Professional Indemnity Insurance Proposal Form

Accountants & Auditors

Please read the following before completing the Proposal Form

The needs analysis in respect of the insurance for which you are applying is in respect of Professional Indemnity Insurance only and should additional advice be required for any other short term insurance exposure please advise us so that we can arrange for a consultant to contact you.	
General Proposal Form Information	
This proposal form has been compiled in such a manner as to provide Insurers with as much detail as possible with regard to evaluation of the insurance requirements. Completion of the form does not bind the Proposer or Insurers to complete the insurance transaction.	
a.	The contract of insurance can only be finalised once we are in receipt of the fully completed proposal form together with your acceptance of quotation and payment of the premium.
b.	The proposal form must be completed in full as inaccuracies and incomplete information could impact on the premium and impair the cover.
c.	The Declaration must be signed.
d.	Any new /additional entity being formed or any material changes made to the Firm which could impact on the cover provided must immediately be advised to Aon on behalf of Insurers as cover will not be automatically granted.
e.	Please note: where work is undertaken in countries subject to prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America, the policy will not respond to claims where the indemnity, claim payment or provision of such benefit rests contrary to the prohibitions/restrictions/sanctions imposed in those particular regions. Please discuss with your broker if you have any concerns.
f.	I/we have read and agree to be bound by Aon's Terms of Business Agreement ("TOBA") as amended from time to time and expressly agree that it forms an integral part of my agreement with Aon. The TOBA is available on www.aon.co.za
When Insurers look at this Proposal Form they are forming an opinion of your Firm. This Proposal Form has been designed to capture as much information as possible concerning the business of a multi-disciplinary Firm but the questions may not exactly fit the profile of your Firm. In such cases please provide additional information by attaching appendices to the Proposal Form. If the space available to answer the questions is insufficient, please use appendices rather than summarising the information. It can be of assistance if brochures and other similar promotional material can be submitted with the Proposal Form. Insurers would be interested in receiving examples of any standard terms of Engagement/Conditions of Contract which seek to limit your liability under contract.	

1.	**Name of Practice**				
		(Please ensure exact registered name as per company documents)			
2.	**VAT Number**				
3.	**Legal Constitution**	☐	Sole Practice	☐	Partnership
		☐	Incorporated Company	☐	Close Corporation
		☐	(Pty) Ltd		
		☐	Other:		
	If “Other" please give full details/ attach company registration documents. If “sole practitioner”, please give details of arrangements for conduct of practice in leave of absence of Principal, etc.				
	Company Registration No.:				
	ID Number if Sole Proprietary:				
4.	**Contact Information:**				
	Physical Address				
	Postal Address				
	Telephone				
	Fax				
	Cell phone				
	E-mail				
	Subsidiary Offices (if any)				
5.	**Date Established -**				
	As presently constituted				

6.	**Memberships** of any Association / Institute / Council or other Professional Body?	Select
	If Yes, please list:	
7.	**Names & Qualifications of Principals**	
	The onus rests on the Insured to warrant that they are fully qualified and registered with the relevant Industry, Body or Association in terms of Legislation as applicable. "Principals" should be interpreted as meaning partners in the case of a Partnership, and Directors in the case of a Company.	

Name	Qualifications and Institution	Date Qualified	How Long in This Practice

	If insufficient space please attach a separate list.	
	Please state number of employees:	
8.	**Business Activities in which engaged**	
8.1	Give a description of Business Activities:	
8.2	Details of any financial interest in another Company, not named above, including management and control:	
8.3	Do you do any business for your clients in the U.S.A, Canada or any other countries / states	Select
	governed by their laws?	
	If Yes, please provide full details including business activities, percentage of total income, and regularity of work in these countries.	
8.4	Do you do any business for your clients in Australia?	Select
	If Yes, please provide full details including business activities, percentage of total income, and regularity of work in Australia.	

8.5.	Approximate percentage of estimated gross income accruing from various activities:		
	a.	Auditing Fees	%
	b.	Accounting and Secretarial	%
	c.	Taxation only	%
	d.	Management Consultancy	%
	e.	Other Consultancy (Please provide full details)	%
	f.	Share Registration	%
	g.	Executors and Trusteeship	%
	h.	Voluntary Liquidations	%
	i.	Insolvencies, Compulsory Liquidations, Judicial Management & Receiverships	%
	j.	Deceased Estates	%
	k.	Sequestrations	%
	l.	Curatorships	%
	m.	Business Recovery / Rescue	%
	n.	Other Activities	%
		(Please provide full details)	%
			100%

9.	**Professional / Business Relationships**	
9.1	Do you have any inter-partnership arrangements with other Accountants, or firms of Accountants?	Select
9.2	If yes, do these firms carry out work in the name of your firm or vice-versa?	Select
9.3	Do they have a similar professional indemnity policy and for what Limit of Indemnity?	Select
	R	
9.4	If they carry out work in your name, please submit a declaration from them that their partners are, after enquiry, not aware of any circumstances which may result in any claim being made in connection with work undertaken on your behalf.	
9.5	Do you carry out work under a written contract signed by every client?	Select
9.6	Do you limit your liability, e.g., two or three times your fees?	Select
9.7	Do you limit the period for which you will be held responsible after work completion?	Select
10.	**Jurisdiction of Work**	
	Does this Practice Undertake any work whatsoever where the end product of such work is constructed in territories other than the Republic of South Africa, Botswana, Lesotho, Swaziland and Namibia?	Select
	If "YES" please give full details.	

11.	**Income Declaration** (All remuneration (ex VAT) for work undertaken.)		
	Please note: - Remuneration includes salaries reimbursed by third parties. - Travelling and accommodation disbursements should be excluded.		
	*Fees paid to Sub-consultants should be separately declared from Firms fees below.		
	Your Financial Year-end is:	(DD/MM)	
	In view of your Legal Constitution, is your annual turnover or asset value LESS than R2,000,000		Select
	(If yes, please refer to Appendix A attached to this proposal form)		
	a. **Previous Financial Year Date:**		(DD/MM/YYY)
	Firms Domestic Fees = R		
	Firms Other Fees = R		
	Fees Paid to Sub-consultants** = **R**		
	Total Fees = **R**		
	b. **Current Financial Year Date:**		(DD/MM/YYY)
	Firms Domestic Fees = R		
	Firms Other Fees = R		
	Fees Paid to Sub-consultants** = **R**		
	Total Fees = **R**		
	c. **Future Financial Year Date:**		(DD/MM/YYY)
	Firms Domestic Fees = R		
	Firms Other Fees = R		
	Fees Paid to Sub-consultants** = **R**		
	Total Fees = **R**		
12.	**Claims**		
12.1	Have any claims/incidents/circumstances for professional negligence been made against the		Select
	Practice or its present or past principals during the past 5 years?		
12.2	Are any of the Principals or employees, **after enquiry**, aware of any claims/incidents/circumstances which		
	may give rise to a claim against this Practice or its predecessors in business or any of the present or		
	former Principals?		Select
	If the answer to either question is "**YES**" please give full details. Kindly attach a separate list with detail.		
13.	**Audits and Account Controls**		
	A. Are your books audited by a qualified Accountant or Auditor?		Select
	B. Do the Auditors investigate the validity of payments to Third Parties?		Select
	C. Are these audits complete and unqualified?		Select

If "**NO**" to a) or b), please describe the limitations/qualifications	
D. Have the auditors made any recommendations in the last two audits that have not been adopted?	Select
If **"YES"**, please give details of recommendations and reasons for not adopting them.	
E. Please indicate banking systems used:	
☐ Nedbank Corporate Saver	
☐ Nedbank Pro Banker	
☐ Investec Corporate Cash Manager	
☐ Standard Bank Third Party Fund Administration	
☐ Other (please specify)	
F. Average value of Trust Funds held at any one time (all Banks) :	R
G. Does the proposer comply with regulations/controls/rules as stated in the Bank's training manuals?	Select
If "NO", please give reasons for not complying.	
H. If applicable, what are the cheque limits?	
I. Names/positions of the signatories authorised to sign cheques/release payments:	
J. Are all cheques and/or cash received by the Practice paid in daily?	Select
If NO, Please advise how long it could take to pay such monies into the relevant bank account.	
K. **VERIFICATION POLICY/PROCESS**	
Do you have a verification policy/process in place when clients notify of a change of details, whether banking information or otherwise?	Select
If yes, please indicate your process by attaching your verification process. If no, please be advised that claims relating to transfer instructions may not be covered under this policy. Please refer to Appendix A (page 12 of this proposal form).	
Please initial that you understand the consequences of not having a process in place	
	Initial here

14.	**Insurance History**	
14.1	Has any Insurer:	Select
	a) Declined a proposal or renewal for this Practice or any Principal?	Select
	b) Required an increased premium or imposed special terms?	Select
	c) Cancelled an Insurance policy?	Select
	If any answer is "YES" please give full details	
14.2	If you are a <u>new client</u>, has this Practice previously been insured for Professional Indemnity?	Select
	a) If “NO”, do you require Retro-Active Cover?	Select
	If Retro-active cover is required, for what period:	
	☐ 1 Year ☐ 2 Years ☐ 3 Years	
	b) If "YES" please provide details of cover (or attach expiring schedule): -	
	1. Name of Insurers :	
	2. Indemnity Limit :	
	3. Deductible / Excess :	
	4. Expiry date of coverage :	
	5. The Retro-active Date :	
	6. Is policy in “Run-off" and if so for what period?:	

15.	**Insurance History**				
	(Note that the minimum Indemnity limit available is R1,000,000 and the deductible/excess is determined as 1% of the past actual fees, with a varying minimum applicable depending upon your discipline – these will be disclosed in your quotation)				
	We can provide variable options on Limits of Indemnity, as well as Deductibles:				
	Limit of Indemnity options required:				
	R		R		R
	Deductible/Excess options required:				
	R		R		R

In deciding which Limit of Indemnity to select consideration should be given to factors affecting your risk profile. These factors include: - the nature and complexity of work undertaken; contractually agreed limitations of liability (if any); the requirements of your clients; exposure to third party claims; and affordability.

Other Aon Services:

a.	**Commercial Insurance**: Aon Business Select (ABS) is a complete insurance solution to cater for your specific business insurance needs. We work with you to identify your business risks and understand the complexity of your organisation to design creative, personalised insurance solutions to cover your business assets, motor vehicle, loss of revenue, electronic equipment, and liability among other things. Can Aon commercial insurance division contact you to provide a quote for	Select
	your commercial insurance?	
b.	**Personal Insurance**: Can Aon contact you with regards to a group scheme or personal lines	Select
	Policy quote?	

c.	**Directors' & Officers' Liability Insurance**: In view of the New Companies Act we would recommend this cover. Should you wish to consider this option please advise and we will forward your information to the correct division.	Select
	(If YES, we will send you an alternative proposal form for completion)	

Declaration

I declare that the statements and particulars on this proposal are true and that I have not mis-stated or suppressed any material facts. I agree that this proposal, together with any other information supplied by me shall form the basis of any Contract of Insurance effected thereon. I undertake to inform Insurers of any material alteration to these facts occurring before completion of the Contract of Insurance, or during the subsistence of such contract.

Date:	
Signed:	
Name (print):	
Capacity:	
Company name:	

Note: This declaration must be signed by a principal of the practice. Signature of the Proposal Form does not bind the Proposer or the Insurers to complete the insurance.

NB. If this proposal is being completed for the renewal of an existing policy, please remember cover lapses automatically at midnight on the last day of your expiring policy, unless a written extension, not longer than 30 days, is requested and has been granted by underwriters or renewal terms have been accepted.

POPIA Disclaimer

The information contained here-in and the statements expressed should not be considered or construed as insurance broking advice and are of a general nature. The information is not intended to address the circumstances of any particular individual or entity. Accordingly, the information contained herein is provided with the understanding that Aon, its employees and related entities are not rendering insurance broking advice. As such, this should not be used as a substitute for consultation with an Aon Broker or Consultant.

Although we endeavour to provide accurate and current information and we use sources we consider reliable, Aon does not warrant, represent or guarantee the accuracy, adequacy, completeness or fitness for any purpose of the information and can accept no liability for any loss incurred in any way by any person who may rely on it. You should not act on such information without appropriate professional advice after a thorough examination of the particular situation. Aon reserves the right to change the content of this document at any time without prior notice.

Descriptions, summaries or highlights of coverage do not amend, alter or modify the actual terms or conditions of any insurance policy. Coverage is governed only by the terms and conditions of the relevant policy. This document has been compiled using information available to us at date of publication. For further information on our capabilities and to learn how we empower results for clients, please visit: www.aon.co.za or www.aon.com

Protection of Personal Information Act 4 of 2013 (POPIA)

Aon adheres to applicable data protection laws. For more information on how we process your personal information please refer to our Privacy Notice or a hard copy will be provided to you on request.

Terms of Business

Aon's Terms of Business set out the legal terms and conditions relating to the business relationship between Aon and its clients and takes effect when we provide services to you or place insurance on your behalf.

Important Notice

Claims Made Basis

All professional indemnity policies are underwritten on a "Claims Made" basis. This means that:

1. In order for a claim to qualify for Indemnity a policy must be in force when the claim is first made against the Insured. In terms of the policy conditions, you are obliged to notify insurers as soon as you become aware of any circumstance which may lead to a claim. Any actual claim which then materialises would be deemed to be a claim under the policy which was in force at the time when the circumstance was first notified.
2. The cause of action giving rise to the claim must either be on or after the retroactive date shown in the Schedule of the policy.
3. If the policy has lapsed there will be no cover notwithstanding the fact that the policy may have been in force at the time of the cause of action arose giving rise to the claim. It is therefore important to renew the policy annually. If the practice ceases it is recommended that run-off cover be taken for a minimum of three years.
4. The policy is an annual policy and will run for a period of 12 months from inception / renewal.

Retroactive Date

Claims first made against the insured arising from work performed on or after the retroactive date as it appears on the schedule of insurance will be indemnified in terms of the policy. This date is normally fixed as being the date on which the cover was first taken and would remain unaltered for the purposes of subsequent renewals. When cover is first taken, additional retroactive cover may be offered by insurers subject to certain conditions and premium loadings.

This form should be completed and returned to Aon prior to the renewal date. If this form, duly completed, is not received by Aon South Africa, and renewal terms accepted and advised to the Insurers by \insured prior to renewal date, No Cover Exists after such date.

Appendix A

Premium Payment Grace Period

1. The Annual Premium shall be payable in advance to Insurers.
2. In the event of the Insurers not receiving the payment, this insurance shall continue in force for a period of 30 days (Grace Period) to allow for payment. In the event that payment is not received within this period, this insurance shall be deemed to have been cancelled from inception.
3. Reinstatement of this insurance shall be at the sole discretion of the Insurers.
4. In the event of notification of any claim or notification of circumstances during the Period of Insurance that may lead to a claim when premium remains unpaid after the Grace Period, Insurers reserve the right to cease all activity on such claim or circumstance and any outstanding matters will then become the responsibility of the Insured. Should payments have been made by Insurers on any claims then such payments may be reclaimed from the Insured.
5. Subject otherwise to the terms, Exclusions, Conditions and limitations of the Policy.

Cooling Off Rights

The Insured enjoys a period of 14 (Fourteen) days ('cooling-off period') from receipt of this Policy document following the inception date of the insurance agreement or from the effective date of any variation thereof, during which the Insured may rescind the agreement and provided that the Insured has not claimed any benefit, is not in receipt of a claim made against the Insured or reported any claim to the Insurer, the insurance agreement is annulled and the Insured will be entitled to a pro-rata refund of Premium paid.

The Insurer will give effect thereto and refund any return premiums due to the Insured less an administration charge within 30 (Thirty) days of the annulment.

Appendix B

VERIFICATION PROCESSES & PROCEDURES

When clients notify of a change of details, whether banking information or otherwise what process is followed internally to verify this information and origin of the instruction.

VERY IMPORTANT RISK MANAGEMENT NOTE

Fraudulent transfer instructions claims are increasing significantly with attorneys, where the purported client changing their banking details are not being properly verified.

In order to enjoy full cover please note that a verification policy MUST be in place.

Prior to making the transfer or amending the current payment details, the attorney receiving the instruction has verified that the instruction emanates from a genuine person by means of independent verification as a minimum:

a) through **a telephone call back procedure** consisting of calling the requestor by using the telephone number of such requestor which is:

   (i) held on file by the Insured obtained at the initial instruction, or

   (ii) available in the internal phone directory of the Insured or

   (iii) verifiable into the public domain; and

b) through a telephone call back procedure including a telephone call to the applicable **bank to verify** the name of the account holder and bank account details requested to be changed, and

c) where such instruction is in the form of an e-mail, by verifying and ensuring that the **genuine requestors' work/private e-mail address** has been used for such instruction.