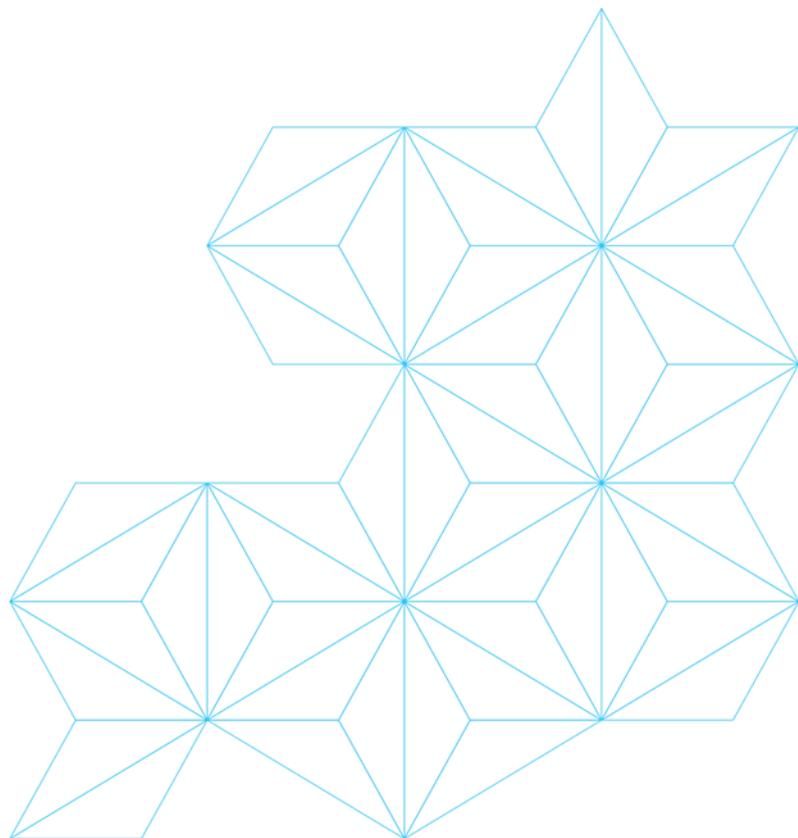


**PROFESSIONAL INDEMNITY  
INSURANCE ADVICE ON  
COMPLETING THE PROPOSAL  
FORM**



## A. ADVICE ON COMPLETING THE PROPOSAL FORM

To allow us sufficient time to time negotiate with Insurers, please ensure you return this proposal form as soon as possible. It is essential that you allow sufficient time to complete the proposal form and provide accurate information. Insurers regard the proposal form as a reflection of the quality of the business seeking insurance; a poorly completed, untidy or inaccurate form can reflect badly on a business and will not assist us in securing terms.

### 1. Definitions of terms used in this proposal form

- 'Principal' means: Any Partner(s), Director(s), Member(s)
- 'Employee' means: Any person who is or has been under a contract of service for or on behalf of the Firm.
- 'Senior Management' means, in accordance with the Insurance Act 2015: those individuals who play significant roles in the making of decisions about how the Insured's activities are to be managed or organised. Under Section 4 of the Insurance Act 2015 an Insured must disclose all material circumstances known to its 'senior management' and those persons responsible for the Insured's insurance. Please see Question 11 in this proposal form.

### 2. Duty of fair presentation

Under English law, you owe a duty of disclosure to the insurer which includes your duty to make a fair presentation of the risk. A 'fair presentation' is one:

- which clearly discloses all material circumstances which the Insured's Senior Management, including persons responsible for the Insured's insurance, know or ought to know following a reasonable search or which is sufficient to make the insurer ask questions about the risk. A circumstance is material if it would influence an insurer's judgment in determining whether to take the risk and, if so, on what terms. If you are in any doubt whether a circumstance is material we recommend that it should be disclosed;
- which discloses information in a manner which is clear and accessible to a prudent insurer (i.e. no 'data dumping');
- in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is made in good faith.

Failure to disclose a material circumstance may entitle an insurer to:

- in some circumstances, avoid the policy from inception and in this event any claims under the policy would not be paid;
- impose different terms on your cover; and/or
- proportionately reduce the amount of any claim payable.

This duty applies:

- before your cover is placed;
- when it is renewed; and
- at any time that it is varied.

Your policy wording may also provide that this duty continues for the duration of the policy.

You should contact us immediately for assistance if you are unsure whether information may be material, or if it comes to your attention that you may have not disclosed full and accurate information.

### 3. General instructions relating to completion of the form

- Please ensure this proposal form is completed by a Principal of the business.
- A response to all questions must be entered. Where a question is not relevant to your business, please respond N/A.
- If the proposal form is completed by just one of the Principals, please ensure that full consultation is made with the Senior Management, prior to submission of this form and that they, in turn, have consulted those for whom they are responsible.
- If you are completing this Proposal Form by hand, it should be completed in black ink and preferably in block capitals.
- If you have completed the form electronically, please print and sign it before returning it to us, either electronically or by post.
- A number of questions request **YES** or **NO** answers. Please place an **x** in the appropriate box or underline the appropriate response.
- If there is insufficient space to answer any questions please provide full details on your headed paper. Please ensure that any additional information is signed, dated and makes clear reference to the question(s) on the Proposal Form, to which it refers.
- Depending upon the qualifications and/or experience of the Principal(s), Insurers reserve the right to request a Curriculum Vitae and details of any circumstances or claims pertaining, in the past 5 years, irrespective of whether they were employed by the business at the time.
- Completion of this proposal form does not automatically bind the Principal, the Firm or Insurers to effect a contract of insurance.
- Wherever the word 'Employee' appears herein, this is deemed to read 'Any person who is or has been under a contract of service for or on behalf of the Firm'.
- If you have any questions about completing this form please contact us on 0207 133 1300.
- A copy of this proposal should be retained for your own records.

### 4. Providing additional information

If you feel there is additional information required in order to make a fair presentation of the risk which is not requested by this form, such information should be set out clearly and attached to this proposal form.

Additional information, where not requested by the proposal form, could include:

- Corporate brochure(s);
- Organisation chart(s);
- An overview of risk management;
- CV's of the Principal(s);
- A description of any services provided in the past 6 years which are no longer provided and/or any new services the business intends to provide in the future;
- An overview of the client base;
- Standard Terms of Engagement.

### 5. Claims and circumstances

Whilst every question on the proposal form is important and constitutes material information upon which Insurers rely, Insurers will be particularly interested in your history of claims and/or circumstances. Details of all claims and circumstances notified to previous Insurers must be declared on the proposal form, accompanied by a brief description which should include:

- Overview of the job/instruction being undertaken
- Date the work, to which the allegation relates, was undertaken
- Policy year in which the notification was made to Insurers
- Alleged wrong doing

- The firm's own view on the matter
- Insurers' view on the matter (clearly differentiated from the above)
- Details of any amounts:
  - Paid by Insurers
  - Reserved by Insurers
  - Legal fees incurred by Insurers

In order to ensure that all notifiable matters are declared, the recommended practice would be for each Principal including all members of the Senior Management and other senior members of staff to sign a declaration to the effect that he/she has investigated the areas for which he/she is responsible and can confirm that there are no claims or circumstances other than those declared in the proposal form.

After completion of the proposal form and prior to the expiry of the firm's current insurance, a check should be undertaken within the Business to ensure that there are no claims or circumstances of which anyone is aware other than those already notified in the proposal form.

If any new matters are discovered, these should be immediately notified to Howden if we are your current Broker. If we are not your current Broker, then you should notify your current Broker/Insurers and Howden. Such notifications should reach your current Broker/Insurers and Howden prior to the expiry date of the firm's current insurance.

#### **Data Protection Act**

**Any information provided on this form, which may include sensitive data (e.g. medical history, criminal convictions, age), will be processed by Howden UK Group Limited in compliance with the Data Protection Act 1998 and will only be used for the purposes of providing insurance cover and handling claims arising. In the course of our duty as insurance brokers we may be required to provide such data to limited third parties including Insurers and/or circumstance required by law.**