

## PROPOSAL FORM

### PROFESSIONAL INDEMNITY INSURANCE

#### NOTICE TO THE APPLICANT:

YOU ARE TO DISCLOSE IN THIS PROPOSAL FORM FULLY AND FAITHFULLY ALL FACTS WHICH YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY RECEIVE NOTHING FROM THE POLICY (AS DEFINED BELOW).

#### Completing the Proposal Form

- \* Please answer all questions in full leaving no blank spaces.
- \* If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned.
- \* It is agreed that whenever used in this proposal form, the term Applicant shall mean the Insured Organisation as defined in the Federal Miscellaneous Professional Indemnity Insurance Policy (“the policy”).

The Professional Indemnity Insurance Policy is written on a Claims made and reported basis. The policy covers only Claims first made during the Policy Period or any Extended Reporting Period and reported in accordance with the policy provisions. The Limit of Liability to pay damages or settlements will be reduced and may be completely exhausted by the payment of Defence Costs.

*PLEASE READ THE ENTIRE POLICY AND THIS PROPOSAL FORM CAREFULLY*

#### 1. GENERAL INFORMATION

(a) Name of Applicant: \_\_\_\_\_

\_\_\_\_\_

(b) Applicant's Address: \_\_\_\_\_

\_\_\_\_\_

(c) Applicant's web address:

(d) How long has the Applicant continuously carried on business? \_\_\_\_\_

(e) Names and dates under which the Applicant's business was formerly carried on: \_\_\_\_\_

(f) Name and ownership percentage of any shareholder directly or beneficially owning 5% or more of the issued shares of the Applicant: \_\_\_\_\_

**2. NATURE OF BUSINESS**

(a) Please provide a full description of -

(i) the Applicant’s nature of activities; and

(ii) the type of **Professional Services** the Applicant provides.

(b) Please indicate the percentage that each of the above activities represents of the Applicant’s total business:

\_\_\_\_\_

—

(c) Please indicate which of the above activities are made available through the internet.

(d) Are written disclaimers included with any advice given?  Yes  No  
If yes, please provide an example.

(e) Are verbal reports or advice always confirmed in writing?  Yes  No  
If no, please advise what percentage of reports fall into this category: \_\_\_\_\_

\_\_\_\_\_

(f) Particulars of Principals

Name	Age	Qualifications	Years Experience	Memberships of Professional Associations

(g) Numbers of Directors, Partners or Employees providing **Professional Services**? \_\_\_\_\_

Total Number of Employees \_\_\_\_\_

(h) Gross Fees earned for the past 12 months \$ \_\_\_\_\_

Gross Fees forecast for the next 12 months \$ \_\_\_\_\_

(i) Please detail the Applicant's three largest contracts in the last three years:

Type of Service	Fee	Contract Value	Commencement Date	Completion Date

(j) Does any contract or client currently represent greater than 50% of the Applicant's income?  Yes  No

(k) Does the Applicant conduct any business in North America?  Yes  No  
If yes, please provide details: \_\_\_\_\_

(l) Is the Applicant a member of a professional body or association?  Yes  No  
If yes, please provide details: \_\_\_\_\_

(m) Does the Applicant engage consultants, sub-contractors or agents?  Yes  No  
If yes:

- Are they required to carry Professional Indemnity Insurance?  Yes  No

- Does the Applicant enter any hold-harmless agreements or otherwise waive any legal rights or entitlements which may be available against such consultants, sub-contractors or agents?  Yes  No

If Yes, please provide details: \_\_\_\_\_

**3. PROFESSIONAL SERVICE AGREEMENTS**

- (a) Are contract fees negotiated and agreed to in advance?  Yes  No
- (b) Are written service agreements required for all clients?  
(If yes, attach a sample)  Yes  No
- (c) Have the written service agreements been reviewed by a law firm experienced in the Applicant’s field?  Yes  No
- (d) Are all of changes to service agreements confirmed in writing?  Yes  No
- (e) Does the Applicant provide warranties or guarantees?  Yes  No
- (f) Does the Applicant describe services in any brochure?  
(If yes, attach a sample)  Yes  No
- (g) Do all service agreements provide an indemnity in favour of and/or limit the Applicant’s liability?  Yes  No

**4. QUALITY CONTROL**

- (a) Is there a formal procedure for handling client complaints?  Yes  No
- (b) Is Alternative Dispute Resolution as a procedure to resolve complaints part of the Applicant’s service agreement?  Yes  No
- (c) Are audits or reviews of services performed by employees conducted?  
If yes, how often?  Yes  No

*Annually* \_\_\_\_\_ *Semi-Annually* \_\_\_\_\_ *Quarterly* \_\_\_\_\_ *Other* \_\_\_\_\_

- (d) Does the Applicant ever assume liability for others by contract?  
(If yes, please identify) \_\_\_\_\_  Yes  No

**5. PROFESSIONAL CREDENTIALS**

- (a) Do employees hold professional licenses or certification?  
(If yes, please identify) \_\_\_\_\_  Yes  No
- (b) Does the Applicant pay for continuing education to maintain such professional licenses or certification?  Yes  No

**6. CLIENT MANAGEMENT**

- (a) Are there formal criteria for accepting new clients?  Yes  No
- (b) Is there a formal policy for conflict of interest?  Yes  No
- (c) Is there a formal policy for maintaining client confidentiality?  Yes  No
- (d) Does the Applicant engage in any other professional activities not listed above? (If yes, attach description or explanation)  Yes  No

**7. ANNOUNCED CHANGES**

- (a) In the past 24 months has the Applicant publicly disclosed that it has under consideration any actual or potential:

(i) acquisitions of, tender offers or mergers with any other organisation?  Yes  No

If yes, please provide details: \_\_\_\_\_  
 \_\_\_\_\_

(ii) whether or not such discussions or proposals have been made public, is the Applicant or any individual proposed for coverage currently involved in any actual or potential discussions with any other party or aware of any actual or potential proposals relating to its merger with or acquisition or tender offer by any other company?  Yes  No

If yes, please provide details: \_\_\_\_\_

(iii) scheme of compromise or company arrangement or material change in any arrangement with creditors under any law anywhere in the world?  Yes  No

If yes, please provide details: \_\_\_\_\_

**8. PRIOR INSURANCE**

- (a) Has the Applicant ever been refused this type of cover or had a similar policy cancelled?  Yes  No

If yes, please provide details: \_\_\_\_\_

- (b) Does the Applicant currently have professional indemnity insurance?  Yes  No

If yes provide the following:

Insurer	Limits	Deductible	Policy Period
_____	_____	_____	_____
—	—	—	—

**9. CLAIMS AND CIRCUMSTANCES**

Following appropriate enquiry has the Applicant, its Directors, Partners or Employees been involved in or have any knowledge of any fact or circumstance involving the following?

- (a) Any copyright, patent or other intellectual property infringement litigation?  Yes  No
- (b) Ever been censored, fined or had a professional licence or certification suspended or revoked?  Yes  No
- (c) Any professional indemnity claims under any existing or prior insurance policy?  Yes  No
- (d) Any facts or circumstances, including but not limited to any litigation or written demands for damages, (a) which he or she has reason to suppose might afford valid grounds for any Claim such as would fall within the scope of the proposed policy or (b) which indicate the probability of any such Claim?  Yes  No

If any of the above are answered yes, attach full details on separate sheet.

**Pertaining to Question 9, it is agreed that if the undersigned or any Director, Partner or Employee proposed for this insurance has any knowledge of any such fact or circumstance, any claim arising therefrom shall be excluded from coverage under the proposed insurance.**

**10. FALSE INFORMATION**

Any person who, knowingly and with intent to defraud any insurance company or other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

**11. REQUESTED LIMIT:** \_\_\_\_\_

**12. ADDITIONAL INFORMATION**

Please enclose with this proposal form:

- (a) The last two Audited Annual Reports.
- (b) The last two Interim Statements (if applicable).
- (c) Sample service agreements.
- (d) Resumes or biographies of all principals.
- (e) Any brochures or other documentation that may detail the nature of the Applicant's activities.

**13. EXTENSIONS AVAILABLE AT ADDITIONAL PREMIUM**

<b>EXTENSION NAME</b>	<b>LIMIT OF LIABILITY / PERIOD REQUIRED</b>
Bodily injury arising from breach of professional duty	KES.
Breach of confidentiality	KES.
Defamation	KES.
Libel and Slander	KES.
Dishonesty of employees	KES.
Infringement of copyright	KES.
Loss of documents	KES
Compensation for court attendance cover	KES.
Extension of Claim Circumstances Condition – Period Required (Maximum 3 months)	Months:
Foreign Work Extension	KES.

**14. DECLARATION AND SIGNATURE**

The undersigned authorised officers of the Applicant declare that to the best of their knowledge and belief the statements set forth herein and all attachments are true and complete and immediate notice will be given should any of the above information alter between the date of this proposal and the proposed date of inception of any insurance. Although the signing of the Proposal Form does not bind the undersigned on behalf of the Applicant to effect insurance, the undersigned agree that this proposal form and all attachments herein shall be the basis of and will be incorporated in the Policy should one be issued.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title (Partner, Principal or Director)

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Title (Partner, Principal or Director)

**IMPORTANT**

YOU ARE TO DISCLOSE IN THIS FORM FULLY AND FAITHFULLY ALL FACTS WHICH YOU KNOW OR OUGHT TO KNOW, OTHERWISE YOU MAY RECEIVE NOTHING FROM THE POLICY.