



Insurance Brokers Professional Liability Insurance Proposal

AIG UK Limited

1. Proposer Details

1. (a) Name of Firm(s) _____

(b) Principal address, including post code _____

Tel No. _____

Fax No. _____

Web-site address _____

2. (a) Is the Firm(s) a subsidiary of an overseas parent company? Yes No

If 'Yes'

Name of Parent

Address of Parent

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

(b) Please provide details of any subsidiary companies which are to be included under this insurance:

Subsidiary

Country

| | |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

3. Date Firm(s) was established _____

4. (a) Please give the following details of all Partners, Directors or Principals of the Firm(s):

| Name | Qualifications | Date Qualified | How Long A Partner/Director/Principal |
|-------|----------------|----------------|---------------------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

- (b) Please categorise staff other than Partners, Directors or Principals and provide brief details in respect of the nature of their work:

| Categories of Staff | Number | Nature of Work |
|---------------------|--------|----------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

5. (a) What is the annual average percentage rate of staff turnover for the last two years? _____ %

- (b) Does the Firm(s) use independent sub-contractors? Yes No

If 'Yes', please answer the following:

- (i) Please state what proportion of the Firm(s) business involves the subcontracting of work to others? _____ %

- (ii) Does the Firm(s) insist that subcontractors maintain their own P.I. cover? Yes No

- (iii) What services does the Firm(s) use independent subcontractors for? _

- (iv) How does the Firm(s) select and manage independent sub-contractors? _____

6. During the past 6 years has the name of the Firm(s) been changed or has any amalgamation / take over taken place? ... Yes No

If 'Yes', please provide details:

7. Is coverage required for any Partner, Director or Principal for any former firm for which they were a Partner?.... Yes No

If 'Yes', please provide details:

| Full Name | Former Firm | Period With Former Firm | Position Held in Former Firm |
|-----------|-------------|-------------------------|------------------------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

8. (a) Is the Firm(s) a registered Lloyd's Broker? Yes No
 (b) Is the Firm(s) regulated by the FSA? Yes No

2. Professional Services

9. (a) Please state in the columns provided the gross fees (£) for the last 5 complete financial years (please insert month/ year):

| | | | | | |
|------------|-----------|-----------|-----------|-----------|-----------|
| | ___ / ___ | ___ / ___ | ___ / ___ | ___ / ___ | ___ / ___ |
| Fee Income | | | | | |

Financial Year End Date _____

- (b) Please state the estimated fee income for the next financial year £ _____
 (c) Please state in the columns provided the geographical percentage split of fee income:

| | % of Fee Income for the last complete Financial Year | Estimated % of Fee Income for the next Financial Year |
|---|--|---|
| (i) in the United Kingdom and Europe (excluding (iii) below) | _____ % | _____ % |
| (ii) in the USA and its territories and possessions or Canada | _____ % | _____ % |
| (iii) in the UK or elsewhere (excluding (ii) above) for persons, companies, firms or organisations having an address in the USA and its territories and possessions or Canada | _____ % | _____ % |
| (iv) in Australia and its territories and possessions | _____ % | _____ % |
| (v) elsewhere (please state countries and amounts involved on practice letterhead) | _____ % | _____ % |

If any income is derived from any office domiciled overseas for which coverage is required, please complete the income breakdown in the **Premium Tax Supplementary Questionnaire** attached, in order to calculate applicable taxes to apply.

10. (a) Please provide an estimate of the percentage of total annual fees for the last complete financial year from the following categories:

| | | | |
|--|---|--|---|
| Personal Lines (excluding motor) | % | Reinsurance | % |
| Private Motor | % | Pensions * | % |
| Commercial Lines (excluding motor) | % | Endowments * | % |
| Commercial Lines (excluding motor) via Binders | % | Other Life * | % |
| Commercial Motor | % | Unit Trusts * | % |
| Aviation – Small Aircraft | % | Other Investments – i.e. Split Caps, FSAVCs, etc * | % |
| Aviation - Other | % | Mortgages | % |
| Marine – Small Craft / Cargo | % | Building Society Agency | % |
| Marine - Other | % | PHI/ Medical | % |
| Other – please specify | | | % |

* If any income is received, or has in the past been received, in respect of life and pensions, endowments, financial investment advice or mortgages, please complete an **AIG Financial Services Supplementary Questionnaire**.

- (b) Is the work split above representative of the Firm(s) make up over the previous three years? Yes No

If 'No', please provide details: _____

- (c) Are any substantial changes in the percentage amounts shown above anticipated during the next 12 months? Yes No

If 'Yes', please provide an explanation: _____

11. (a) Does the Firm(s) place Commercial Fire and Perils Insurances? Yes No

If 'Yes', please provide details in respect of the three largest placements:

| Client | Class | Sum Insured | Number of Locations |
|--------|-------|-------------|---------------------|
| | | | |
| | | | |
| | | | |

(b) Does the Firm(s) place commercial lines (excluding fire and perils), marine or aviation insurance? Yes No

If 'Yes', please provide details in respect of the three largest placements:

| Client | Class | Sum Insured |
|--------|-------|-------------|
| | | |
| | | |
| | | |

12. Has the Firm(s) placed insurances with either Insurers or Underwriters who do not operate in the United Kingdom? Yes No

If 'Yes', please provide details: _____

3. Binding Authorities

13. Does the Firm(s) operate any Binding Authority arrangement whereby an Insurer or Underwriter has granted the Firm(s) authority to either quote terms, set rates or handle claims without referral? Yes No

If 'No', please go to Question 15.

If 'Yes', please complete the following:

| Nature of Binding Authority | Class of Business | Insurer & Reference | Maximum Limits/ Sums Insured | Total Commission Income |
|---|-------------------|---------------------|------------------------------|-------------------------|
| <i>(a) Non-discretionary with no deviation from the Binding Authority in respect of the type of risk, rates, period of insurance or policy wording, as specified in the Binding Authority</i> | | | | |
| <i>(b) Non-discretionary with no deviation from the Binding Authority in respect of the type of risk, period of insurance or policy wording, but with a limited amount of deviation to the extent of specified discounts or loadings</i> | | | | |
| <i>(c) Non-discretionary with no deviation from the Binding Authority in respect of the type of risk and wording applicable but with deviation permissible in respect of the period of insurance or non-specified discounts or loadings</i> | | | | |
| <i>(d) Discretionary Binding Authority with no limits in respect of the type of risk, rating, wording or period of insurance</i> | | | | |
| <i>(e) Claims Handling Authority</i> | | | | |

14. In respect of the Binding Authorities referred to in Question 13 above:

(a) Are all the Binding Authorities in written form? Yes No

- (b) Do all the Binding Authorities have a specified renewal date? Yes No
- (c) Do all the Binding Authorities specify those individuals who have authority to bind risks under the Binding Authority? Yes No
- If 'No', do you restrict those individuals who can bind risks under the Binding Authority to senior staff with a minimum of five years insurance experience? Yes No
- (d) Do all the Binding Authorities restrict the territorial limits to those risks based within the United Kingdom? Yes No
- (e) Does the Firm(s) delegate the Binding Authority to any other party? Yes No

If No to any of the questions above, please provide an explanation _____

4. Appointed Representatives

15. Does the Firm(s) have any Appointed Representative or Appointed Representative Introdurers working for the Firm(s)?..... Yes No

If 'No', please go to question 16.

If 'Yes':

- (a) How many Appointed Representatives do you have working for the Firm(s)? _____
- (b) What is the Gross Annual Commission received by the Firm(s) in respect of business introduced by Appointed Representatives? £ _____
- (c) Does the Firm(s) ensure that the Appointed Representative have Professional Indemnity Insurance? Yes No
- (d) Please confirm that the Firm(s) ensures that:
- (i) It is satisfied that all Appointed Representatives and/or Appointed Representative Introdurers have the necessary expertise to deal with the insurance in question? Yes No
- (ii) It is satisfied that all Appointed Representatives and/or Appointed Representative Introdurers have sufficient management control and financial stability? Yes No
- (iii) It audits all Appointed Representatives annually? Yes No

5. Risk Management

16. In respect of quotations and renewal terms does the Firm(s) always confirm in writing to the client:
- (a) The name of the recommended Insurer Yes No
 - (b) The security of the Insurer Yes No
 - (c) The details of cover including limit and endorsements Yes No
 - (d) The period of insurance, including the date from which cover incepts Yes No
 - (e) The premium and applicable taxes Yes No
 - (f) The period for which the quotation is open for Yes No
 - (g) Confirmation of binding cover Yes No
 - (h) The length of any extension to the period of insurance and any special terms imposed by such an extension Yes No
17. Does the Firm(s) operate a diary system with manual back-up? Yes No
18. Does the Firm(s) operate any Quality Assurance Systems? Yes No
- If 'Yes', please specify:

19. Does the Firm(s) offer and promote continuing training?..... Yes No

6. Fraud and Dishonesty

20. (a) Has the Firm(s) sustained any loss through the fraud or dishonesty of any person?..... Yes No

If 'Yes', please provide details:

- (b) Is the Firm(s) aware of any allegation or occurrence of fraud or dishonesty at any time committed by any past or present Partner, Director or employee? Yes No

If 'Yes', please give details and state the precautions taken to prevent a reoccurrence:

- (c) Does the Firm(s) always require satisfactory references or only when engaging senior employees? Always
 Senior Appointments Only

Nature of reference: Written
 Verbal

- (d) Is any employee allowed to sign cheques on his/her signature alone for values exceeding £25,000? Yes No

If 'Yes', please give details on a separate sheet.

- (e) How frequently are checks carried out on all entries in the cash book with paying-books, receipts, counterfoils and vouchers, and reconciled with bank statements (including the balance of cash and unrepresented cheques), independently of employees receiving or banking monies in respect of monies belonging to the Firm(s) as well as in trust on behalf of others?

Weekly Monthly Quarterly

Other (Please Specify) _____

7. Previous Coverage

21. (a) Unless a renewal to AIG, please give details of previous Professional Indemnity Insurance carried during the past two years:

| Period | Insurer | Limit | Excess | Premium |
|--------|---------|-------|--------|---------|
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

- (b) Has any proposal for Professional Indemnity Insurance made on behalf of the Firm(s) or any predecessors in the business, or present partners/directors/principals ever been declined or has such insurance ever been cancelled or renewal refused or special terms imposed? Yes No

If 'Yes', please advise reason(s):

22. Please specify:

- (a) The limit(s) of indemnity for which quotations are required:

£ _____ £ _____ £ _____ £ _____ £ _____

- (b) The excess you would be prepared to carry:

£ _____ £ _____ £ _____ £ _____ £ _____

23. Is any partner, director or principal **after inquiry** aware of any claims ever having been made against the Firm(s) or their predecessors in business or any of the present or former partners, directors or principals? Yes No
24. Is any partner, director or principal **after inquiry** aware of any circumstances or occurrences which may give rise to a claim against the Firm or their predecessors in business or any of the present or former partners/directors or principals? ... Yes No

If you have answered **YES** to questions 23 or 24 full details of each matter must be advised before quotation can be considered. We must remind you that it is imperative to answer these questions correctly. **FAILURE TO DO SO COULD WELL PREJUDICE YOUR RIGHTS**, if subsequently a claim should arise.

SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE

Declaration

I/We declare that the statements and particulars in this proposal are true and that no material facts have mis-stated or suppressed after enquiry. I agree that this proposal, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before the completion of the contract of insurance.

Signed

Title
(to be signed by Partner, Director or Principal or equivalent)

Firm(s)

Date

AIG UK Limited
The AIG Building
58 Fenchurch Street
London EC3M 4AB

This insurance is underwritten by AIG UK Limited which is authorised and regulated by the Financial Services Authority (FSA number 202628). This information can be checked by visiting the FSA website (www.fsa.gov.uk/register). AIG UK Limited is a member of the Association of British Insurers and a member company of American International Group, Inc. Registered in England: company number 1486260. Registered address: The AIG Building, 58 Fenchurch Street, London, EC3M 4AB.

Insurance Brokers Supplementary Risk Management Questionnaire

AIG UK Limited

1. Proposer Details

1. (a) Name of Firm(s) _____
- (b) Principal address, including post code _____
- _____
- _____
- _____

2. Risk Management

2. In respect of quotations and renewal terms does the Firm(s) always confirm in writing to the client:
- (a) The name of the recommended Insurer Yes No
- (b) The security of the Insurer Yes No
- (c) The details of cover including limit and endorsements Yes No
- (d) The period of insurance, including the date from which cover incepts Yes No
- (e) The premium and applicable taxes Yes No
- (f) The period for which the quotation is open for Yes No
- (g) Confirmation of binding cover Yes No
- (h) The length of any extension to the period of insurance and any special terms imposed by such an extension..... Yes No
3. Does the Firm(s) operate a diary system with manual back-up? Yes No
4. Does the Firm(s) operate any Quality Assurance Systems? Yes No
- If 'Yes', please specify.
- _____
- _____
5. Does the Firm(s) offer and promote continuing training? Yes No

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Date

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