Insight

APPLICATION FOR ACCOUNTANTS
PROFESSIONAL LIABILITY INSURANCE
(CLAIMS-MADE BASIS)

EVEREST

Insight Insurance Services, Inc.
2000 S. Batavia Ave., Suite 300
Geneva, IL 60134
Toll Free Telephone – (800) 447-4626
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Toll Free Fax – (888) 447-6289
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1. a) Name of Applicant / Firm: _____

   b) Address: _____

   City: _____ County: _____ State: _____ Zip Code: _____

   Business Phone:_____ Fax:_____ Internet Address: _____

   c) Please list all branch offices on a separate sheet and include a breakdown of the staff per question 4. at each location.

2. a) Firm's practice is: ☐ Full time (more than 30 hours per week) ☐ Part time

   If part time, provide name of other employer and position held: _____

   b) Date current Firm established: _____

3. If the name of the Firm has ever changed, or if there has been a consolidation, dissolution or change in business structure, please provide detailed listing of each firm in chronological order, indicating the date and nature of each change (i.e., merger, name changes). Without direct lineage, the current firm will not be considered a predecessor. Only those predecessor firms listed will be eligible for coverage consideration Firms that are accepted for coverage will be listed on the Policy.

Name of Predecessor Firm(s)	Date Established	Nature of Change

4. Total Staff (include branch offices)
   a) Please list all owners, partners, officers and CPA's: (attach a separate sheet, if necessary)

	Name	Position Code*	Licenses Held	Years in Practice	Length of Time with Firm	Professional Organizations
1						
2						
3						
4						
5						
6						

*Position Codes
O-Owners, Shareholders or Directors of the Corporation
P-Partners in a Partnership
S-Sole Practitioner
E-CPA Employee
D-Per diem CPA's employed by the firm

	Full Time	Part Time
b) Non-CPA employees providing accounting services whose time is billable to clients:		
c) Other employees including clerical and non-accounting employees		

5. a) Does the Firm currently carry professional liability insurance? ☐ Yes ☐ No
   If "Yes", provide details of insurance history below or on a separate sheet:

Insurance Company	Policy Period	Limit of Liability	Deductible	Premium

b) RETROACTIVE DATE ON CURRENT POLICY: _____ (month/day/year)

c) Has the applicant, predecessor in business or any person for whom coverage is requested had professional liability coverage declined, canceled, rescinded or non-renewed? ☐ Yes ☐ No If yes, please attach a statement providing full details. (This question does not apply to Missouri applicants.)

6. Gross fees are to be reported below on a cash basis. Gross fees are defined as the exact dollar amount of gross income, including fees paid to consultants, but not including interest, rental income, or direct recovery of expenses.

Second Last Fiscal Year	Immediate Past Fiscal Year	Projection for Current Year
From: (mo/yr)	From: (mo/yr)	From: (mo/yr)
To:	To:	To:
Gross Fees $	Gross Fees $	Gross Fees $

7. What percentage of services are covered by signed engagement letters stipulating the nature and scope of work to be performed? _____ %

8. Provide the approximate percentage of billings generated in the last year by each of the following types of engagements, and if signed engagement letters are used with such services. (Note: Total must equal 100%)

Services	Percentage of Billings	Engagement Letter Always Used	Services	Percentage of Billings	Engagement Letter Always Used
a) Audits (Type of Clients)			**e) Tax:**		
Agricultural	%	☐ Yes ☐ No	Business	%	☐ Yes ☐ No
Construction	%	☐ Yes ☐ No	Individual	%	☐ Yes ☐ No
Cooperative*	%	☐ Yes ☐ No	Estate	%	☐ Yes ☐ No
Financial Institutions	%	☐ Yes ☐ No	Other: (Please describe)	%	☐ Yes ☐ No
Government/Municipal/ Nonprofit	%	☐ Yes ☐ No	**f) Fiduciary & Trustee*** **	%	☐ Yes ☐ No
Insurance Companies	%	☐ Yes ☐ No	**g) Financial Planning****	%	☐ Yes ☐ No
Manufacturing/Retail	%	☐ Yes ☐ No	**h) EDP Consulting**	%	☐ Yes ☐ No
Pension	%	☐ Yes ☐ No	**i) Development of Computer Software****	%	☐ Yes ☐ No
Other (Please describe)	%	☐ Yes ☐ No	**j) Forecasts & Projections**	%	☐ Yes ☐ No
b) Review	%	☐ Yes ☐ No	**k) Litigation Support**	%	☐ Yes ☐ No
c) Compilation/Write up	%	☐ Yes ☐ No	**l) Assurance Services****	%	☐ Yes ☐ No
d) Bookkeeping	%	☐ Yes ☐ No	**m) Other: (Please describe)**	%	☐ Yes ☐ No

* Attach a description of cooperative clients (real estate, oil & gas, etc.) and an approximation of asset value.
** Please provide a detailed description of these services on a separate sheet.
*** Please complete a Fiduciary and Trustee Supplement.

9. Provide the approximate percentage of billings generated in the last year by each of the following types of clients. (Note: Total must equal 100%.)

Type of Client	Percentage of Billings	Type of Client	Percentage of Billings
Construction	%	Insurance Agency	%
Entertainment/Professional Athletes*	%	Insurance Company	%
Estate/Trust	%	Manufacturing	%
Factoring Company	%	Non Profit	%
Financial Institution	%	Real Estate Developers	%
Government**	%	Retail	%
Health Care Organizations	%	Unions	%
Health Care Professionals	%	Other	%
Individuals	%		

* Provide the names and occupations of the client(s) and detail of the services provided.
** Provide the branch of the government and the type of services provided, including the purpose of the service.

10. Provide information on the Firm's two clients generating the highest percentage of fees in the last year.

Percentage from Largest Client _____ Percentage from 2nd Largest Client _____
Client Industry _____ Client Industry _____
Services Performed _____ Services Performed _____

11. a) Is the Firm or any member of the Firm licensed or operating as the following:

Lawyer	☐ Yes	☐ No
Investment Advisor	☐ Yes	☐ No
Escrow Agent	☐ Yes	☐ No
Insurance Agent/Broker	☐ Yes	☐ No

b) Is any revenue earned from the above professions? ☐ Yes ☐ No
c) Under what firm name are such services provided? _____
d) Do any accounting clients also receive the other professional services? ☐ Yes ☐ No
e) Is a separate professional liability policy purchased for the above professionals? ☐ Yes ☐ No
If "Yes," provide name of insurer and limit of liability: _____

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12. Has the Firm ever provided accounting services to a Financial Institution or an Insurance Company? ☐ Yes ☐ No
If "Yes", please complete the Supplemental Information Sheet B.

13. Has the Firm ever provided professional services:
a) To a publicly traded company? ☐ Yes ☐ No
b) Used in conjunction with Issuance, offering or sale of securities? ☐ Yes ☐ No
c) To clients who are subject to SEC periodic reporting requirements or whose securities are registered with the SEC? ☐ Yes ☐ No
If "Yes", to ANY of the above, a completed SEC Information Sheet is required.

14. a) Does the Firm delegate work to other accounting firms? ☐ Yes ☐ No
b) Has the Applicant performed professional services as a subcontractor or per diem accountant for other accounting firms? ☐ Yes ☐ No
If "Yes", provide details including the name of other accounting firms, nature of work and percentage of Firm's billings:

_____

15. Has the Firm or any predecessor in business or any enterprise wholly or partially owned by the Firm or by the Firm's principals, partnerships, directors, or officers ever:
a) Received commissions, fees, reciprocity, or revenues for the sale or promotion of investments? ☐ Yes ☐ No
b) Organized, arranged or procured Investments or real estate? ☐ Yes ☐ No
c) Prepared projections for use in any prospectus, offering or sales material? ☐ Yes ☐ No
d) Made recommendations as to the sale or purchase of specific stocks, bonds or other investments? ☐ Yes ☐ No
If "Yes", to ANY of the above, attach a statement providing details.

16. Has the Firm or any member of the Firm disbursed, received, invested or in any way acted in a decision-making capacity with respect to client funds within the last 5 years? ☐ Yes ☐ No
If "Yes", please complete a Fiduciary and Trustee Services Information Sheet.

17. Has the Firm provided professional services to clients in which any firm member or spouse of any firm member:
a) Served as an officer, director, trustee or partner? ☐ Yes ☐ No
b) Owned an equity or financial interest? ☐ Yes ☐ No
If "Yes", provide the following information:

Client	Type of Business	Equity Percentage	Positions Held	Services Rendered	Annual Fees

18. a) Does the Firm wholly or partly own, operate, manage or control any other enterprise or is the Applicant wholly or partly owned, managed or controlled by any other enterprise? ☐ Yes ☐ No
b) Has any member of the Firm participated in outside business ventures with, provided loans to, or received loans from any client? ☐ Yes ☐ No
If "Yes", please attach a statement providing full details.

19. a) Does the Firm have a written quality control document? ☐ Yes ☐ No
b) Does the Firm use written procedure manuals? ☐ Yes ☐ No
c) Does the Firm have a written system for screening and evaluating new clients? ☐ Yes ☐ No
If "No" to any ANY of the above, describe what procedures and systems are used on a separate sheet.

20. Have any claims involving professional services ever been made against the Firm, predecessors in business or any other person for whom coverage is requested? ☐ Yes ☐ No
If "Yes", complete a Claim/Circumstance Information Sheet or attach a statement providing full details.

21. After inquiry, does the Firm, predecessors in business or any other person for whom coverage is requested, have knowledge of any actual or alleged act, error, omission or circumstance which may result in a claim being made against them or any other basis to reasonably anticipate a claim being made against them? ☐ Yes ☐ No
If "Yes", complete a Claim/Circumstance Information Sheet or attach a statement providing full details.

22. Has the Firm, predecessors in business or any other person for whom coverage is requested, ever reported a potential claim to a professional liability insurance company? ☐ Yes ☐ No
If "Yes", complete a Claim/Circumstance Information Sheet or attach a statement providing full details.

23. If "Yes", to questions 20, 21, or 22, state what actions the Firm has taken to prevent a similar claim/circumstance in the future.

24. Has the Firm, predecessors in business or any other person for whom insurance is requested ever been the subject of a complaint to or disciplinary action or reprimand by any state board of accountancy (or equivalent); the S.E.C.; the IRS; any governmental regulatory or tax authority; federal, state, local court; any state or national accounting society? ☐ Yes ☐ No
If "Yes", attach a statement providing details.

25. a) Has the Firm filed any suit for the collection of fees during the past 5 years? ☐ Yes ☐ No
If "Yes", attach a statement providing details.

b) Has the Firm adopted a policy against filing suit for fees? ☐ Yes ☐ No

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26. a) Has the Firm provided audit, review or compilation services within the past five years to clients who subsequently entered into bankruptcy or receivership? ☐ Yes ☐ No

b) Is the Firm aware of any current audit, review or compilation clients who are contemplating bankruptcy? ☐ Yes ☐ No
If "Yes", to a) or b) above, attach a statement providing full details.

27. Please provide the number of professionals who attended a loss control seminar or who completed a loss control course within the last three years. _____ In order to receive a loss control credit, please attach documentation of program completion and a list of individuals who participated.

28. a) Has the Firm had a quality review under sponsorship of the AICPA, a state society or any other professional association? ☐ Yes ☐ No

b) Were results unqualified? ☐ Yes ☐ No

c) Date of Last review _____

Firms that have successfully completed a quality review are eligible for premium credit. Please attach a copy of the opinion, the letter of comments and the Firm's response if premium consideration is requested.

29. Please attach any literature that describes the Firm's capabilities and practice, including resumes, brochures and promotional materials provided to prospective clients.

THE APPLICANT AND FIRM ACCEPT NOTICE THAT ANY POLICY ISSUED WILL BE ON A "CLAIMS MADE" BASIS.

The undersigned is authorized by and acting on behalf of the Firm and represents that all statements and particulars are true, complete and accurate and that there has been no suppression or misstatement of fact and agrees that this application shall be the basis of coverage and become a part of any Policy Issued by the Company.

THE APPLICANT AND FIRM ACCEPT NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE.

THE APPLICATION MUST BE SIGNED BY AN OWNER, PARTNER, PRINCIPAL OR SHAREHOLDER.

Signed _____ Date _____

_____
(please print name)

Title _____

SIGNING THIS FORM OR TENDERING PREMIUM WITH THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE COMPANY TO COMPLETE THE INSURANCE. Application must be signed and dated to be considered for quotation. A properly completed, original signed and dated application will allow prompt issuance of coverage should quotation be offered and accepted.

WARNING:
ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND (NY: SUBSTANTIAL) CIVIL PENALTIES.

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