

**ACCOUNTANTS PROFESSIONAL
LIABILITY APPLICATION
"Claims Made" Policy Form**



1200 E. Glen Ave., Peoria Heights, IL 61616-5348

Application completion instructions

- Please type or print clearly, Please DO NOT use pencil
- Answer each question completely
- Application must be signed by principal of the firm
- FORWARD A COPY OF ALL LETTERHEADS USED BY THE FIRM

1a. Applicant Firm Name _____ Tel # () _____
 Contact Person: _____ Fax # () _____
 E-Mail Address _____ Web Site _____
 Principal Business Address _____
 City _____ County _____ State _____ Zip Code _____

1b. I prefer to receive my premium quotation by Fax E-mail Regular mail

1c. If available, in lieu of mailing my policy you may E-mail my policy to the above E-mail Address. Yes No

2. Does your firm have multiple office locations? Yes No

If yes, please indicate:

State _____ Number of professionals in each location. _____

State _____ Number of professionals in each location. _____

State _____ Number of professionals in each location. _____

(use a separate page if necessary)

3. Does your firm or any owners, partners or officers render services or conduct any business activities under a separate entity name? Yes No

a. If yes please provide the name and industry of the entity.

Name _____

Industry _____

Please note, coverage may be available for such entity(s) by endorsement to your policy subject to underwriting approval.

b. Would you like coverage for this entity(s) ?

If yes, please complete the SEPARATE ENTITY SUPPLEMENT for all entities.

Yes No

4. Desired Effective Date _____

5. Coverage Selection

Check the Limit of Liability Desired: Per Claim/Aggregate

Check the deductible option desired

\$100,000/\$200,000

\$1,000,000/\$3,000,000

\$500

\$15,000

\$100,000/\$250,000

\$2,000,000/\$2,000,000

\$1,000

\$20,000

\$250,000/\$250,000

\$2,000,000/\$4,000,000

\$2,000

\$25,000

\$250,000/\$500,000

\$3,000,000/\$3,000,000

\$2,500

\$35,000

\$500,000/\$500,000

\$3,000,000/\$6,000,000

\$3,000

\$50,000

\$500,000/\$1,000,000

\$4,000,000/\$4,000,000

\$4,000

\$75,000

\$1,000,000/\$1,000,000

\$5,000,000/\$5,000,000

\$5,000

\$100,000

\$1,000,000/\$2,000,000

Other \$ _____

\$10,000

Other \$ _____

A financial statement may be required for deductibles in excess of \$25,000.00

6a. Date the applicant firm was established _____

b. Within the past 5 (five) years has applicant firm merged with or acquired another firm? Yes No

If "yes" please provide the following information in chronological order.

Name of Merged or Acquired firm	Date of merger or acquisition	# of Principals at merged/acquired firm	# of merged/acquired firm's principals who joined the applicant firm	% of billings assigned to successor firm
# 1				
# 2				

	Did the merged or acquired firm carry insurance? If yes provide retroactive date	Retroactive Date
# 1	<input type="checkbox"/> Yes <input type="checkbox"/> No	
# 2	<input type="checkbox"/> Yes <input type="checkbox"/> No	

7a. Please provide the number of personnel for the applicant firm:

Owners, Partners Officers,	Employed CPAs <i>Other than Owners, Partners Officers</i>	Other Accounting or Tax professionals whose time is billable to clients	Support Staff	Total Firm Personnel
Full Time ____ Part Time ____	Full Time ____ Part Time ____	Full Time ____ Part Time ____	Full Time ____ Part Time ____	Full Time ____ Part Time ____

7b. Are any of the Professionals (other than support staff) referenced above independent contractors or per diems? Yes No

If yes how many? Full time _____ Part time _____

- Percentage of each independent contractor's or per diem's time spent working for applicant firm: _____%
- How many of the Independent Contractors/per diems carry their own, separate Errors & Omissions Insurance? _____
- Limits of Liability for each: \$ _____ \$ _____ \$ _____ \$ _____

8. Is the firm or any member of the firm licensed or operating as the following:

Lawyer, Investment Advisor, Escrow Agent, Insurance Agent/Broker? Yes No

(If "yes", underline the profession)

If "yes", is any revenue earned from the above professions? Yes No

Under what firm name are such services provided? _____

9a. Provide the total gross annual revenues for the applicant firm. If newly established, indicate estimated gross revenue for the current year.

Next Fiscal Year (projected)	Current Fiscal Year (estimated)	Last Fiscal Year	Previous Fiscal year
\$ _____	\$ _____	\$ _____	\$ _____

9b. Complete the following grid for your three largest clients as a percentage of gross annual revenue for the past 12 months:

Name	Industry	Services Provided	% of revenue derived from client	Years as a client

9c. Complete the following grid based on the firm's gross revenue for each category. The total must equal 100%

Type of Client	% of practice	Type of Client	% of Practice
Individuals	%	Small Public Companies (<\$100M revenues)	%
Individuals- High Net Worth (>\$10M assets)	%	Large Public Companies (>\$100M revenues)	%
Small Private Companies (<\$100M revenues)	%	Trusts (>\$5M)	%
Large Private Companies (>\$100M revenues)	%	Other: (please specify) _____	%

10. INTERNAL CONTROLS

- a. Has your firm undergone a peer or quality review within the past 3 years? Yes No
 b. If yes, date of last review: _____

Result: Pass Pass with Deficiencies Fail
 If unmodified with letter of comments or Modified / Adverse, please attach a copy of the report

- c. Complete only if you answered "no" to 10a above, or if you had a Failed report:
1. Prior to the release of financial statements, does a principal who was not involved in the engagement review all work papers and reports? Yes No
 2. Are all financial statements and reports personally signed by a principal of the firm? Yes No
 3. Does the firm maintain a system to assure timely completion of reports, filings, and tax returns? Yes No

11. Please provide the number of professionals who completed a risk management program within the past 3 years.

# of Professionals	Program Sponsor	Seminar Date

12. Within the past 5 (five) years, has the applicant firm or any partner, officer, owner or employee:

- a. Had his or her accounting license or authority to practice accounting revoked? Yes No
- b. Been subject to disciplinary action, or currently under review, by any state board of accountancy, AICPA, or State Society? Yes No
- c. Been subject to any fine, reprimand, criminal penalty related to the performance of professional services? Yes No
- d. **Missouri residents: This question does not apply to you**
 In the past 5 (five) years has the applicant firm had their accountants Professional Liability Insurance declined, cancelled or non-renewed? (Other than due to the loss of market.) Yes No
 If "Yes" to any of the above please explain on a separate page.

13A: AREAS OF PRACTICE

Provide the percentage of gross annual revenue derived from the areas of practice below. Total of all items must equal 100%

Area of Practice	%	Engagement letters used?	Area of Practice	%	Engagement letters used?
Administrator, executor or ERISA Trustee	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Hardware/Software Sales	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Non-Public*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Limited Partnership and Tax Sheltered Syndication	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Public*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Litigation Support	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Bankruptcy, Trustee, Receiver	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Management Advisory Services	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping/Write-ups/ Payroll Processing*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Mergers & Acquisitions	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Valuations	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Reviews	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Securities including Federal and State Securities*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Consulting (Describe) _____	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Securities: Other*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Data Processing Services	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax: Business	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Debenture Financing/Bonds	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax: Estate	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Fiduciary-Non-Trustee*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax: Individual	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Advisory Services*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Trustee Services*	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts and Projections	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Other (Describe): _____ _____	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forensic Accounting	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Hardware/Software Consulting	____%	<input type="checkbox"/> Yes <input type="checkbox"/> No	TOTAL MUST EQUAL 100%	100%	

* NOTE: If you provide a percentage amount for any of these areas, or if you have provided any of these services within the last 5 years, please complete the appropriate supplemental application.

- 13B:** For services provided on audit engagements or non-attest services for audit clients, the applicant firm has a procedure that requires that engagement letters are used on new engagements and updated as required if the engagement changes. Yes No
- 14.** Within the past 5 years has the applicant firm provided any non - accounting service (A service other than referenced in question #13b above) to any client of the firm? Yes No
- If Yes, is or was this entity a client for accounting services? Yes No
- If Yes, does the firm have a policy which requires disclosure in writing to clients
- a. Of the existence of any vested interest of the firm, or any firm members, as a provider of non-accounting services? Yes No
- b. Of the potential for conflicts of interest, if appropriate and of the need to seek the advice of an independent provider or counsel, when appropriate? Yes No

Please provide details of non- accounting services, percentage of total time spent by each individual providing these services and, if separate insurance exists for non-accounting professionals, include the Declarations page of the most current Errors & Omissions Insurance policy.

- 15.** Within the past 5 (five) years has applicant firm or any member of the firm performed services or consented to the use of its work product in connection with public or private offerings of securities, real estate, or other investments? *If "yes" complete the Public and Private Offering Supplement* Yes No
- 16.** Within the past 5 (five) years has the applicant provided any tax advice, counsel or opinion; or organized, sold or prepared any sales materials with respect to tax shelters or other tax advantaged investments or any "reportable transaction" as defined in Treasury reg. Sec1.60011-4(b)? *If yes, please explain using a separate sheet.* Yes No
- 17.** Within the past 5 (five) years has the applicant firm, or any member of the firm, performed accounting and/ or consulting services to SEC regulated entities (other than broker/dealers who are not publicly traded)? *If "yes" complete the Public Client Supplement* Yes No
- 18.** Is the applicant firm registered with the Public Company Accounting Oversight Board? Yes No
- 19.** Does applicant firm, or any member of the firm, perform duties under a Trust Agreement? *If yes please complete part A of the Fiduciary Services Supplement.* Yes No
- 20.** Other than as a Trustee, does applicant firm or any member of the firm have discretionary control over clients' funds, perform Money Management, Bill Paying, or Payroll Services? *If yes, complete part B of the Fiduciary Services Supplement* Yes No
- 21.** Within the past five 5 (five) years has applicant firm or any member of the firm rendered services for any client in which any insured or spouse owned an equity interest of more than 10%, or served as an Officer, Director, Partner, or Manager of a client? Yes No
- If yes please answer the following for each client. Use a separate sheet if necessary*
- a. Client name/industry: _____
- b. Type of services rendered by applicant firm: _____
- c. Date services rendered _____ to _____
- d. Highest percent of equity interest and /or capacity served by insured or spouse within the past 5 years _____%
- e. Dollar amount that this equity represents; \$_____
- f. Was this conflict disclosed? Yes No
- g. Annual fees charged to this client during the above time period \$_____

- 22. Within the past 5 (five) years has the applicant firm or any member of the firm:**
- a. Rendered financial planning, asset management, or investment advisory services? Yes No
- b. Received commissions, referral fees, reciprocity or other inducements arising from the sale, promotion or recommendation of securities, insurance products, real estate or other investments? Yes No
- If "yes" to either of the above, please complete the Financial Planning /Investment Advice supplement.*

23. Within the past 5 (five) years has the applicant firm or any member of the firm:

- a. Provided management services for investment ventures? Yes No
- b. Invested in a non-public investment venture that a client has also invested in? Yes No

If "yes" to either of the above, please complete the Investment Venture Supplement

24. Within the past two 2 (two) years has applicant firm sued to collect fees?

Yes No

If yes please complete the following

Client	Fee Amount	Date of Suit	Services Rendered	Status
	\$			
	\$			
	\$			

25. In the past 5 (five) years, has applicant firm provided audit/attest services for any client that subsequently filed bankruptcy, defaulted on a bond issue, or became insolvent?

Yes No

If "yes", please complete the following

Client's Name and Industry	Date of Bankruptcy, Default or Insolvency	Annual Billings/Sales	Type/Date of Services	Going Concern Letter?
		\$		
		\$		

26. Inquire of all owners, partners, officers, and employees of the firm advise:

- a. Within the past 5 (five) years, have any claims or suits been brought against the applicant firm, a predecessor of the firm, or any current or past officer, owner, or employed accountant? Yes No
- b. Are they aware of any circumstances, which may result in a claim being made? Yes No

If "yes" to (a) or (b), please complete the Claim/Incident Supplement

27a. Has the applicant firm or its predecessors carried Accountants Professional Liability Insurance during the past five (5) Years? *If yes, please complete the following*

Yes No

Month /Day /Year	Month/ Day / Year	Insurance company	Limits of Liability	Deductible	Premium
	to		\$	\$	\$
	to		\$	\$	\$
	to		\$	\$	\$
	to		\$	\$	\$
	to		\$	\$	\$

b. Retroactive date of current policy: _____

c. Has the firm ever purchased an extended reporting period endorsement ("tail coverage")? Yes No

d. If "yes", please advise effective date and expiration date: _____ to _____
Month / Day / Year Month / Day / Year

NOTICE

The following fraud notices supersede any others that may appear in any Application or Application Supplement:

FRAUD WARNINGS

FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 such person to criminal and civil penalties.

ALABAMA, ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

COLORADO FRAUD WARNING: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. In Colorado, any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

D.C. FRAUD WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA FRAUD WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

KANSAS FRAUD WARNING: Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

KENTUCKY FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other 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.

MAINE FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

MARYLAND FRAUD WARNING: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

NEW JERSEY FRAUD WARNING: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

NEW YORK FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

OHIO FRAUD WARNING: Any person who, with the intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA APPLICANTS: Warning: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto may be guilty of a fraudulent insurance act, which may subject such person to prosecution for insurance fraud.

PENNSYLVANIA FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim 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 such person to criminal and civil penalties.

TENNESSEE FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

VERMONT FRAUD WARNING: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

VIRGINIA AND WASHINGTON FRAUD WARNING: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT. SHOULD A POLICY BE ISSUED IT WILL ATTACH TO THE POLICY.

I declare that the information submitted herein is true to the best of my knowledge and becomes a part of my Professional Liability application. I understand that an incorrect or incomplete statement could void my protection. Completion of the application or tendering of premium does not bind coverage.

The application is subject to company Underwriting guidelines.

Signature _____ Title _____ Date ____/____/____
Must be signed by a principal of the firm

For Insurance Agent use only: Agent Code _____

Name of Agent _____ Tel # () _____

E-Mail address _____ Fax # () _____

Business Address _____

City _____ St. _____ Zip Code _____

Licensed Broker Yes No License # _____

Licensed Agent Yes No License Exp. Date _____

Licensed surplus lines Broker Yes No License # _____