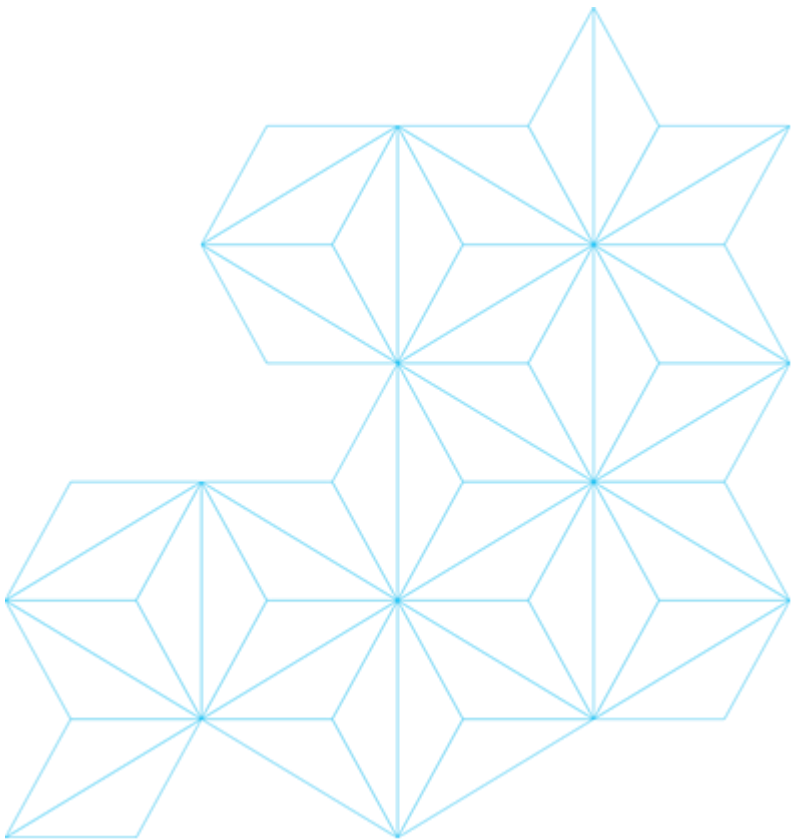


**PROFESSIONAL INDEMNITY INSURANCE  
PROPOSAL FORM  
FOR FINANCIAL ADVISERS**



## CONTENTS

- A. ADVICE ON COMPLETING THE PROPOSAL FORM
- B. PROPOSAL FORM
- C. OTHER INSURANCE REQUIREMENTS

## CONTACT US

Your completed proposal form can either be emailed or posted. Please retain a copy for your own records. Please do not hesitate to contact us if you have any questions.

Howden UK Group Limited  
71 Fenchurch Street  
London  
EC3M 4BS  
Tel: +44 (0) 20 7133 1200  
Fax: +44 (0)20 7133 1500  
[pi@howdengroup.com](mailto:pi@howdengroup.com)  
[www.howdengroup.com](http://www.howdengroup.com)

**Howden UK Group Limited 71 Fenchurch Street, London, EC3M 4BS, United Kingdom. [www.howdengroup.com](http://www.howdengroup.com)**  
Howden is a trading name of Howden UK Group Limited, part of the Hyperion Insurance Group. Howden UK Group Limited is authorised and regulated by the Financial Conduct Authority in respect of general insurance business. Registered in England and Wales under company registration number 725875. Registered Office: 16 Eastcheap, London EC3M 1BD. Calls may be monitored and recorded for quality assurance purposes.

## A. ADVICE ON COMPLETING THE PROPOSAL FORM

To allow us sufficient time to negotiate with Insurers, please ensure you return this proposal form as soon as possible. Wherever the word 'Principal' appears herein, this is deemed to read 'Partner(s), Director(s), Member(s) or Principal(s)'.

Many businesses either fail to allow sufficient time to complete the proposal form and/or provide inaccurate information. Insurers regard the proposal form as a reflection of the quality of the business seeking insurance; a poorly completed, untidy form can reflect badly on your business and will not assist us in securing terms.

### 1.1 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.
- Where the proposal form is completed by just one Principal, we often find that disagreements arise regarding the responses provided. It is imperative that full consultation within the business has taken place, prior to submission of this form.
- 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.
- **If a supplement is attached to this proposal form, please tick here** .
- 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 020 7133 1200.
- A copy of this proposal should be retained for your own records.

### 1.2 Providing additional information

The proposal form is the basis of the contract of insurance which may ultimately ensue and the information contained herein forms the basis of disclosure to Insurers. Failure to disclose something which could be considered material may render the insurance contract voidable. This form confines itself to dealing with essential issues such as income and claims. If you feel there is additional information that is relevant to Insurers' appraisal of your business, but is not requested by this form, this should be set out on your headed paper 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;
- Terms of Engagement, particularly if they restrict your liability.

### 1.3 Claims and circumstances

Whilst every question on the proposal form is important and constitutes material information upon which Insurers rely, Insurers will be particularly concerned with the 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 and all 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 (if any) contained 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.

### 1.4 Disclosure of material facts or information

When seeking a quotation, taking out or renewing an insurance contract it is essential that you disclose to prospective Insurers any material facts or information (including any material circumstances or change in circumstances) which might influence the judgement of Insurers in setting the premium and/or the terms and conditions of the insurance contract or in determining whether they will accept the risk. This duty of disclosure continues throughout the Policy period.

The statements made in this proposal form (including any supporting information) will form the representation to Insurers and as such will be the basis of the insurance contract. Failure to disclose material information may render the insurance contract voidable from inception, at the option of Insurers and enable them to repudiate liability thereunder. If you have any doubt as to what constitutes a material fact or circumstance, please contact us.

**B. PROFESSIONAL INDEMNITY INSURANCE PROPOSAL FORM**

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.

**1. THE PRACTICE(S)**

1.1 Name of Main Practice

Main Office Address

Postcode

Main Telephone No.

Email Address

Website Address

Commencement Date

Last Completed Financial Year  to

FCA Reference No.  Awaiting Approval

Practice Status                      Independent                       Restricted                       Independent and Restricted

Do you have any other Practice(s) currently trading, or any other trading styles, or conduct business from any other addresses for which cover is required?

No       Yes

If "Yes", on your headed paper, please provide the name of the Practice and/or trading style and/or trading location.

1.2 Are there any past Practice(s) including predecessors in business for which cover is required for their period of trading?

No  Yes

If "Yes" please provide the following information (if you do not have enough space, please provide the information on your headed paper).

Name

Period of trading

to

to

to

Were the activities of all past Practice(s) the same as the Practice(s) in Question 1.1 above, as disclosed in this Proposal?

No  Yes

If "No" please provide details:

1.3 On the Practice(s) headed paper, please provide the following details for any current or previous Appointed Representatives of the Practice(s) stated in Question 1.1 above.

- Name of Appointed Representative(s)
- Date Appointed Representative Status commenced
- Date Appointed Representative Status ended (if applicable)
- If cover **is not** required for any current or previous Appointed Representative(s) themselves, please specify (cover will of course be required for the Practice(s) in respect of Professional Business undertaken by the Appointed Representative on behalf of the Practice)

1.4 In respect of the Practice(s) or any Past Practice(s) including predecessors in business have you previously been an Appointed Representative of another firm or Network?

No  Yes

Name

Period of Appointed Representative Status

 /  /  to  /  / 

 /  /  to  /  / 

 /  /  to  /  / 

1.5 In respect of the Practice(s) in Question 1.1 above please provide the following for Directors / Partners / Principals:

Names of Directors / Partners / Principals	Qualifications	Experience (if under five years' practical insurance experience)

1.6 In respect of the Practice(s) in Question 1.1 above, please advise the number of permanent staff **other** than Directors / Partners / Principals:

Employed persons giving advice

All other employed persons

Self-employed persons

1.7 Has the Practice(s) stated in Question 1.1 above been awarded Chartered Financial Planner status?

No  Yes

If "No" have any employees been awarded Chartered Financial Planner status?

No  Yes  If "Yes" how many?

1.8 Please advise the client / advisor ratio of the Practice(s)  :

**1.9** Has/Have any of the Practice(s) stated in Questions 1.1 and 1.2 above been designated a Departed Firm or been declared by the FSCS to be a Firm in Default?

No  Yes

If "Yes" please provide details:



**2. INCOME OF THE PRACTICE(S)**

**2.1** Please provide gross income figures (including all new business and renewal commission, brokerage and fees, for all proposing entities including any ARs) over the following accounting periods. If you are a new firm, please advise your projected first years income.

<b>Gross Income</b>	<b>Income by client domicile</b>		
	<b>UK</b>	<b>USA and Canada</b>	<b>Rest of the World</b>
Projected year end income	<input type="text"/>	<input type="text"/>	<input type="text"/>
Last completed year end income	<input type="text"/>	<input type="text"/>	<input type="text"/>
Previous year end income	<input type="text"/>	<input type="text"/>	<input type="text"/>

**2.2** Please provide details of the top three product providers in terms of commission income in the last complete financial year:

<b>Provider</b>	<b>Percentage of total commission income</b>
<input type="text"/>	<input style="text-align: right; width: 50px;" type="text" value="%"/>
<input type="text"/>	<input style="text-align: right; width: 50px;" type="text" value="%"/>
<input type="text"/>	<input style="text-align: right; width: 50px;" type="text" value="%"/>

**2.3** Please provide details of the top three product providers in terms of number of new policies in the last complete financial year:

<b>Provider</b>	<b>Total number of policies</b>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

**2.4** In the last complete financial year what percentage of gross income was fee based?

### 3. THE PROFESSIONAL BUSINESS OF THE PRACTICE(S)

3.1 Please provide the percentage of gross brokerage / commission / fees for the last complete year as disclosed in the previous section derived from the following categories:

Category	Percentage
A) Pension Sales & Advice	%
B) Investment Sales & Advice	%
C) Life Cover & Protection Sales & Advice	%
D) Mortgage Sales & Advice	%
E) General Insurance Sales & Advice	%
F) Miscellaneous	%
<b>A to F Total</b> (to equal 100% of the categories above)	<b>100%</b>

For each of the business categories above, please now indicate the percentage between private and corporate business.

#### A) Pension Sales & Advice

Of the total for A), please indicate the percentage earned from the following categories and the percentage between private and business.

	Private	Corporate
i) Opt Out / Non Joiner of a Defined Benefit Occupational Pension Scheme	%	%
ii) Opt Out and Transfer from a Defined Benefit Occupational Pension Scheme	%	%
iii) Transfer from a Defined Benefit Occupational Pension Scheme	%	%
iv) Transfer from a Money Purchase Plan	%	%
v) Switch / Transfer from a Personal Pension Plan to another Personal Pension Plan arrangement	%	%

vi) Income Drawdowns, Withdrawal Plans, Phased Retirement Plans	%	%
vii) SIPPS – as adviser	%	%
viii) SIPPS – as Administrator or Provider	%	%
ix) Annuities	%	%
x) Pension Trustee	%	%
xi) Pension Fund Manager / Administration	%	%
xii) QROPS	%	%
xiii) Other - specify		
<input style="width: 100%; height: 20px;" type="text"/>	%	%
<b>Total</b>	<b>100%</b>	

**B) Investment Sales & Advice**

Of the total for B), please indicate the percentage earned from the following categories and the percentage between private and business.

	Private	Corporate
i) ISAs	%	%
ii) Unit Trusts and Mutual Funds	%	%
iii) Onshore Insurance Bonds	%	%
iv) Onshore Income Bonds	%	%
v) Broker Bonds	%	%
vi) Offshore Bonds	%	%
vii) Venture Capital Trusts	%	%
viii) Enterprise Initiative Schemes	%	%

ix) Film Partnership and Finance	%	%
x) Onshore Real Property Funds	%	%
xi) Onshore Property Funds	%	%
xii) Traded Life or Endowment Policies	%	%
xiii) Hedge Funds	%	%
xiv) Split Capital Investment Funds	%	%
xv) Zero Divided Preference Funds	%	%
xvi) Precipice Bonds and SCARPs	%	%
xvii) Other Structured Products	%	%
xviii) Exchange Traded Funds	%	%
xix) Traded Life Policy / Viatical Settlements	%	%
xx) Carbon Trading	%	%
xxi) Esoteric Products	%	%
xxii) Unregulated Collective Investment Schemes (UCIS)	%	%
xxiii) Investment vehicles designed and/or used specifically for tax mitigation purposes (excluding ISAs)	%	%

If you have declared any % within 3.1 B) xxiii), please provide details:

xxiv) Portfolio Management where you have discretion over where funds are invested	%	%
xxv) Portfolio Management where a third party has discretion over where funds are invested	%	%
xxvi) Other - specify	%	%

<b>Total</b>	<b>100%</b>	
--------------	-------------	--

**C) Life Cover & Protection Sales & Advice**

Of the total for C), please indicate the percentage earned from the following category and the percentage between private and business.

	Private	Corporate
Life Cover & Protection product sales and advice, including Whole of Life, ASU, PHI, etc.	%	%
<b>Total</b>	<b>100%</b>	

**D) Mortgage Sales & Advice**

Of the total for D), please indicate the percentage earned from the following categories and the percentage between private and business.

	Private	Corporate
i) Full status residential	%	%
ii) Self-certification non-status	%	%
iii) Sub-prime or Adverse	%	%
iv) Ljara and Musharaka	%	%
v) Buy-to-Let	%	%
vi) Commercial	%	%
vii) Equity Release	%	%
viii) Sale and Lease Back	%	%
ix) Other mortgage work	%	%
<b>Total</b>	<b>100%</b>	

**E) General Insurance Sales & Advice**

Of the total for E), please indicate the percentage earned from the following categories and the percentage between private and business.

	Private	Corporate
i) Motor	%	%
ii) Property	%	%
iii) Travel	%	%
iv) General Liability	%	%
v) Directors & Officers	%	%
vi) Professional Indemnity	%	%
vii) Marine	%	%
viii) Aviation	%	%
ix) Reinsurance	%	%
x) Other – please specify <input style="width: 480px; height: 25px;" type="text"/>	%	%
<b>Total</b>	<b>100%</b>	

**F) Miscellaneous**

Of the total for F), please indicate the percentage earned from the following categories and the percentage between private and business.

	Private	Corporate
i) Back office, Compliance or Audit services for third parties	%	%
ii) Other – please specify <input style="width: 480px; height: 25px;" type="text"/>	%	%
<b>Total</b>	<b>100%</b>	

**3.2** In respect of any category above which has been answered Nil or any activity not declared above and which the proposing Practice(s) have undertaken in the two financial years preceding the last complete financial year, please provide details:

**3.3** In respect of any investment business please indicate the number of single premium or annual investments made in the last financial year where the sum invested was (do not include monthly investments):

	No. of Investments
Less than £10,000	<input type="text"/>
Equal to or more than £10,000 but less than £25,000	<input type="text"/>
Equal to or more than £25,000 but less than £100,000	<input type="text"/>
Equal to or more than £100,000	<input type="text"/>

**3.4** Is/Are the Practice(s) aware of any investment products for which the Practice(s) has/have received commission/ fees and either the counterparty, product provider, bank or any other financial institution or fund is now known by the Practice(s) to be insolvent, to have liquidity problems, to have suspended income payments or to have otherwise failed or to be under investigation by any regulatory authority, including the Police and/or SFO.

No  Yes

If "Yes" on your headed paper, please provide full details including the relevant fund, the original investment value and the current investment value (if applicable).

**4. HIGH RISK PRODUCT QUESTIONS**

**4.1** Has/have the Practice(s) ever received any commission/fees in respect of the following products or services:

- |  |    |                          |     |                          |
|--|----|--------------------------|-----|--------------------------|
| a) Investments in Hedge Funds, collective investment schemes investing in Hedge Funds or any other unregulated collective investment scheme (UCIS) | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| b) Investment in any Traded Life Policy or Viatical Settlements or any collective investment with funds invested in either product                 | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| c) Film Finance Schemes  | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| d) Venture Capital Trusts  | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| e) Enterprise Zone Investments   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| f) Enterprise Investment Schemes   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| g) Deferral Relief Companies   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| h) Payment Protection Insurance  | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| i) Home Income Plans, Equity Release Schemes or Home Reversion Schemes   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| j) Investment in securities issued/backed by Lehman Brothers   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| k) Investment in deposits with Arch Cru Funds  | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| l) Investment in deposits with Key Data Investment Services Limited's products   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| m) Investment in Harlequin Management Services (South East) Limited trading as Harlequin Property  | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |
| n) Non-mainstream Pooled Investments   | No | <input type="checkbox"/> | Yes | <input type="checkbox"/> |



- o) Any products which do not fall within the remit of the Financial Services Compensation Scheme No  Yes

If "Yes" to any of the above categories, please provide the following information on the Practice(s) letterhead:

- i) The relevant fund
- ii) Original investment value
- iii) Current investment value (where available)
- iv) Percentage of Investor's overall portfolio this investment represents
- v) Was the client a High Net Worth / sophisticated investor

4.2 Please state what percentage of the income declared for **your last complete financial year** relates to all of the business where you have answered "Yes" under Question 4.1.  %

- 4.3 If any clients have invested in 4.1 a) above please confirm that the holdings represent less than 10% of the clients portfolio. No  Yes

If "No" please clarify your approach to clients investing in 4.1 a) above and confirm the highest concentration you would recommend for any one investment and into UCIS as a whole.

- 4.4 If "Yes" to any of the products listed in 4.1 c) and 4.1 d) has the Inland Revenue indicated that they intend to challenge the tax status of any of the products arranged on behalf of any client? No  Yes

If "Yes" please provide details

- 4.5 Have you or your predecessors, since 1 January 1999, advised 10 (ten) or more individuals to transfer out of the same Defined Benefit pension scheme? No  Yes

If "Yes" please provide details of Scheme, numbers and Transfer values at the time of transfer

## Tax Mitigation Questions

### 4.6 Tax Mitigation Schemes

Have you or your predecessors **EVER** provided advice in relation to any tax mitigation schemes which are subject to disclosure of tax avoidance schemes (DOTAS) or General Anti-Abuse Rule (GAAR) or any other schemes where one of the objectives is to obtain a tax benefit?

No  Yes

### 4.7 Commissions and Fees

Have you or your predecessors **EVER** introduced or recommended a client to a third party tax advisor or scheme?

No  Yes

a) Did you receive a referral commission or fee?

No  Yes

b) Was such commission or fee disclosed to your client?

No  Yes

c) How do you ensure that you exclude liability for the advice provided and that your client enters into separate terms and conditions with the third party?

If you have answered "Yes" to Question 4.6 and/or 4.7, please complete Questions 4.8 and 4.9.

#### 4.8 Supplementary information sheet

Investor Name	Scheme Name	Date of Advice	Tax Year	Amount Invested (GBP)	% Personal Gearing (If applicable)	Subject to a follower notice (Y/N)	Open HMRC enquiry? (Y/N)	Sophisticated Investor? (Y/N)	Have you complied with FCA handbook COBS rule 4.12? (Y/N)

#### 4.9 Risk Management

At the time of advice were all clients made aware in writing of the potential for HMRC challenges and retrospective decisions in relation to the validity of any intended tax relief?

No  Yes

Are all warnings fully documented on file?

No  Yes

Have you always advised on the suitability of the underlying investment notwithstanding any potential tax relief sought?

No  Yes

Are all 'attitude to risk' and 'know your client' letters documented on file?

No  Yes

Has all tax advice above been subject to peer review and/or file audit?

No  Yes

Please provide additional details of policies and procedures in place to mitigate your liability in relation to tax advice.

**4.10 Home Income Plans / Equity Release Schemes / Mortgages**

Please advise the number of Home Income Plans, Equity Release Schemes or Home Reversion Schemes arranged/advised upon by the proposing Practice(s) in the last 10 years.

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
No of Schemes											

Are all providers of the schemes referred to above members of SHIP (Safe Home Income Plans Ltd)? No  Yes

Were all other means of raising the capital/income required by the client investigated prior to making the recommendation to release capital from their property? No  Yes

Were the beneficiaries of the clients estate informed and is evidence of this recorded on file for each of the plans arranged? No  Yes

**4.11 a)** Please advise if the proposing Practice(s) has received any commission/fees in respect of any of the following:

i) Sub-Prime Mortgages No  Yes

ii) Payment Protection Insurance No  Yes

iii) Self Certification/Non Status Mortgages No  Yes

b) If "Yes" in respect of Sub-Prime Mortgages and Payment Protection Insurance, under what circumstances and to whom did you recommend such products?

c) If "Yes" to any question in 4.11 a), please provide details of the sales procedures followed and confirm that only those individuals with relevant experience, and qualifications have advised on such products.

- d) If "Yes" in respect of Self Certification Mortgages only, please confirm that the proposing Practice(s)/Firm(s) provide confirmation that the applicants stated income is correct.

No  Yes

If "Yes", can you confirm that it is always fully researched and that the conclusions of all investigations are kept on file.

No  Yes

If "No" to either, please provide full details of the procedures used to verify and confirm the stated income.

In addition, please confirm that Self Certification Mortgages are only recommended to either self employed individuals or company directors. If "No", please provide full details.

#### 4.12 Pensions Questionnaire

- a) Please advise if the proposing Practice(s) are authorised to provide Pension Transfer advice / services ?

No  Yes

- b) Has/Have any Pension Transfers from Defined Benefit Occupational Pension Schemes ever been arranged by the proposing Practice(s) where such Pension Transfer involved an Enhanced Transfer Value (ETV) or inducement ?

No  Yes

If the answer is "Yes", please provide the following information:

- i) Please state the number of Pension Transfers from Defined Benefit Occupational Pension Schemes arranged by the proposing Practice(s) where such Pension Transfer involved an Enhanced Transfer Value (ETV) or inducement broken down between the following transfer values:

Less than £100,000	<input type="text"/>
Between £100,000 and £200,000	<input type="text"/>
Between £200,000 and £500,000	<input type="text"/>
Above £500,000	<input type="text"/>

- ii) Please confirm that advice given in relation to all of the cases listed in 4.12 b) i) was always to add the “enhanced cash” to the new Pension arrangement to which the transfer was made.
- iii) Please confirm that the proposing Practice(s) have conducted the review on Enhanced Transfer Values set out within TR14/12 and provide a summary of the outcome on your headed paper.

No  Yes

- c) Excluding the cases identified in Question 4.12 b), has/have any Pension Transfers from Defined Benefit Occupational Pension Schemes ever been arranged by the proposing Practice(s) ?

No  Yes

If the answer is “Yes”, please state the number of Pension Transfers from Defined Benefit Occupational Pension Schemes arranged by the proposing Practice(s) broken down between the following transfer values:

Less than £100,000	<input type="text"/>
Between £100,000 and £200,000	<input type="text"/>
Between £200,000 and £500,000	<input type="text"/>
Above £500,000	<input type="text"/>

- d) i) On your headed paper, please explain the procedures in place in relation to Pension Transfers from Defined Benefit Occupational Pension Schemes with a specific note on Enhanced Transfer Values, to include the areas addressed in the advice process, such as length of time to retirement, clients attitude to risk, critical yield, continuing contributions, clients exposures to investments, clients occupation and reason to transfer.

- ii) Are Pension Transfers from Defined Benefit Occupational Pension Schemes peer reviewed? If so, by whom (and what is/are their experience/qualifications, if the person(s) details have not been included within the answer to Question 4.12 e)).

- e) If the answer to Question 4.12 a) is “Yes”, please provide the names and qualifications of the individuals authorised by the proposing Practice(s) to provide Pension Transfer advice / services.

- f) Other than stated in Questions 4.12 b) and 4.12 c), has the proposing Practice(s) provided advice / services since A-day (6 April 2006) to switch their clients existing Pensions into a Self Invested Personal Pension Plan (SIPP) ?

No  Yes

If the answer is “Yes”, please state the number of cases arranged since A-day broken down between the following fund values:

Less than £100,000	<input type="text"/>
Between £100,000 and £200,000	<input type="text"/>
Between £200,000 and £500,000	<input type="text"/>
Above £500,000	<input type="text"/>



g) If your answer to Question 4.12 f) is “Yes”, please state the top 3 product providers in terms of commission income since 6 April 2006.

1)	
2)	
3)	

h) If your answer to either Question 4.12 b) and/or 4.12 c) and/or 4.12 f) is “Yes”, please confirm whether any pension profiling or comparison tool is used to determine whether there are any benefits of switching.

No  Yes

#### 4.13 Retirement Options

Please complete this question if any proposing Practice(s) has transacted/given advice in respect of retirement income options. If not, please put 'not applicable'

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Income Drawdown cases transacted where original fund value was less than £100,000											
Number of Income Drawdown cases transacted where original fund value was between £100,000 and £300,000											
Number of Phased Retirement cases transacted											
Number of Annuity cases transacted (excluding Phased Retirement cases)											

- a) What % of Income Drawdown cases arranged are taking maximum income?  %
- b) What % of Income Drawdown cases have had the fund value enhanced by rebating commission?  %
- c) How frequently are Income Drawdown cases reviewed?
- d) i) How many of the above transactions were carried out purely to raise cash?
- ii) Has the Reason Why Letter always drawn to the client's attention the adverse effects such a withdrawal will have on future pension benefits and establish in each case why the client needed the cash and why other methods of raising finance were less suitable? NO  YES
- e) Has any business ever been transacted where the client has given up on a GAR? NO  YES
- f) Please provide a brief description of the philosophy used in advising clients in relation to income in retirement.

**5. FCA REGULATION AND COMPLIANCE**

**5.1** During the last 36 months has any Practice(s):

- a) Received notice of a visit from the FSA/FCA? No  Yes
- b) Been the subject of any FSA/FCA regulatory control visit or regulatory review? No  Yes
- c) Attended an FSA Roadshow or conducted a telephone conversation with FSA/FCA? No  Yes
- d) Received any warning letters from the FSA/FCA? No  Yes
- e) Been referred to enforcement, fined or suspended by the FSA/FCA? No  Yes

If “Yes” to b), c), d) or e) please provide copies of the relevant letter(s) or report(s) or any other correspondence with FSA/FCA relating to these subjects.

- 5.2** Has advice been given or other activity been undertaken outside the UK or in the UK for clients domiciled in other jurisdictions by the Practice(s) for which coverage is being sought? No  Yes

If “Yes” please answer the following:

- a) Do you hold an Insurance Mediation Directive (IMD) passport? No  Yes
- b) Do you hold a Markets in Financial Instruments Directive (MiFID) passport? No  Yes
- c) Do you hold a domestic authorisation in any EEA State for business which falls outside the remit of any passport? No  Yes

**5.3** The following information is required by the FCA to be recorded by the regulated Practice(s) as “Key Performance Indicators”. It is also of interest to Insurers in assessing the risk presented by the Practice(s). Please advise:

	Number
The number of policies Paid Up or lapsed in the last 12 months	<input type="text"/>
The number of policies cancelled within “cooling off” period in the last 12 months	<input type="text"/>
The number of recommendations “not taken up” in the last 12 months	<input type="text"/>
The number of “policy replacement” recommendations made in the last 12 months to discontinue premiums or surrender existing contracts and replace with similar contracts	<input type="text"/>

5.4 Please advise the number of full time compliance staff employed (please provide a CV of the compliance officer)

If no compliance staff are employed, please provide details of how the compliance function is managed. If a specialist provider is used please provide name and CV of the person assigned to the Practice(s)

5.5 Please provide the location of any individual(s) providing advice who are not based at the main office address and was each individual the subject of a field compliance audit on their premises in the last 12 months?

Name	Location	Field Audit
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

5.6 Please provide the percentage of new business files reviewed by either your in-house or outsourced compliance department in the last 12 months.  %

5.7 Does/do the Practice(s) purchase Compliance services from an external source? No  Yes

If "Yes" who is the provider and what level of Compliance service is purchased?

Provider	Services Purchased
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

5.8 When was the last time the Practice(s) received a full Compliance Audit?  .....

Were there any points arising from the Audit requiring remedial action by the Practice(s)? No  Yes

If "Yes" please explain the points arising from the Audit and remedial action being or to be undertaken by the Practice(s)

## 6. RISK CONTROLS

- 6.1 Does/do the Practice(s) have documented compliance policies in place of the sales process which are appropriate for the various areas of its business? No  Yes

If "Yes" please give full details:

- 6.2 Does/do the Practice(s) maintain a Risk Register and have systems of control in place to manage the risks? No  Yes

If "Yes" please give full details:

- 6.3 Have all clients with whom the Practice(s) work signed terms of business agreements together with a letter setting out the scope of the services to be provided by the Practice(s)? No  Yes

- 6.4 Does/do the Practice(s) have anti-money laundering controls as well as appropriate KYC / client verification controls? No  Yes

- 6.5 Does/do the Practice(s) have systems in place to ensure key dates are controlled and backed up in the event that the client liaison individual is detained from the office? No  Yes

- 6.6 Does/do the Practice(s) have supervisory controls which also extend to all Partners / Directors? No  Yes

- 6.7 Are all staff appraised at least once a year and any development issues followed through? No  Yes

- 6.8 Does/do the Practice(s) provide facilities to ensure that all staff can keep up to date with all important news and developments? No  Yes

- 6.9 Are all instructions from clients and their requirements evidenced in writing? No  Yes

- 6.10** Can all individuals in the Practice(s) access standard risk warnings to include in their letter / reports? No  Yes
- 6.11** Where all Practice(s) receive(s) a complaint does/do it/they have the ability to look back into the process to check if there are any weaknesses or training needs evident? No  Yes
- 6.12** Does/do the Practice(s) ensure that only appropriately qualified individuals provide advice in connection with products where specific authorisation is required by the FCA? No  Yes
- 6.13** For which types of instruction is pre-sale checking authorisation required?

- 6.14** What proportion of post-sale activity is reviewed and which (if appropriate) categories receive higher checking rates?

- 6.15** Where the Practice(s) uses business introducers, does it ensure due diligence is undertaken and they have signed terms of business in place? No  Yes
- 6.16** Please outline briefly the steps that the Practice(s) take to minimise the risk of fraud by employees or agents of the Practice(s)

- 6.17** Does/do the Practice(s) have a written policy specifying its/their conflicts of interest procedures, which include a cross-check system and back up? No  Yes
- 6.18** Please provide details of the Practice(s) procedures in connection with high risk products (in particular those specified within Section 4 of this Proposal Form), such as internal licensing, 100% pre sale checks, etc.

**7. CLAIMS HISTORY**

7.1 Please confirm after enquiry if there have been any claims made against the Practice(s) or any of the present or past Directors / Partners / Principals in the past ten years. No  Yes

Date	Summary	Amount claimed	Reserve held	Amount paid	Date of the advice / sale leading to the claim

7.2 Has/Have the Practice(s) sustained any loss during the past ten years as a result of the fraud or dishonesty of any Director / Partner / Principal / employee / self-employed person? No  Yes

Date	Summary	Amount of loss sustained	Reserve held	Amount paid

7.3 Is/Are the Practice(s) aware, after enquiry, of any circumstances that may give rise to a claim or loss or any claim made against or loss sustained by the Practice(s) or any of the present or past Directors / Partners / Principals (other than those stated in answer to Question 7.1 and 7.2 above)? No  Yes

Summary	Amount of circumstances, claim or loss	Date of the advice / sale leading to the circumstance or claim

**8. FRAUD / DISCIPLINARY PROCEEDINGS**

**8.1** Has any Partner, Principal, Director or employee (past or present) of any of the proposing entities, or any other individual proposing for this insurance, ever been the subject of disciplinary proceedings by any professional body? No  Yes

If "Yes" please give full details:

**8.2** Has any Partner, Principal, Director or employee (past or present) of any of the proposing entities, or any other individual proposing for this insurance, ever been involved in any instance of fraud or dishonesty? No  Yes

If "Yes" please give full details:

**8.3** Has any Partner, Principal, Director or employee (past or present) of any of the proposing entities, or any other individual proposing for this insurance, ever been subject to any civil criminal judgement? No  Yes

If "Yes" please give full details:



## 9. INSURANCE

**9.1** Has any application for insurance on behalf of the Practice(s) or any of the present Directors / Partners / Principals or, to the knowledge of the Practice(s), on behalf of their predecessors in business ever been declined or has any such insurance ever been cancelled or renewal refused?

No  Yes

If "Yes" please give full details:

**9.2** Is your current Professional Indemnity Insurance arranged via Howden?

No  Yes

If "No" please give full details:

Name of Insurer

Limit of Indemnity

Excess

Premium

Next Renewal Date

**10. MATERIAL INFORMATION**

**10.1** Is there any other material information that may be relevant to this application? No  Yes

If "Yes" please give full details:

## 11. DECLARATIONS

### Practice(s) Declaration

Please read the declaration carefully

I/We declare on behalf of the Practice(s) that the above statements and details are true and that I/We have not misstated or suppressed any material facts.

I/We agree that this Proposal Form, together with any other information supplied by me/us, shall form the basis of any Contract of Insurance effected thereon.

I/We undertake to inform Insurers of any material alteration to these facts occurring before completion of the Contract of Insurance.

Completing this Proposal Form does not bind the Proposer or Insurers to complete this insurance.

### Data Protection

Any information provided on this form, which may include sensitive data (e.g. medical history, criminal convictions, age), will be processed by us, 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.

**Signature of:**  
**Director / Partner / Principal**

**Name (IN CAPITALS)**

**Date**

**Practice (IN CAPITALS)**

**PLEASE NOTE: In the absence of any instructions to the contrary, in the event terms are offered and accepted, Certificates will show and cover will be restricted to only those firms named in Question 1. of this Proposal Form.**

### IMPORTANT

Disclosure of material facts or information

It is essential that every Proposer or Insured when seeking a quotation, taking out or renewing an Insurance, reveals to the prospective Insurers any material facts or information (including any material circumstances or change in circumstances) which might influence the judgement of Insurers in fixing the premium or in determining whether they will accept the risk. Failure to do so may render the Contract of Insurance voidable from inception at the option of Insurers and enable them to repudiate liability thereunder. If you have any doubt as to what constitutes a material fact or circumstance, seek your Broker's advice.

## C. OTHER INSURANCE REQUIREMENTS

It is vital your insurance programme meets the evolving needs of your business. Whilst many organisations keep a close eye on their most expensive, business critical insurances, it is not uncommon for other forms of insurance to be continued with no verification of whether they remain appropriate to business needs.

Combining our in-depth knowledge of the professional sectors we serve with the product expertise and global knowledge of the Howden Broking Group enables us to handle the most complex insurance programmes. If you are interested in other forms of insurance please tick the relevant box(es) below and we will arrange for a member of the relevant specialist team to contact you:

<b>Employee Benefits</b>		<b>Bespoke Private Client Insurance</b>	
Pension Auto Enrolment		Household, Contents, Fine Art, Valuables, Motor, Overseas Property	
Group Death in Service			
Private Medical Insurance		<b>Commercial Insurances</b>	
Keyman and Shareholder Protection		Office Combined (EL, PL, Office and Contents)	
		Business Travel	
<b>Directors and Officers Insurance</b>		Expatriate Medical Insurance	
		Environmental Liability Insurance	
<b>Cyber Insurance</b>		Property Insurance	
<b>Intellectual Property and Patent Insurance</b>		Block Management Insurance	
<b>Political Risk Insurance</b>		Motor Fleet	
<b>Transactional Risk Insurance</b>		Business Interruption	
<b>Single Project Insurance</b>			
<b>Contractors all Risks</b>			
<b>Other (please specify below)</b>			

If the person responsible for any of the insurances listed above is that other than the person responsible for buying PII please complete the following:

Name:

Telephone Number:

Email address: