



## Accountants Professional Liability Proposal Form

### I. APPLICANT DETAILS

Name of Insured:	
Address(es):	
Web Site Address:	
Establishment Date:	

### II. BUSINESS ACTIVITIES

2. Please state the following details:

Number of Partners/Directors/Principals: \_\_\_\_\_

Number of Accountants: \_\_\_\_\_

Number of Other Fee Earning Employees: \_\_\_\_\_

3. Please give the following details of all Partners/Directors/Principals:

Name	Qualifications	Years in Industry	Years as Partner /Director/Principal
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*If a Partner/Director/Principal has been working in the relevant industry for less than 3 years, we will require a brief resume outlining career details.*

4. Please state, during the past 5 years:

(a) has the name of the Insured(s) been changed?  Yes  No

(b) has any other business(es) been purchased, merged or consolidated with the Insured?  Yes  No

*If "yes", please provide details on a separate sheet.*

5. Please provide details of any major new operations undertaken during the last 12 months or planned for the next 12 months.

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6. Please provide an estimate of the percentage of total annual fees for the past complete financial year from the following categories:

Audit/ Accountancy/ Company Tax for Listed Companies	%	Insolvency/ Liquidation	%
Audit/ Accountancy/ Company Tax for non-listed Companies	%	Mergers & Acquisition (Listed Companies / non-listed Companies)	%
Audit/ Accountancy/ Company Tax for Small Traders	%	Mergers & Acquisition (Small Traders)	%
Audit/ Accountancy/ Company Tax for Banks/ and Financial Institutions	%	Executor/ Trusteeship	%
Personal Taxation	%	Insurance Commissions (non-life and pensions)	%
Management & IT Consultancy	%	Life & Pension Commissions	%
Outside Directorship	%	Investment Advice	%
Company Secretarial/ Registrar	%	Other – please specify	%

7. Please give names of any professional organisations or associations of which the Insured or principals are members:

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8. Please give the following fee income details:

Year	Hong Kong/China	USA/ Canada	Elsewhere
Previous Completed Financial Year			
Current Financial Year			
Estimate of next Financial Year			

**III. RISK MANAGEMENT**

9. What is the management structure of the Insured?

- Managing Partner
- Management Committee
- Other (please specify) \_\_\_\_\_
- Managing Executive
- Executive Committee

10. If the Insured is managed by a committee, does the committee meet on regular or ad hoc basis?

- Regular
- Ad hoc

11. Does the Insured designate or employ an individual with management responsibility for evaluating or dealing with complaints, actual or potential claims and other such matters?

- Yes
- No

12. Risk management procedures

(a) Does the Insured have written risk management procedures?  Yes  No

(b) Are the risk management procedures regularly reviewed, circulated and/or discussed within the Practice and have all staff been made aware of them?  Yes  No

13. Does the Insured always use engagement letters?

- Yes
- No

If "yes", then

(a) Do the engagement letters outline:

- the scope of services to be performed  Yes  No
- any statement/ assumptions upon which the engagement is based  Yes  No
- the responsibilities of the client  Yes  No
- any limitations/ restrictions in respect of any services performed  Yes  No

(b) Does the client sign the letter of engagement?  Yes  No

(c) Do you provide advice or services which fall outside the scope of the letter of engagement?  Yes  No

14. Conflicts:

(a) Do you have a written policy specifying the conflicts of interest procedures which include a cross check system and back up?  Yes  No

(b) In the event of a conflict of interest, do you:

- inform the client in writing  Yes  No
- advise the client to seek independent advice  Yes  No
- continue to act for the client  Yes  No

- (c) Does the Insured undertake any professional services for any client in which any Partner or Accountant holds a partnership/ directorship or have any other financial interest? Yes No

If "yes", please provide details below:

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15. Diary System

- (a) Does the Insured operate a diary system with manual back-up? Yes No

If "yes", please answer (b) and (c)

- (b) Are periodic checks made to ensure that the diary system is being strictly followed? Yes No

- (c) Does the diary system provide for Accountants being absent or deadlines are missed? Yes No

16. A policy which requires prior approval in writing for an Accountant to serve as an Officer and/ or a Director of a client or third party. Yes No Not Applicable

17. File Review

- (a) Does the Insured have a file review system which requires randomly selected files to be audited by an Accountant other than the Accountant handling the file? Yes No

- (b) Does the file review system include Partner to Partner auditing? Yes No

18. Does the firm offer and promote continuing training? Yes No

**IV. FRAUD & DISHONESTY COVERAGE**

19. If the Insured wishes to have coverage for Fraud/ Dishonesty, please complete the following:

- (a) Has the Insured(s) sustained any loss or claim through the fraud or dishonesty of any person? Yes No

If "yes", please specify

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- (b) Is the Insured(s) aware of any allegation or occurrence of fraud or dishonesty at any time committed by any past or present partner, director or employee?  
Yes No

If "yes", please give details and state precautions taken to prevent a reoccurrence.

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- (c) Does the Insured(s) always require satisfactory references or only when engaging senior employees?  
Always Senior Appointments Only

Nature of Reference Written Verbal

- (d) Is any employee allowed to sign checks on his/her signature alone for values exceeding US\$50,000?  
Yes No

If "yes", please give details on a separate sheet.

- (e) How frequently are checks carried out on all entries in the cash book with paying-books, receipts, counterfoils and vouchers and reconciled with bank statements including the balance of cash and un-presented cheques, independently of employees receiving or banking monies, in respect of monies belonging to the Insured as well as in trust on behalf of others?

Weekly Monthly Quarterly Other (please specify)

- (e) Are client funds kept in a properly designated client account which is separate from the bank account of the Insured?  
Yes No

## V. INSURANCE & LOSS HISTORY

20. Is any partner, director or principal after inquiry, aware of any claims ever been made against the Insured(s) or their predecessors in business or any of the present or former partners, directors or principals?  
Yes No
21. Is any partner, director or principal after inquiry, aware of any circumstances or occurrences which may give rise to a claim against the Insured or their predecessors in business or any of the present or former partners, directors or principals?  
Yes No

If you have answered "YES" to questions 20 or 21, then full details of each matter must be advised before quotation can be considered. We must remind you that it is imperative to answer these questions correctly. **FAILURE TO DO SO COULD WELL PREJUDICE YOUR RIGHTS**, if a subsequently a claim should arise.

22. (a) Please list out details of previous Professional Liability Insurance carried during the past 3 years.

If none, then please check here

Period	Insurer	Limit	Excess	Premium
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(b) Has any proposal for Professional Liability Insurance made on behalf of the Insured(s) or any predecessors in the business, or present partners/directors or principals ever been declined or has such insurance ever been cancelled or renewal refused or special terms imposed?

Yes No

If "yes", please advise reason(s).

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23. (a) Please specify Limit of Liability desired:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

(b) Deductible desired:

\$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

***SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE***

**VI. DECLARATION**

I/We declare that the statements and particulars in this application/ proposal are true and that no material facts have misstated, misrepresented or suppressed after enquiry. I/ We agree that this application/ proposal, together with any other information supplied by me/ us shall form the basis of any contract of insurance effected between the Insurer and me/ us. I/ We undertake to inform the Insurer of any material alteration to those facts occurring before the renewal / completion of the contract of insurance.

Signed \_\_\_\_\_

Title \_\_\_\_\_  
(to be signed by Partner/ Director or Principal or equivalent)

Insured(s) \_\_\_\_\_

Date \_\_\_\_\_

**VII. PLEASE ENCLOSE WITH THIS PROPOSAL FORM**

- Accountant Professional Liability Supplementary Audit Questionnaire (if applicable)

**AIG Insurance Hong Kong Limited**