

Old National Insurance



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

www.oldnationalinsurance.com

**806 Hwy 78 W; Jasper, AL 35501
205-221-5466 Phone 205-221-5570 Fax**

1. a) Name of Applicant/Firm: _____
(If corporation or partnership, show Firm name only)
- b) Address: _____
City: _____ County: _____ State: _____
ZIP Code: _____ Business Phone: (_____) _____
- 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) Applicant is: Individual Partnership Corporation
- b) Applicant's practice is: Full time (more than 30 hours per week) Part time
- c) Date current firm established _____ (month/day/year)

3. If the name of the Applicant has ever changed, or if there has been a consolidation, dissolution or change in business structure, please provide a detailed listing of each firm in chronological order, indicating the date and nature of each change (i.e., merger, name changes). Without direct lineage to the current firm, a 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 CPAs: (attach a separate sheet, if necessary)

Name	Position Code*	Licenses Held	Years in Practice	Professional Organizations
1 _____	_____	_____	_____	_____
2 _____	_____	_____	_____	_____
3 _____	_____	_____	_____	_____
4 _____	_____	_____	_____	_____
5 _____	_____	_____	_____	_____
6 _____	_____	_____	_____	_____
7 _____	_____	_____	_____	_____
8 _____	_____	_____	_____	_____
9 _____	_____	_____	_____	_____
10 _____	_____	_____	_____	_____

*Position Codes
 O — Owners, Shareholders or Directors of the Corporation
 P — Partners in a partnership
 S — Sole Practitioner
 E — CPA Employee
 D — Per Diem CPAs employed by the Applicant

- | | 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 Applicant 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) Have you ever purchased an extended reporting period endorsement? Yes No

If "Yes," please explain: _____

6. Has the Applicant, predecessors in business or any person for whom coverage is requested had any professional liability application declined, policy canceled or policy not renewed? Yes No

If "Yes," please explain: _____

7. Is the Applicant or any member of the Applicant licensed or operating as the following:

- Lawyer Yes No
- Real Estate Agent/Broker Yes No
- Insurance Agent/Broker Yes No
- Investment Advisor Yes No
- Escrow Agent Yes No

If any of the above are indicated attach details of services provided and professional liability insurance for this practice.

8. Provide the percentage of services rendered by the Applicant in each of the following disciplines.

a) Audits	_____	%
b) Review and Compilation	_____	%
c) Bookkeeping and Write Up Services	_____	%
d) Tax Engagements	_____	%
e) Business Acquisitions/Divestiture Evaluations and Projections	_____	%
f) Fiduciary Engagements that include handling of client funds or check writing	_____	%
g) Acting as a Business Manager*	_____	%
h) Financial Planning*	_____	%
i) Tax Shelter Advice*	_____	%
j) Investment Advice*	_____	%
k) Electronic Data Processing and Consultation*	_____	%
l) Development of Computer Software for sale*	_____	%
m) S.E.C. or "Blue Sky" Securities Activity**	_____	%
n) Other (please specify):*	_____	%
Total		100%

* Please attach a narrative outlining typical services

**Please attach complete detail of all such services

9. 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 or rental income.

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 \$ _____

10. Indicate the percentage relative to the type of clients undertaken by the Applicant. (Note: Total must equal 100%)

Contractors _____ %	Unions _____ %	Non-profit Organizations _____ %
Government:	Attorneys _____ %	Religious Organizations _____ %
Federal _____ %	Cooperatives* _____ %	Manufacturers _____ %
State _____ %	Pension Funds _____ %	Professional Athletes* _____ %
County/Local _____ %	Financial Institutions* _____ %	Health Care Organizations _____ %
Entertainment* _____ %	Investment Bankers _____ %	Health Care Professionals _____ %
Individuals _____ %	Estates/Trusts _____ %	Real Estate Developers _____ %
Service Business _____ %	Insurance Companies _____ %	Condominium Associations _____ %
Retail Operations _____ %	Limited Partnerships* _____ %	Retirement Facilities _____ %
Other (please specify) _____ %		

*Please attach narrative describing the type of services performed.

11. During the next year, does the Applicant foresee any substantial changes in the percentages in Question 10? Yes No
If "Yes," please explain: _____

12. Is the Applicant considered a specialist in any area of practice? Yes No If "Yes," please explain: _____

13. What percentage of the Applicant's services are provided to publicly held companies? _____ % Please provide a description of such services: _____

14. a) Does the Applicant delegate work to other accounting firms? Yes No If "Yes," state to whom, nature of work and the percentage of the Applicant's gross billings. Please provide representative copy of any hold harmless agreements.

b) Do the other firms have errors and omissions insurance? Yes No If "Yes," provide name of insurance company, policy number, expiration date and limit of liability: _____

15. What percentage of services are performed utilizing engagement letters stipulating the nature and scope of the work to be performed? _____% Which services are performed without engagement letters? _____

16. Does or has the Applicant, any predecessor in business, or any enterprise wholly or partly owned by the Applicant or by the Applicant's principals, partners, directors or officers ever:

a) Receive commissions, fees, reciprocity, or revenue for the sale or promotion of investments or tax shelters? Yes No

b) Organize, arrange or procure investments, real estate, or tax shelters? Yes No

c) Prepare projections for use in selling tax shelters or investments? Yes No

d) Participate in the management of any investment partnership, limited partnership, or other investment venture? Yes No

e) Make recommendations as to the sale or purchase of specific stocks, bonds or other investments? Yes No

If "Yes," to any of the above, please attach full details.

17. Does the Applicant provide any of the following fiduciary activities:

a) Act under any written trust agreement? Yes No

b) Act as a periodic trustee or fiduciary on any client's behalf but not under a written trust agreement? Yes No

c) Control receipt or disbursement of any part of client's funds? Yes No

d) Invest client funds or act in a decision making capacity with respect to client funds? Yes No

e) Have power of attorney for any client other than with respect to tax returns? Yes No

f) Are internal audit procedures or cross-checks of custodial accounts in place? Yes No

g) Are client funds commingled with any other funds? Yes No

If "Yes," to any of the above, please attach proof of fiduciary bond and provide an explanation of services provided:

18. Does the Applicant perform any professional services for any client in which any member of the Applicant or their relatives own an equity or financial interest or serves as an officer, director, trustee or partner? Yes No If "Yes," attach details that include the name of the client, percentage of equity interest, the nature of the relationship, gross billings for the last fiscal year and the nature of services performed.

19. Does the Applicant wholly or partly own, operate, manage, or control any other enterprise or is the Applicant wholly or partly owned, operated, managed or controlled by any other enterprise? Yes No If "Yes," provide details of the enterprise and the relationship: _____

20. a) Please provide a description of the system used by the Applicant to insure the timely completion of reports and returns:

b) Please provide a description of the Applicant's system for in-house review of documents prior to issuance:

21. Does any one client or contract represent more than 50% of annual gross income? Yes No

If "Yes," please explain: _____

22. Does the Applicant ever perform services on a salaried or annual retainer basis? Yes No

If "Yes," please explain: _____

23. Have any claims involving professional services ever been made against the Applicant, predecessors in business or any other person for whom coverage is requested? Yes No If "Yes," please attach a statement providing details. Information should include the name of the claimant, date claim made, cause of claim, amounts sought, amounts paid, and the current status of the claim.
24. After inquiry, does the Applicant, 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," attach a statement providing full details.
25. Has the Applicant, 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," attach a statement providing details.
26. Has the Applicant, 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 thereof); the S.E.C.; the I.R.S.; 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.
27. Is the Applicant owed any compensation that any client refuses or is unable to pay in whole or in part? Yes No If "Yes," attach a statement providing details including the name of the client and indicate if such circumstance has been reported to your liability insurance carrier.
28. a) Has the Applicant filed any suit for the collection of fees during the past 5 years? Yes No If "Yes," attach a statement providing details.
- b) Does the Applicant currently have a procedure to assure periodic billing of clients? Yes No If "Yes," attach a statement providing details.
- c) Has the Applicant adopted a policy against filing suit for fees? Yes No If "Yes," attach a statement providing details.
29. Excluding trustees or receivers, does the Applicant have clients that are in receivership or bankruptcy? Yes No If "Yes," attach a statement providing full details. Information should include the name of the client, types of services performed, amounts owed, and a statement as to expected disposition.
30. Please provide a description of the Applicant's program for continuing professional education and development: _____

31. Has the Applicant had a quality review under sponsorship of the AICPA, a State Society or any other professional association? Yes No If "Yes," attach a statement providing details.
32. Please attach any literature that describes the Applicant's capabilities and practice.

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

The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein 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 ACCEPTS 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 for prompt issuance of coverage should quotation be offered and accepted.

**SUPPLEMENTAL INFORMATION SHEET A:
PUBLIC CLIENT AND SEC SERVICES
ACCOUNTANTS PROFESSIONAL LIABILITY
(CLAIMS-MADE BASIS)**

Name of Applicant _____

1. Has the Applicant **ever** provided services:
- a) To a publicly held company? Yes No
 - b) Used in conjunction with or in the 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
2. In the next 12 months, does the Applicant anticipate any services as described above? Yes No

If yes to any of the above, complete the following questions for each appropriate client. If space is insufficient to answer any question completely, please attach a separate sheet.

3. a) Client name: _____
b) Client's business: _____

4. a) Time period of services provided: from _____ (mo/yr) to _____ (mo/yr)
b) Describe all services provided:

c) Percentage of annual fees derived from this client: _____%

d) Was an engagement letter used? Yes No

5. With respect to the client listed in question 3, has any member (or former member) of the Applicant:

a) Acted as a director, officer, partner, employee or trustee? Yes No
If "Yes," describe function and the dates of service:

b) Held stock or other financial interest? Yes No
If "Yes," describe the ownership arrangement and provide the dollar value:

6. Provide a listing of the accountants who provide service to this client, including number of years of SEC experience and continuing education in this area of practice.

I understand that this Supplement is attached to and is made part of the Accountants Professional Liability Insurance Application and is subject to the same representations and conditions.

Signed _____ Date _____

(Print Name)

(Title)

**SUPPLEMENTAL INFORMATION SHEET B:
FINANCIAL INSTITUTIONS
ACCOUNTANTS PROFESSIONAL LIABILITY
(CLAIMS-MADE BASIS)**

Please complete one form for each financial institution client. Financial institutions are defined as banks, savings and loans, thrifts, credit unions, bank holding companies and building and loan associations. If space is insufficient to answer any question completely, please attach a separate sheet.

1. Name of Applicant: _____

2. a) Client name: _____

b) Location(s): _____

c) Type of institution: _____

3. a) Time period of services provided: from _____ (mo/yr) to _____ (mo/yr)

b) Describe all services provided:

c) Was an engagement letter used? Yes No

4. Has the financial institution ever operated under regulatory direction or agreement, been placed in receivership, conservatorship or bankruptcy? Yes No

5. With respect to the financial institution listed in question 2, has any member (or former member) of the Applicant:

a) Had a loan commitment? Yes No

b) Acted as a director, officer, trustee or employee? Yes No
If "Yes," specify function and dates of service:

c) Been a member of any internal committee? Yes No
If "Yes," specify committee name and function:

d) Held stock or other financial interest? Yes No
If "Yes," describe the ownership arrangement and provide the dollar value:

6. Provide a listing of the accountants who provide service to this client, including number of years of financial institution experience and continuing education in this area of practice.

I understand that this supplement is attached to and is made part of the Accountants Professional Liability Insurance Application and is subject to the same representations and conditions.

Signed _____ Date _____

(Print Name)

(Title)