HCC International
Walsingham House, 35 Seething Lane
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INSURANCE BROKERS PROPOSAL FORM

PROFESSIONAL INDEMNITY

A subsidiary of HCC Insurance Holdings, Inc., HCC International Insurance Company PLC is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority. Registered in England and Wales No. 01575839. Registered office: Walsingham House, 35 Seething Lane, London, EC3N 4AH.

IMPORTANT NOTICE

This proposal must be completed and signed by a Principal, Partner or Director of the Proposer. The person completing and signing the form should be authorised by the Proposer to do so and should make all necessary enquiries of his fellow Partners, Directors and Employees to enable all the questions to be answered.

All questions must be answered to enable a quotation to be given.

Completing and signing this proposal does not bind the Proposers or Insurers to enter a contract of insurance.

If there is insufficient space to answer questions, please use an additional sheet and attach it to this form (please indicate section number).

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Please complete this Proposal form in **BLOCK CAPITALS** to avoid problems when transmitting by fax. For additional information or information that you cannot fit into the spaces provided, please use a separate sheet.

1) Please provide the following details:

Name of Company/Organisation	Date Commenced Trading

Website Address:

2) (a) Address/es (all must be shown together with the Principal/Director/Partner responsible for the work at each office):

Address	Principal/Director/Partner in charge

(b) Contact details of your main office:

Telephone No:	**Fax No:**
E-mail:	**Web site address:**

3) Please provide details of the Principal/Director/Partner/s: (CV's must be attached for those unqualified with less than five years insurance experience)

Name	Qualifications	Date qualified	Date commenced

4) Please state total number of:

Principal/Directors/Partners		**Self-employed staff**	
Qualified staff		**Administrative / Other**	

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5) Are there any agents, whether for Financial Services or General Insurance, that you require to be indemnified under this insurance? (Your answer should include any previous agent where cover is still required.)

YES		NO	

If **YES**, please provide full details, including types of business, dates appointed (and ceased if applicable) and income levels (gross and net retained):

6) Is cover required for the previous business activities of any Principal/Director/Partner?

YES		NO	

If **YES**, please provide full details:

7) (a) Has your ownership changed, or has there been any amalgamation or take-over in the past ten years?

YES		NO	

If **YES**, please provide full details:

(b) Is cover required for any predecessor/s?

YES		NO	

If **YES**, please provide additional details:

8) (a) Please state the professional/regulatory bodies, trade associations or societies to which you belong:

FSA	**BIBA**	**IIB**	**OTHER**

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(b) Do you act (or have you acted) as an authorised representative or tied agent for financial services general insurance business?

YES		NO	

If **YES**, with whom?

9) (a) Please state total gross commission plus fee income:

		Last Complete Year	**Current Year Estimate**	**Forthcoming Year Estimate**
Year End	/ /	/ /	/ /	/ /

Commission plus fees from UK clients	£	£	£	£
Commission plus fees from overseas clients (Ex USA/Canada)	£	£	£	£
Commission plus fees from USA/Canada clients	£	£	£	£
Total commission plus fees	**£**	**£**	**£**	**£**
Average commission plus fee per client	£	£	£	£

NOTE: PERSONAL is deemed to mean insurances effected by private individuals insuring in their personal capacity only – **NOT** businesses. **ALL OTHER INSURANCES SHOULD BE DEEMED COMMERCIAL.**

(b) Please give an approximate breakdown of the total commission plus fee income for the last complete financial year:

	TOTAL
MOTOR – Personal	**%**
MOTOR - Commercial	**%**
HOUSEHOLD & OTHER PERSONAL LINES	**%**
BLOODSTOCK	**%**
CONSTRUCTION	**%**
PROFESSIONAL INDEMNITY	**%**
OTHER COMMERCIAL	**%**
MARINE/AVIATION – Personal	**%**
MARINE/AVIATION – Commercial	**%**
INVESTMENT BUSINESS*	****** **%**
LIFE (NON-REGULATED PRODUCTS)	**%**
BUILDING SOCIETY AGENCY	**%**
MORTGAGE BROKING	**%**
REINSURANCE	**%**
RISK MANAGEMENT	**%**
LOSS ASSESSING / CLAIMS ADJUSTING	**%**
OTHER (please specify)	**%**
TOTAL	**100%**

*As defined by Financial Services Act (1986)
**** If completed this box please complete the Financial Services Questionnaire at the back of this proposal form**

(c) Please state the two largest sums insured that you place in respect of:

(i) fire and perils (i.e. the material damage and business interruption combined exposure)

Client	Risk	Sum Insured
		£
		£

(ii) public liability, products liability or professional indemnity risks

Client	Risk	Limit of Indemnity
		£
		£

10) Have your activities significantly changed in the past five years or do you anticipate any major changes in these activities in the forthcoming 12 months?

YES		NO	

If **YES**, please provide full details:

11) Do you place insurances for clients who are resident outside of the UK?

YES		NO	

If **YES**, please provide full details:

12) Do you place insurances with Insurers/Underwriters outside of the UK?

YES		NO	

If **YES**, please provide full details:

13) Do you place business with any Underwriting Agency?

YES		NO	

NB: This does NOT mean your own delegated authorities but refers to agencies underwriting an account of business for other insurers.

If **YES**, have you checked the validity of their authority?

YES		NO	

Please state the names and countries of the agencies below:

Agency Name	**Country**

14) (a) Do you operate any Binding Authority where the insurer/s allow business to be accepted on terms set by you without referral?

YES		NO	

If YES, please complete a Binding Authority Questionnaire – ask HCCI for more details.

(b) If you operate any delegated authority, whether on pre-set terms or not (e.g. household) does income from such authorities exceed 30% of total gross commission / fee income in the last year?

YES		NO	

If **YES**, please provide full details:

15) Are all staff instructed never to sign proposal forms on behalf of clients?

YES		NO	

If **NO,** please provide full details:

16) (a) Have you sustained any loss through the fraud or dishonesty of any employee, or is there knowledge of such dishonesty?

YES		NO	

If **YES**, please provide full details including date, circumstances and steps taken to prevent a recurrence:

(b) Is there a complete annual audit by a firm of professional accountants? YES ☐ NO ☐

(c) Do you always obtain written references going back at least three years when engaging employees? YES ☐ NO ☐

(d) Is any employee allowed to sign cheques on his/her signature alone? YES ☐ NO ☐

If **YES**, up to what amount? £

(e) Are cash books, receipts, counterfoils and bank statements checked independently by a Principal Director/Partner at least monthly? YES ☐ NO ☐

17) Please provide details of your professional indemnity insurance for the past three years:

DO NOT ANSWER IF PROPOSAL IS FOR RENEWAL OF INSURANCE WITH HCC

Name of Insurer	Renewal Date	Limit of Indemnity	Excess	Premium

18) For what limit/s of indemnity are quotations required?

NB: The FSA minimum is £1,150,000

There will be a minimum level of uninsured excess. Is a quotation required with a voluntary excess to achieve a premium saving? If so, for what level of excess?

19) In the past ten years:

(a) In respect of **ANY** of the risks to which this proposal relates, has any claim been made against you (whether successful or not) or against any past or present Principal/Director/Partner? YES ☐ NO ☐

(b) Has any loss been suffered by you, any predecessor or any past or present Principal/Director/Partner in respect of **ANY** of the risks to which this proposal relates? YES ☐ NO ☐

If YES for either 19(a) or (b), please give FULL details:
NB: "SEE YOUR RECORDS" IS NOT AN ACCEPTABLE ANSWER

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Date of claim/loss	Brief details of each claim/loss	Cost of claim/loss	Estimated cost of claim/loss outstanding

(c) What steps have been taken to prevent a recurrence?

20) (a) Is any Principal/Director/Partner, **AFTER FULL ENQUIRY**, aware of any circumstance which might:

(i) Give rise to a claim against you, any predecessor or any past or present Principal/Director/Partner?

YES ☐ NO ☐

(ii) Cause any loss to you, any predecessor or any past or present Principal/Director/Partner?

YES ☐ NO ☐

(iii) Otherwise affect the consideration of this proposal for insurance?

YES ☐ NO ☐

(b) Have present insurers been notified of all claims or circumstances including Pension Review cases likely to give rise to claims?

YES ☐ NO ☐

(c) Has any:

(i) Proposal for similar insurance made on your behalf or on behalf of any of the present or past Principals/Directors/Partners, or any of your predecessor/s ever been declined or has any such insurance ever been cancelled or renewal refused?

YES ☐ NO ☐

(ii) Application for or membership of any trade association or regulatory body (such as the GISC, PIA or FSA) ever been refused or cancelled?

YES ☐ NO ☐

(iii) Disciplinary proceedings been brought by a regulatory or professional body against the business, any employee, self-employed consultant or any partner or director or their predecessors in business during the past ten years?

YES ☐ NO ☐

If **YES** to any of the aforementioned, please provide full details:
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Please complete the declaration below:

If you are authorised to transact Financial Services business (or have been since implementation of the Financial Services Act (1986) and require run-off cover), you must complete the Financial Services Questionnaire at the back of this proposal form.

Please read this paragraph carefully before signing the declaration:

It is essential that every Proposer or Insured when seeking a quotation to take out or renew any insurance, disclose to the prospective Insurers all material facts and information (including all material circumstances) which might influence the judgement of an underwriter in deciding whether to accept the risk and on what terms. Failure to do so entitles the Insurers, if they so wish, to avoid the contract of insurance from inception and so enables them to repudiate liability thereunder. If you have any doubt as to what constitutes a material fact or circumstance please do not hesitate to ask for advice.

DECLARATION

I/we declare that, after full enquiry, the contents of this proposal are true and that I/we have not misstated, omitted or suppressed any material fact or information. I/we agree that this proposal together with any other information supplied by me/us shall form the basis of any contract of insurance which may be effected. If there is any material alteration to the facts and information which I/we have provided or any new material matter arises before the completion of the contract of insurance, I/we undertake to inform Insurers.

I/we hereby consent to any information I/we have provided being processed by you for the purposes of providing insurance and claims handling, which may necessitate sharing such information with third parties. HCC International Insurance Company PLC. may use this information for marketing (by post, telephone, e-mail or fax) subject to the conditions of the Data Protection Act. If you do not wish these details to be used for marketing please inform HCC International Insurance Company PLC in writing. Under the Data Protection Act 1998 you have the right to access or amend the information we hold about you. If you would like to exercise either of these rights please contact HCC International Insurance Company PLC.

Signature of Principal:

Date:

A copy of this proposal should be retained by you for your own records.

All questions must be answered fully, and those questions not relevant to you should be marked N/A.

If there is insufficient space, please provide details on your letterhead.

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HCC INTERNATIONAL INSURANCE COMPANY PLC

FINANCIAL SERVICES QUESTIONNAIRE

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If you are authorised to transact Financial Services business (or have been since implementation of the Financial Services Act (1986) and require run-off cover), you must complete this Questionnaire.

The questions below refer to regulatory requirements under the Financial Services Act 1986

Please also note that these questions should be answered relative to any advice or work for which you retain responsibility, even if the actual review process is being undertaken by another party. You should make adequate enquiries of these parties to enable you to answer this questionnaire fully.

1) In relation to investment business (as per Question 9(b) of the Insurance Brokers proposal form) what proportion of total commission plus fee income for the last complete financial year derives from:

	As Agent	**As Manager**	**As Principal**
PENSIONS	**%**	**%**	**%**
LIFE ASSURANCE PRODUCTS	**%**	**%**	**%**
INVESTMENT IN INSURANCE BONDS	**%**	**%**	**%**
UK (ex Channel Islands and Isle of Man)	**%**	**%**	**%**
Overseas	**%**	**%**	**%**
INVESTMENT IN UNIT TRUSTS	**%**	**%**	**%**
UK (ex Channel Islands and Isle of Man)	**%**	**%**	**%**
Overseas	**%**	**%**	**%**
DEALING IN LISTED UK SECURITIES	**%**	**%**	**%**
DEALING IN UNLISTED UK SECURITIES	**%**	**%**	**%**
DEALING IN FOREIGN SECURITIES/INVESTMENT	**%**	**%**	**%**
DEALING IN BONDS (e.g. Eurodollar)	**%**	**%**	**%**
DEALING IN COMMODITIES	**%**	**%**	**%**
Average Investment	**£**	**£**	**£**
Maximum Investment	**£**	**£**	**£**
INVESTMENT IN TANGIBLES (e.g. fine art)	**%**	%	%
Average Investment	**£**	**£**	**£**
Maximum Investment	**£**	**£**	**£**
PRIVATE PORTFOLIO MANAGEMENT	**%**	%	%
Average Investment	**£**	**£**	**£**
Maximum Investment	**£**	**£**	**£**
INSTITUTIONAL FUND MANAGEMENT	**%**	%	%
Average Investment	**£**	**£**	**£**
Maximum Investment	**£**	**£**	**£**
CORPORATE FINANCE	**%**	**%**	**%**
MERGERS AND ACQUISITIONS	**%**	**%**	**%**
TOTAL	**100%**	**100%**	**100%**

NB: The column definitions are as defined in the Financial Services Act (1986). Only complete the third column if you are buying/selling securities on your own account.

PENSION TRANSFERS, OPT-OUTS AND NON-JOINERS

2) Did you give advice between April 1988 and June 1994 to persons who transferred their accrued rights out of, did not join or opted out of their Employer's Occupational Pension Scheme and who commenced an individual personal pension?

YES		NO	

If **YES**, please complete the table below stating the number of pension cases effected by your firm in the categories below:

(a) (i) Persons opting out of current Occupational Pension Scheme in favour of a Personal Pension Plan

(ii) Persons who to your knowledge could have joined an Occupational Pension Scheme but who chose to take out an individual Personal Pension Plan

(iii) Persons within **Question 2a(i)** above transferring rights from any Occupational Pension Scheme to a Personal Pension Plan

(b) Transfer of rights in any Occupational Pension Scheme to a Personal Pension Plan where the person has already opted out or left service, or where their scheme was closed

(c) Persons taking a section 32 buy-out of their rights under any Occupational Pension Scheme

	1988	**1989**	**1990**	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**
(a) i									
(a) ii									
(a) iii									
(b)									
(c)									

	1997	**1998**	**1999**	**2000**	**2001**	**2002**
(a) i						
(a) ii						
(a) iii						
(b)						
(c)						

3) In respect of transactions falling within **Question 2** above:

(a) Was it your practice to obtain sufficient information recorded in writing to show that the transaction recommended was suitable for the client's needs? (i.e. a "Client Financial Planning Analysis" or "Know Your Client" questionnaire)

YES		NO	

If **NO**, please provide full details:

(b) Was it your practice to provide personal pension clients with a written explanation as to why the transaction recommended is suitable for their needs such as providing a written comparison between their existing pension arrangements and any recommended replacement product or a "reason why" letter?

YES		NO	

If **NO**, please provide full details:

4) In relation to any recommended pension transfers from Occupational Pension Schemes from 1 July 1994 to the present, do you prepare or obtain in every case a transfer value analysis and present it to the client no later than the making of the recommendation?

YES		NO	

If **NO**, please provide full details:

5) Please state total gross commission plus fee income from all pension work for the last six years (if pensions business has ceased, please state last complete financial year):

	/ /	/ /	/ /	/ /	/ /	/ /
Total Income						

6) (a) Please complete the following in respect of your regulator's Pension Transfer Review including opt-outs, non-joiners and transfers:

	PHASE I	**PHASE II**
i) Total number of cases where you were required by your regulator to send out invitation letters in respect of the pension review		
ii) Total number of cases where you have sent out invitation letters in respect of the pension review		
iii) Number of cases where clients requested a review or complained of advice provided		
iv) Number of exclusion cases within iii) above which require no further action		
v) Number of cases within iii) above requiring a compliance and/or loss test under the regulator's guidelines		
vi) Number of cases within v) above fully reviewed and not requiring redress		
vii) Number of cases within v) above still requiring a compliance and/or loss test		
viii) Number of cases within v) above which failed either the compliance and/or loss test		

The numbers given for i) and ii) should normally be the same
The numbers given for iv) and v) should normally add up to those given for iii)
The numbers given for vi), vii) and viii) should normally add up to those given for v)

If your answers differ from the norm in any of the above respects, please explain:

(b) Have you completed both the Phase I and Phase II Pension Review strictly in accordance with your regulator's requirements and timetables?

YES		NO	

If **NO**, please provide full details:

7) (a) What is the average transfer value in Phase II? £

(b) What is the maximum transfer value in Phase II? £

(c) Please state the details of:

(i) **ALL** transfers from statutory occupational schemes

(ii) Each **OTHER** case with a transfer value over £25,000

i) or ii)	Name	Date of Transfer	Transfer Value	Ceding Scheme	Current Value	Status Under Review

8) (a) Have you ever had or are you on notice of a PIA/FSA Pension Review monitoring visit?

YES ☐ NO ☐

If **YES**, when did it/will it occur?

(b) Have you ever or do you intend to procure a PASS health check or similar review visit?

YES ☐ NO ☐

If **YES**, when did it/will it occur?

(c) Please state the outcome of any visit which has already taken place and details of any corrective action taken:

9) Have you ever arranged a regular personal pension where the investor is in a waiting period before becoming eligible to join an Occupational Pension Scheme?

YES ☐ NO ☐

If **YES**, please state the number effected and the procedures you operate to ensure that these cases are reviewed when the investor becomes eligible to join their Occupational Pension Scheme:

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10) Please state details of all Pension Review cases notified to PI insurers as claims or circumstances including names of investors, status under review, transfer values and amount of redress required if applicable:

FREE STANDING ADDITIONAL VOLUNTARY CONTRIBUTIONS (FSAVC's)

11) Have you ever been involved in arranging (advice included) FSAVC's?

YES		NO	

If **YES**, please state the number of FSAVC's effected by your firm below:

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
No. of Cases															

12) Please state the number of:

(a) FSAVC policies sold to clients whose Occupational Pension Scheme would have matched employee contributions to an AVC

(b) FSAVC policies sold to clients whose Occupational Pension Scheme would have generated enhanced employer contributions ("subsidised schemes")

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
(a)															
(b)															

13) In respect of transactions falling within **Question 12**, was it your practice to:

(a) Obtain sufficient information recorded in writing to show that the transaction recommended was suitable for the client's needs? (i.e. a "Client Financial Planning Analysis" or "Know Your Client" questionnaire)

YES		NO	

(b) Provide personal pension clients with a written explanation as to why the transaction recommended is suitable for their needs?

YES		NO	

(c) If **NO,** to (a) or (b), please provide full details:

"LOW COST" OR "LOW START" ENDOWMENTS

14) Have you ever been involved in arranging or giving advice on "low cost" or "low start" endowment policies in connection with mortgages?

YES		NO	

If **YES**, for each year detailed below please state:

(a) Total commission plus fee income received

(b) Number of policies arranged

(c) Largest mortgage value

(d) Average mortgage value

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
(a)															
(b)															
(c)															
(d)															

15) In respect of transactions falling within **Question 14**, has it been your practice to advise clients (and document on file) that:

(a) An endowment cannot be guaranteed to pay off any loan or mortgage sum at maturity?

YES		NO	

(b) Other forms of mortgage repayment are available which could meet their client's needs?

YES		NO	

(c) An endowment policy involves an investment risk?

YES		NO	

If **NO,** to any of the above, please provide full details:

16) (a) In respect of transactions falling within **Question 14**, do you ensure endowment policies linked to mortgages mature before the client's retirement date?

YES		NO	

(b) If **NO** to the above, have you always looked at the affordability of such endowments after retirement and recorded it on file?

YES		NO	

If **NO**, please provide full details:

(c) Please state the number of "low cost" or "low start" endowment policies linked to mortgages maturing after clients' retirement date:

PENSION FUND TRUSTEES

YES		NO	

17) Do you act as a trustee of any pension fund?

If YES, please ask for a Pension Fund Trustees Questionnaire – please contact HCCI for more information.

Date: ……

Signature of Principal/Director/Partner: ……

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