



PRIEST & CO LTD

INSURANCE BROKERS
PROFESSIONAL LIABILITY
PROPOSAL FORM

Please Note:

- This is a proposal form for a policy relating to claims made against the Insured during the period of the policy only – CLAIMS MADE.
- Please answer all the questions giving full and complete answers. Please use a separate sheet of paper if insufficient space. If necessary please write additional relevant facts on a separate sheet of paper.
- The proposal form must be completed and signed & dated by a person who is of legal capacity and have the authorisation to request this insurance for the Proposer.
- This form does not bind the Proposer but will form part of the Insurance contract if taken up.
- All material facts must be disclosed, as failure to do so may render any policy or certificate voidable, or severely prejudice your rights in the event of any claim. A material fact is one likely to influence acceptance or assessment of the proposal by Underwriters. If you are in doubt as to what constitutes a material fact, you should consult your broker.

Please supply the following additional information:

- Company Brochure
- CVs of Principals

First Floor, 8-9 Lovat Lane, London EC3R 8DW
Telephone 020 7623 8626 Facsimile 020 7929 2126 e-mail general@priestco.com

Authorised and Regulated by the Financial Services Authority
Registered Office: Bridge House, London Bridge, London SE1 9QR. Registered in England No. 1682825

Details of the Applicant:

1. Name(s) (including trading names) of all entities to be Insured:

2. Address(es) of the Applicant(s):

3. Website/E-Mail address:

4. Date since the Applicant(s) has continuously conducted business:

5. Please provide details of the Principals/Partners/Directors of the Applicant:

Name	Qualifications	Date Qualified	Date Commended

6. Please state total number of:

Principals/Partners/Directors:

Self-Employed Staff:

Qualified Staff:

Administrative/Other:

7. a) Has the name of the Applicant ever been changed? **Yes/No**
- b) Has any other practice or business amalgamated or merged with you? **Yes/No**
- c) Have you purchased any other practice or business? **Yes/No**

If Yes to a, b, c, please provide full details

8. If the Applicant is a sole practitioner what procedures are in place for periods of absence from the office or illness? Please provide full details:

9. Please list the professional/regulatory bodies, trade associations or societies to which you belong:

10. a) Please provide details of your gross commission/brokerage:

Previous Year/...../.....	Current Year/...../.....	Estimated Year/...../.....

b) What percentage of your gross fees were derived in the previous financial year from your largest client:

11. a) Please provide a split of gross commission/fee income in the previous financial year:

Activity	Personal - %	Commercial - %	Total - %
Motor			
Household		N/A	
Other Personal			
Accident (including Public Liability)			
Aviation/Marine			
Bloodstock	N/A		
Other Commercial	N/A		
Investments – Please see Q14 and complete			
Pensions			
Building Society Agency			
Mortgage Broking			
Other Life			
Reinsurance	N/A		
Risk Management	N/A		
Loss Assessing/Claims Adjusting	N/A		
Other – Please provide full details			
Total	%	%	100%

b) Have your activities changed in the past 5 years or do you anticipate any major changes in these activities in the forthcoming 12 months? **Yes/No**

If Yes, please provide full details:

12. If no income is declared in any part of Q11 above, have you carried out any of these activities in the past? **Yes/No**

If Yes, please provide details of activities and income derived from this:

13. Is the Applicant(s) authorised for investment business under the Financial Services and Markets Act (2000)? **Yes/No**

If Yes, please state your regulatory body and type(s) of business you are authorised to undertake:

14. Please provide a percentage split of gross commission/fee income in the previous financial year derived from your investment activities: **(please also fully complete attached supplementary Financial Services Questionnaire)**

	As Principal	As Agent	As Manager
i) Investment in Insurance Bonds	%	%	%
UK (excluding Channel Islands & Isle of Man)	%	%	%
Offshore	%	%	%
ii) Investment in Unit Trusts	%	%	%
UK (excluding Channel Islands & Isle of Man)	%	%	%
Offshore	%	%	%
iii) Dealing in listed UK Securities	%	%	%
iv) Dealing in unlisted UK Securities	%	%	%
v) Dealing in Foreign Securities/Investments	%	%	%
vi) Dealing in Bonds (e.g. Eurodollar)	%	%	%
vii) Dealing in Commodities (Future or Physicals)	%	%	%
Average Investment	£	£	£
Maximum Investment	£	£	£

viii) Investment in 'Tangibles' e.g. Fine Art, Property etc	%	%	%
Average Investment	£	£	£
Maximum Investment	£	£	£
ix) Private Client Portfolio Management (Please state if discretionary/non-discretionary)	%	%	%
Average Investment	£	£	£
Maximum Investment	£	£	£
x) Institutional Fund Management	%	%	%
Average Investment	£	£	£
Maximum Investment	£	£	£
xi) Corporate Finance	%	%	%
xii) Mergers & Acquisitions	%	%	%

15. Does the Applicant(s) act as a trustee of any pension fund? **Yes/No**

If Yes, please provide full details:

16. Do you place insurances for clients who are resident outside of the UK? **Yes/No**

If Yes, please provide full details:

17. Do you place insurances with Insurers/Underwriters operating outside of the UK? **Yes/No**

If Yes, please provide details;

18. Do you place insurance with any Underwriting Agency? **Yes/No**

If Yes, have you checked the validity of their authority? **Yes/No**

Please list the names and counties of the agencies:

19. In respect of material damage and business interruption combined exposure please provide details of the 2 largest sums insured place directly by the applicant.

Client	Risk	Sum-Insured

20. In respect of public liability, products liability or professional indemnity risks, please provide details of the 2 largest sums insured placed directly by the applicant:

Client	Risk	Sum-Insured

21. Do you hold a Binding Authority with any Insurer? Yes/No

If Yes, the Binding Authority Questionnaire must be completed

21. Office Procedures:

- a) Are satisfactory written references obtained prior to the engagement of any employee responsible for accounts, money or goods? Yes/No
- b) Are petty cash and cash in hand checked independently of the employees responsible at least monthly and additionally without warning every six months? Yes/No
- c) Are bank statements, receipts, counterfoils and supporting documents checked at least monthly against the cash book entries independently of the employees making cash book entries or paying into the bank? Yes/No
- d) Are employees receiving cash and cheques in the course of their duties required to pay in daily? Yes/No
- e) Do all cheques drawn for more than £25,000 require at least two signatures? Yes/No
- f) Are all computer records backed-up daily? Yes/No
If Yes, are these back-up records maintained in an off-site location? Yes/No
- g) Has the applicant(s) suffered any loss through fraud or dishonesty at any time? Yes/No
If Yes, please provide details including date, circumstances and steps taken to prevent a recurrence:

23. Do you ever sign proposal forms on behalf of any clients? Yes/No

If Yes, how do you ensure the information is accurate, full and complete:

24. Do you have any on-line facilities with Insurers for arranging insurance contracts, issuing policies or schedules? **Yes/No**

If Yes, please provide details (including type of business, Insurer etc.)

25. Do you have your own web-site where clients may arrange their insurances directly? **Yes/No**

If Yes, please provide details (including type of business, Insurer etc.)

26. Do the Principals, Partners, Directors of the Applicant have any association with or financial interest in any other practice, company or organisation? **Yes/No**

If Yes, please provide details:

Previous/Current Insurance

1. Does the Company currently have a Professional Indemnity Insurance policy in force? **Yes/No**

If Yes:

a) Insurer

b) Expiry Date

c) Limit of Indemnity

d) Excess

e) Premium

f) Expiry Retroactive Date

2. Has any previous policy for Professional Indemnity insurance been cancelled or refused or had any special terms imposed by any insurer? **Yes/No**

If Yes, please provide full details:

3. Please circle the Limit of Indemnity required:

£500,000, £1,000,000, £1,500,000, £2,000,000, £2,500,000, £3,000,000, £5,000,000

Please specify if other –

4. What Excess is the Proposer prepared to carry uninsured?

£500, £1000, £2,500 £5,000 £10,000 or 'Other'

Claims/Circumstances Information

1. Have any claims alleging negligent act, error or omission (successful or otherwise) been made against you, your predecessors in business, or present or past partners, principals or directors?

Yes/No

If Yes, have such matters been notified to current or previous Underwriters

Yes/No

Please provide full details:

2. Are you or any partners, directors or principals, after having made full enquires, including of all staff, aware of any of the following matters?

a) Any circumstances which may give rise to a claim against you, your predecessors in business or any past or present partner, director principal or employees?

Yes/No

b) The receipt of any complaints, whether oral or in writing, regarding services performed or advice given by you?

Yes/No

If Yes, please provide full details:

Declaration

The undersigned authorised Officer of the Company declares that the statement and particulars in this Proposal form are true and that no material facts have been misstated or suppressed after enquiry. The undersigned agrees that should any of the information alter between the date of this Proposal and inception date of the insurance to which this proposal relates, they will give immediate notice thereof. The undersigned agrees that this Proposal, together with any other information supplied by us shall form the basis of any contract of insurance effected thereon.

Signature:.....

Name:.....

Position.....

Date.....

Binding Authority

Please note: One form should be completed for each separate Binding Authority held, either existing or past and for which coverage is required.

1. Are you able to accept business on rates/terms pre-agreed by Insurers? Yes/No

If No, are all rates agreed on a prior submit basis? Yes/No

If No, please provide full details of the authority held to vary rates/terms within the agreement:

2. Does the Firm have claims handling/settlement authority? Yes/No

If Yes, please provide full details including any limitations:

3. Date authority commenced:

4. Please list all Insurers, Lloyd's Syndicates or Re-Insurers subscribing to this Authority:

5. Please list all classes of business authorised under the agreement:

Class of Business	Direct or Re-Insurance	Maximum Limits

6. Please provide details of the origins of the business accepted:

- | | |
|-------------------------------|--------|
| a) UK | Yes/No |
| b) Europe | Yes/No |
| c) USA/Canada | Yes/No |
| d) Elsewhere (Please specify) | Yes/No |

7. Please describe the normal manner in which business is accepted:

8. Does the applicant in its own right handle the placing of any Re-Insurance Protections on behalf of those Insurers for whom they accept risks under the above agreement? Yes/No

If Yes, Please provide full details:

9. Please provide total premium income allocated to this binding authority in respect of:

- | | |
|------------------------------------------|------------------------------------------------------------|
| a) Previous Year: | <div style="border: 1px solid black; height: 25px;"></div> |
| b) Last Complete Year: | <div style="border: 1px solid black; height: 25px;"></div> |
| c) Forthcoming Financial Year (estimate) | <div style="border: 1px solid black; height: 25px;"></div> |

10. Please provide total commission/fees/earnings derived from this binding authority in respect of:

- | | |
|------------------------------------------|------------------------------------------------------------|
| a) Previous Year: | <div style="border: 1px solid black; height: 25px;"></div> |
| b) Last Complete Year: | <div style="border: 1px solid black; height: 25px;"></div> |
| c) Forthcoming Financial Year (estimate) | <div style="border: 1px solid black; height: 25px;"></div> |

11. What training is given to the staff in respect of the Binding Authority?

12. How often is training updated?

13. Is there a formal written set of guidelines in place for the operation of the authority? Yes/No

14. What measures are in place to ensure guidelines are complied with at all times?

15. Please provide the following information in respect of all persons engaged in the acceptance and binding of risks under the authority:

Name	Position (and details of previous experience)

16. How often does the Insurer audit the arrangement and review the files?

17. What was the date of the last audit?

This questionnaire is intended to be read in conjunction and forms part of the proposal form dated.....

Signature of Partner/Director/Proprietor:.....

Name of Signatory:.....

Date:.....

Financial Services

Pension Transfers, Pension Opt Outs and/or Pension Non Joiners:

1. Name of Applicant:

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2. Did the applicant give advice between April 1994 and June 1998 to persons who transferred their accrued rights out of, did not join, or opted out, of their employers Occupational Pension Scheme and who commenced an individual Personal Pension Plan? **Yes/No**

If Yes, please state the number of pension cases (not execution only) effected by the applicant in the following categories for each of the years

- a) Persons opting out of current Occupational Pension Scheme in favour of Personal Pension Plan
- b) Persons who to the applicant's knowledge could have joined an Occupational Pension Scheme but who chose to take an individual Personal Pension Plan (the applicant should consult file records before answering this question)
- c) Persons within (a) above, transferring rights from any Occupational Pension Scheme to a Personal Pension Plan
- d) Transfer of rights in any Occupational Pension Scheme to a Personal Pension Plan where the person has already opted out from or left service, or where their scheme was closed
- e) Persons taking a section 32 buy-out of their rights under any Occupational Pension Scheme

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
a															
b															
c															
d															
e															

3. With regard to transactions falling within Q2. above, please advise:

a) Was it the applicants practice to obtain sufficient information recorded in writing to show that the transaction recommended was suitable for the clients needs (i.e Client Financial Planning Analysis and/or Know Your Client questionnaires? **Yes/No**

If No, please provide full details:

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b) Was it the applicants practice to provide personal pension clients with a written explanation as to why the transaction recommended is suitable for their needs (e.g. providing a written comparison between their existing pension arrangements and any recommended replacement product or a Reason Why letter)?

Yes/No

If No, please provide full details:

4. In relation to any recommended pension transfers from Occupational Pension Schemes as from 01.07.1994 to the current date, does the applicant prepare or obtain in every case a transfer value analysis which in turn is provided to the client no later than the making of the recommendation?

Yes/No

If No, please provide full details:

5. Please provide the gross fee/income received from all work in each of the years below:

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Income															

6. Has the Proposer completed both Phase I and Phase II strictly in accordance with the regulator's requirements and timetable?

Yes/No

If No, please provide full details:

Please specify which regulator's requirements and timetable are used:

7. Please complete the following in respect of your regulators Pension Transfer Review including opt-outs, non-joiners and transfers:

	Phase I	Phase II
a) Total number of cases where the applicant was required by regulations to send out invitation letter in respect of pension reviews	<input type="text"/>	<input type="text"/>
b) Total number of cases where the applicant has sent out invitation letters in respect of the pension review	<input type="text"/>	<input type="text"/>

- | | Phase I | Phase II |
|-----------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| c) Number of cases where the clients requested a review of / or complained about advice provided | <input type="text"/> | <input type="text"/> |
| d) Number of exclusion cases with (c) above which require no further action | <input type="text"/> | <input type="text"/> |
| e) Number of cases within (c) above requiring compliance and/or loss test under the regulators guidelines | <input type="text"/> | <input type="text"/> |
| f) Number of cases within (e) above fully reviewed and not requiring redress | <input type="text"/> | <input type="text"/> |
| g) Number of cases within (e) above still requiring compliance and/or loss test | <input type="text"/> | <input type="text"/> |
| h) Number of cases within (e) above which failed either the compliance and/or loss test | <input type="text"/> | <input type="text"/> |
| 8. What was the average transfer value in Phase I and II? | <input type="text"/> | |
| 9. What is the maximum transfer value in Phase I and II? | <input type="text"/> | |
| 10. Please advise below the details of each case with a transfer value over GBP 25,000: | | |

Name	Date of Transfer	Transfer Value	Ceding Scheme	Current Value	Status Under Review

11. Are any Phase II cases transfers from Statutory Occupational Schemes? **Yes/No**

If Yes, please provide full details:

12. Please provide full details of all Pension Review cases notified as claims and/or circumstances including names of investors, status under review, transfer values and amount of redress required if applicable:

13. Has the applicant ever had or is the applicant on notice of a PIA Pension Review monitoring visits and/or FSA-monitoring visit? **Yes/No**

If Yes, When is/was this?

14. Has the applicant had or does the applicant intend to procure a PASS health check or similar review visit? **Yes/No**

If Yes, when is/was this?

15. Please advise the result of any PIA Pension Review monitoring visit/FSA-monitoring visit or PASS health check, which has taken place, together with a copy of the full report and details or any corrective action taken:

16. Has the Proposer ever arranged a regular personal pension where the investor is in a Waiting Period becoming eligible to join an Occupational Pension Scheme? **Yes/No**

If Yes, please advise the numbers affected for each of the following years:

No. of	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Cases															

17. What procedures does the applicant operate to ensure that Waiting Period cases are reviewed when the investor becomes eligible to join the occupational pension scheme?

This questionnaire is intended to be read in conjunction and forms part of the proposal form dated

Signature of Partner/Director/Proprietor:.....

Name of Signatory:.....

Date:.....

Income Draw Down

1. Name of Applicant:

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2. Please complete the following:

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Total No. of drawn downs Transacted									
No. of cases under £100,000 in value									
No. of cases where original Fund Value between £100,001 and £300,000									
Fund Value of the largest case									

3. In each year, please provide the percentage of cases taking maximum drawdown

	1997	1998	1999	2000	2001	2002	2003	2004	2005
No. of cases									

4. In each year, please provide the percentage of cases taking full commission:

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Percentage of cases									

5. Does the applicant maintain on file "Know Your Client Questionnaires" for all income draw down cases?
Yes/No

6. On what basis does the applicant recommend income draw down? Please confirm if for loan basis, investment decision or other. (Please specify):

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7. Does the applicant have a strategy with regard to cases where the original fund value is less than £100,000
Yes/No

If Yes, please provide full details:

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8. In each year what average commission levels does the Proposer charge and were they made known to each customer questionnaire?

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Commission Levels									

This questionnaire is intended to be read in conjunction and forms part of the proposal form dated.....

Signature of Partner/Director/Proprietor:.....

Name of Signatory:.....

Date:.....

Free Standing Additional Voluntary Contributions

1. Name of Applicant:

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2. Has the applicant ever been involved in arranging (including giving advice) freestanding additional voluntary contributions (FSAVC's)? **Yes/No**

If Yes, please advise the numbers:

No. of	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cases																

3. Please advise, in the table below, the numbers of FSAVC's effected for:

a) Persons entitled to join a matched AVC scheme where their employer will contribute to an in house AVC alongside the employee contribution but excluding execution clients.

b) Persons entitled to join other subsidised schemes with the employer meeting the cost of an enhancement in benefits, (e.g. the additional accrual of benefits of the provision of added years but execution only clients).

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
a																
b																

4. Referring back to the answers given in Q2 above, was it the applicant's practice to obtain sufficient information, recorded in writing, to show that the transaction recommended was suitable for the client's needs (e.g Client Financial Planning Analysis and/or Know Your Client Questionnaires)?

Yes/No

If No please provide full details:

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5. Referring back to the answers given in Q2 above, was it the applicant's practice to provide intending FSAVC clients with a written explanation as to why the transaction recommended was suitable for the Client's needs (e.g Client Financial Planning Analysis and/or Know Your Client Questionnaires)? **Yes/No**

If No, please provide full details:

6. Does the applicant keep records to comply with Table 5 to the PIA rules Chapter 5, in respect of every transaction falling within Q2 above? **Yes/No**

If No, referring to records relating to a pension transfer transaction (bearing in mind the Adopted Rules of FIMBRA that all such records should be retained indefinitely), please state which records have been destroyed, and why, the transfer value, the name and age of the client concerned, whether they had already left the employers employment, and the name of the Occupational Pension Scheme:

If No, in relation to other cases, please state when and in what circumstances the records were destroyed:

This questionnaire is intended to be read in conjunction and forms part of the proposal form dated.....

Signature of Partner/Director/Proprietor:.....

Name of Signatory:.....

Date:.....

Endowment Mortgages

1. Name of Applicant:

2. Has the applicant ever been involved in arranging (including giving advice) low cost or low start endowment policies in connection with mortgages?

Yes/No

If Yes, please advise the numbers:

No. of	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Cases																

If Yes, please advise the largest and average mortgage values:

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Largest																
Average																

3. Referring back to the answers given in Q2, has it been the applicant's practice to advise intending investors (and to document on file) that:

- a) An endowment cannot be guaranteed to pay off any mortgage loan at maturity? **Yes/No**
- b) Other forms of mortgage repayment are available which could meet that client's needs? **Yes/No**
- c) That an endowment policy involves an investment risk? **Yes/No**

If No to any of the above, please provide full details:

This questionnaire is intended to be read in conjunction and forms part of the proposal form dated

Signature of Partner/Director/Proprietor:.....

Name of Signatory:.....

Date:.....

Has the Proposer (or any other entity requiring cover under this Proposal for Insurance), acted as an Introducer, advised on or sold any SCARPS? YES NO

Name of Investor	Product	Date of Investment	Maturity Date	Sum Invested	Relevant Tracking Index	Current maturity value (excluding accrued interest)	Guaranteed income/growth amount	Execution Only basis

Continue on additional sheet if necessary.

Please provide the Key Feature Document for each product indicated above.

This questionnaire forms an integral part of the Proposal Form dated

Signature of Partner/Director/Proprietor

Name of Signatory:

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