

## QUICK FORM APPLICATION

### ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

#### WHAT YOU SHOULD KNOW ABOUT THIS APPLICATION:

##### CLAIMS MADE POLICY

Please read this document carefully. This Application is for a Claims Made Policy. Claims Made coverage applies only to those claims that are first made during the Policy Period and result from Wrongful Acts committed after the Retroactive Date stated in the Policy, if issued.

##### DEFINITIONS

The words We, Us and Our whenever used in this Application refer to the Insurer offering the Claims Made Policy.

The words You and Your in this Application refer individually and collectively to:

1. The corporation(s), partnership(s) and/or sole proprietorship(s) for which coverage is desired; and
2. Each person who is a principal, member, officer, director, partner or employee of the firms listed in Item 1. above.

##### DEDUCTIBLE

The coverage You are applying for includes a Deductible applying to each Claim and applies to any combination of Damages and Defense Costs.

##### DEFENSE COSTS WITHIN THE LIMIT

The Policy for which You are applying contains a provision that reduces the Total Limit of Liability stated in the Policy by the amount of Defense Costs paid by Us.

##### APPLICATION FORMS PART OF THE POLICY

Your submission of this Application does not obligate You to buy insurance nor are We obligated to sell insurance or to offer insurance upon any specific terms requested. If coverage is effected, this Application containing Your statements and answers will attach to and form a part of the Policy. If coverage is offered or bound, any false or incorrect statements or answers that may have affected Our decision to offer or bind coverage could result in the offer being retracted or coverage being voided.

##### INSTRUCTIONS:

The purpose of this Application is not only to provide Us with underwriting and rating information, but also more importantly, to help make certain You and We have a meeting of minds about what the Policy, if issued, will cover and what it will not. Thank you for taking the time to provide Us with accurate information.

1. Answer all questions. If any question does not apply, explain why not.
2. If space is insufficient, continue answers on Your letterhead.
3. The Application must be signed and dated by a principal, partner, officer or director of Your Firm.

## QUICK FORM APPLICATION

### ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE POLICY

This form is designed for firms with 10 or less professionals and annual billings of \$1,000,000 or less. To determine Your Firm's eligibility, please answer the following:

1. Name of Your Firm (including all legal names and DBA's (Doing Business As))

Address \_\_\_\_\_  
City \_\_\_\_\_ County \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Email address \_\_\_\_\_ Phone # \_\_\_\_\_ Fax # \_\_\_\_\_  
Firm Contact Person (Mr./Ms.) \_\_\_\_\_ Title \_\_\_\_\_  
Web Site URL \_\_\_\_\_

2. Within the last 5 years, Your Firm has not audited any publicly owned client. ☐ True ☐ False
3. Within the next 12 months, Your Firm does not plan to audit any publicly owned client. ☐ True ☐ False
4. Within the last 5 years, Your Firm has not performed any services, including the preparation of financial statements, in connection with any public offerings or sales of any securities. ☐ True ☐ False
5. Within the next 12 months, Your Firm does not plan to perform any services, including the preparation of financial statements, in connection with any public offerings or sales of any securities. ☐ True ☐ False

If You answered "False" to any of the above questions, We are not able to provide You with a quotation for coverage and there is no need for You to complete this Application.

6. Your Total billings for the last fiscal year ended were \$1,000,000 or less. ☐ True ☐ False
7. Your Professional staff is 10 or less. ☐ True ☐ False
8. Your Firm's personnel do not receive commissions for the referral, solicitation for sale, or sale of investments. ☐ True ☐ False
9. Your Firm's personnel do not act in a fiduciary capacity in which they manage the liabilities, assets and income of a trust for the economic benefit of beneficiaries. ☐ True ☐ False
10. Your Firm's personnel do not exercise discretionary authority or control of an employee benefit plan, purchasing or selling investments of assets of an employee benefit plan or the administration of an employee benefit plan. ☐ True ☐ False
11. Your Firm's personnel do not act as agent or broker for purchase or sale of real estate or placement of annuities or life, accident, health and/or disability insurance policies. ☐ True ☐ False
12. Your Firm's personnel do not provide elder care services, such as assurances as to care received by an individual, consult with clients on care options, provide assistance with daily activities. ☐ True ☐ False
13. Your Firm's personnel do not control or disburse client funds. ☐ True ☐ False

14. Your Firm's personnel do not provide professional services, other than tax services, for any client in which you own an equity interest or serve as an officer, director, partner or other management position. ☐ True ☐ False
15. Your Firm's personnel do not provide any technology service other than data processing and entry, recommending, selling or training clients on computer hardware or software or installing hardware or software. ☐ True ☐ False
16. Your Firm's personnel do not organize, promote, refer, or manage ventures or invest in ventures in which a client also invests. ☐ True ☐ False
17. Less than 51% of Your Firm's annual billings are from audit engagements. ☐ True ☐ False
18. Less than 51% of Your Firm's annual billings are from management advisory services or business planning engagements. ☐ True ☐ False
19. You or any of Your Firm's personnel are not aware of any actual or alleged fact, circumstance, situation, error or omission that may reasonably be expected to result in a claim being made against any of You or any of Your predecessors in business, subsidiaries or affiliates or against any of their past or present principals, partners, officers, members or employees. ☐ True ☐ False

If an insurance policy is issued, it will not insure any claims, suits or proceedings that can reasonably be expected to arise from any actual or alleged fact, circumstance, situation, error or omission known to any of You before the effective date of the policy.

Within the last 5 years:

20. Your Firm had less than 3 claims, and the total amount paid or reserved on all of these claims was less than \$10,000. ☐ True ☐ False

If an insurance policy is issued, it will not insure incidents reported by You or any claims, suits, proceedings made against You or any past principal, partner, officer, member or employee before the effective date of the policy or any subsequent claims, suits or proceedings arising therefrom.

21. Your Firm has not had any professional liability insurance declined, canceled or non-renewed. ☐ True ☐ False
22. No employee of Your Firm has been suspended from practice, subjected to any disciplinary action, or indicted or convicted of any felony charge. ☐ True ☐ False

If You answered "True" to Questions 6. through 22. please complete the brief remainder of this Application. If You could not answer "True" to Questions 6. through 22, please contact Your State Farm Agent and request Our Standard Application to be considered for coverage quotations.

23. Date Your Firm was Established: \_\_\_\_\_

24. Desired Effective Date of Coverage: \_\_\_\_\_

25. A. Number of CPA's: \_\_\_\_\_  
 B. Number of other professional staff: \_\_\_\_\_  
 C. Number of clerical/support staff: \_\_\_\_\_  
 D. Total Firm Staff: \_\_\_\_\_

26. A. Gross billings latest fiscal year ended: \$ \_\_\_\_\_  
 B. Gross billings estimated next fiscal year: \$ \_\_\_\_\_  
 C. Gross billings derived from largest client: \$ \_\_\_\_\_

27. Provide the percentage of Your Firm's gross billings for the last fiscal year derived from each of the following services and indicate if engagement letters are used:

Class A.		Are Engagement Letters Used?
Individual Tax Services	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping/Write-Up	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilation	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Data Processing	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Services Related to the Above	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Class B.		
Business Tax Services	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Estate Tax Services	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Reviews	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Management Advisory Services/Business Planning	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Services Related to the Above	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Class C.		
Audit: Non-Publicly Held Clients	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Litigation Consulting	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Consulting	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Planning/Investment Advisory	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Information Technology Other Than Data Processing	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts and Projections	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Class D.		
Other Assurance Services	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Valuation	_____ %	<input type="checkbox"/> Yes <input type="checkbox"/> No
Total (Must Equal 100%)	_____ 100 %	

28. A. Do You update Your engagement letters annually? ☐ Yes ☐ No  
 B. Do Your engagement letters include alternative dispute resolution clauses? ☐ Yes ☐ No

29. Does Your Firm have:  
 A. Written client screening procedures? ☐ Yes ☐ No  
 B. Written client disengagement procedures ☐ Yes ☐ No

30. In the last 3 years, has:  
 A. Your Firm undergone a peer, quality or voluntary tax practice review by the AICPA, State CPA Society or other professional organization? ☐ Yes ☐ No

If "Yes", provide the type of opinion rendered:

Unqualified \_\_\_\_\_ Modified \_\_\_\_\_ Other \_\_\_\_\_

- B. Any personnel of Your Firm attended a recognized Loss Control/Risk Management Seminar? ☐ Yes ☐ No

If "Yes", please provide the number of Firm personnel who attended: \_\_\_\_\_

- C. Your Firm sued to collect fees, including small claims court? ☐ Yes ☐ No

If "Yes", please provide the number of such filings \_\_\_\_\_

31. How many personnel of Your Firm are active members of the following professional associations?

AICPA \_\_\_\_\_ Other National or State CPA Society/Association \_\_\_\_\_

32. A. Does Your Firm currently carry professional liability insurance? ☐ Yes ☐ No

If "Yes", please provide the following information for Your current coverage:

Insurance Carrier	Limit of Liability	Deductible	Premium	Expiration Date	Prior Act/Retroactive Date

B. A copy of the Declaration Page from Your current policy.

C. Description of any expanded or amended coverage on Your current policy (i.e.: claim expenses in addition to the limits, zero deductible for defense costs, etc.): \_\_\_\_\_

33. Has any audit or review client filed bankruptcy, defaulted on a loan or become insolvent within the last 3 years?

☐ Yes ☐ No

If "Yes", on a separate sheet please provide name, date/type of services for each client.

## REPRESENTATIONS

By signing this Application, You agree that:

- A. The statements and answers given in the Application and any attachments to it are accurate and complete;
- B. The statements and answers You furnish to Us are representations You make to Us on behalf of all persons and entities proposed for coverage;
- C. Those representations are a material inducement to Us to provide a proposal for insurance;
- D. Any policy We issue will be issued in reliance upon those representations;
- E. You will report to Us immediately, in writing, any material changes in Your activities, services, condition or answers provided in this Application that occur or are discovered between the date of this Application and the effective date of any policy, if issued; and
- F. We reserve the right, upon receipt of any such notice, to modify or withdraw any proposal for insurance We have offered.

## WARNING:

NOTICE TO OKLAHOMA APPLICANTS: Any person who knowingly, and with intent to injure, defraud or deceive any Insurer, makes a claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

NOTICE TO TENNESSEE APPLICANTS: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

The Application must be signed and dated by a principal, partner, officer or director of the Firm prior to issuance of the policy.

Principal Name \_\_\_\_\_  
(Please print)

Principal Signature \_\_\_\_\_

Title \_\_\_\_\_ Date Signed \_\_\_\_\_