yes  No
- c. Do you use an engagement letter with each client that retains the Firm in connection with any Securities offering, including existing clients?  Yes  No

**If "No" to any part of Question 9, please provide explanation:** \_\_\_\_\_

10. Disclosure and Opinion Requirements:

- a. Do you require an experienced Securities accountant to interview the client's directors, executive officers and principals in connection with disclosure documents preparation and review?  Yes  No
- b. Do you require the preservation of written records of the factual source and verification made by the Firm's accountants in connection with disclosure documents and preservation of records to support opinions rendered by the Firm?  Yes  No
- c. Do you prohibit your accountants and staff from participating in the Securities selling process (not participating in marketing meetings or calls involving prospective investors)?  Yes  No

**If "No" to any part of Question 10, please provide explanation:** \_\_\_\_\_

11. Potential Conflicts:

- a. Do, or have, you always prohibit(ed) a Securities Accountant with an investment in a client from working on Securities of that client? .....  Yes  No
- b. Do, or have, you always prohibit(ed) a Securities Accountant from trading and investing in client Securities? .....  Yes  No
- c. Do, or have, you always prohibit(ed) a non-Securities Accountant from trading and investing in client Securities? .....  Yes  No
- d. Do you require a Securities Accountant to disclose all Securities investments in clients of the Firm?.....  Yes  No
- e. Do you have a procedure intended to prevent the improper use of material inside information or the tipping of such information by your accountants and staff? .....  Yes  No
- f. Do, or have, you always prohibit(ed) an accountant who is a director, officer or general partner of a Securities client from working on a Securities transaction of that client? .....  Yes  No
- g. Do, or have, you always prohibit(ed) any arrangement where a Securities client pays for the Firm's services with client Securities? .....  Yes  No

**If "No" to any part of Question 11, please provide explanation:** \_\_\_\_\_

12. For each employee or representative of the Firm handling Securities matters, please provide the following information. Round to the nearest fifty hours:

Employee/Representative Name	Securities Practice-Billable Hours Most Recent 12 Months	Billable Hours Prior 12 Months	Years of Securities Experience

13. Has the Firm's employee or representative served as an officer, director or trustee of any Securities client?  Yes  No

14. Has the Firm or its employee or representative ever held an equity or financial interest in any Securities client? .....  Yes  No

**If "Yes", please identify client and nature of equity:** \_\_\_\_\_

15. Have you had a dispute with a Securities client which necessitated disclosure to the Securities and Exchange Commission? .....  Yes  No

**If "Yes", please provide the name of client, date of withdrawal or dispute and description of withdrawal or dispute:** \_\_\_\_\_

16. Has any past or present Firm member been named as a party to:

a. any investigation or administrative action undertaken by the Securities and Exchange Commission or any state securities regulatory body? .....  Yes  No

b. any legal action under the SEC Acts of 1933 and 1934 or state statute relating to the issuance, offering or sale of Securities? .....  Yes  No

**If "Yes" to any part of Question 16, please provide explanation:** \_\_\_\_\_

**NOTICE**

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Must be signed and dated by an Owner, Partner, Principal, Member or Manager as duly authorized on behalf of the Applicant.

Signature of Owner, Partner, Principal, Member or Manager  
Accountants Professional Liability Insurance Application

Securities Supplement

Title

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Date