
PROFESSIONAL INDEMNITY PROPOSAL FORM
for
Members of the South African Institute of Chartered Accountants

To assist Insurers in assessing liability for rating purposes, The Proposer is requested to answer all questions. Should there be insufficient space provided herein, please provide balance of information on additional pages.

It is important that you provide full and detailed answers to all questions to enable Insurers to properly assess the risk and quote terms that are fair and reasonable to both parties.

Incorrect or non-disclosure by you of material information may impact on any claims arising under your policy.

Do not sign any blank or partially completed proposal form; complete all forms in ink. Keep all documents handed to you and make note of what is said to you. Don't be pressurised to buy the policy.

Completion of the Form does not bind the Proposer or the Insurers to complete the insurance transaction.

A - GENERAL INFORMATION:

- A1.** Name of Company / Entity to be insured:
(in the event of any new / additional entities being formed, Insurers need to be advised as cover is not automatic). This would include historic entities that are no longer operational:

Entity:	Notes for additional information:

- A2.** Physical Address: _____ Postal Address: _____

- A3.** Company Registration Number: _____ VAT Number: _____

- A4.** Telephone Number: _____ Fax Number: _____ Website: _____

- A5.** Date Company Established: _____ Legal status of company (public, private, etc) _____

- A6.** Has the Proposer changed its name and/or country of registration in the last 5 years? If yes, please give details:

A7. Names and Qualifications of Principal / Partner / Director:

First name:	Surname:	Qualifications:	Year commenced in public practice:	Comments:

Staff complement:

Please provide the Total Number of:

Partners / Principals / Directors _____

Other professional staff (excluding partners / directors) - billable staff - in all entities: _____

Number of all other staff employed - non-billable staff - in all entities: _____

Total Staff Compliment (Partners and Staff) _____

A8. Gross income of all entities to be insured:

<u>Entity:</u>	<u>Actual</u> gross fee income for last financial year preceding policy inception date:	<u>Estimated</u> gross fee income for this financial year:	<u>Financial year end:</u>
	2019/2020	2020/2021	
	R	R	
	R	R	
	R	R	
	R	R	
Total:	R	R	

- Income to exclude VAT.
- The income disclosed needs to be for a 12 month period and should be in line with your financial year.
- Accurate income figures are required. Rounded off figures will not be accepted for past actual fees.
- Failure to provide accurate income figures could impair the coverage.
- Full income of service companies is required even if the Firm does not own the entity 100%.
- Any income derived in your personal capacity e.g. executor fees would need to disclosed in your fee income. Failure to disclose this would impair the cover.

Is there any additional information you wish to provide about your fee income?

A9. Claims or circumstances that could lead to a claim:

(a) Over the past 5 years are you aware of the following against the Company / Firm to be Insured in A1 above, any of the present or former partners, predecessors in business of the Company / Firm, or against any of the entities to be insured?

- i. Any claim/s being made or settled? **Yes / No**
- ii. Any circumstance/s that could lead to a claim being reported to Insurers? **Yes / No**

If "Yes" please provide full details below:-

(b) After having made full enquiries, is the principal or are any of the other partners / directors / members aware of **ANY** circumstances, no matter how remote, which may result in any claim being made against the Company / Firm to be Insured in A1 above, their predecessors in business or any of the present or former partners or against any other entity to be insured **which has not already been reported to Insurers** ? **Yes / No**

If "Yes" please provide full details below:-

B - INSURANCE HISTORY:

B1. Has the Proposer previously been insured? **Yes / No**
If "Yes" please advise:-

Name of Insurer : _____

Date Cover Expired : _____

Expiry of "Run-off "cover (if any) : _____

Limit of Liability : _____

Excess applicable : _____

B2. Has previous Insurer ever required increased Premiums or applied special terms, conditions, or other restrictions? **Yes / No**
If "Yes" please advise:-

B3. Has any Insurer ever declined to provide any insurance, terminated any insurance prior to the expiry date thereof or refused to renew any insurance **Yes / No**
If "Yes" please advise:-

C - UNDERWRITING INFORMATION:

C1. Are any subsidiaries / branches located outside of South Africa? Yes / No

If "Yes", please provide full details:

C2. Does the Proposer perform work outside SA or work for clients outside SA? Yes / No

If "Yes" please provide full details including proportion of fees from this work:-

C3. Does the Proposer do any business for clients in the USA, Canada, Australia or any other countries / states governed by their laws? Yes / No

If "Yes", please provide:-

(a) Full Details:

(b) Percentage of fees attributable to these activities _____

(c) Do you have physical offices in these areas? **Yes / No**

If "Yes", advise under who's management and control these offices are:

(d) Is there any foreign shareholding in these offices? **Yes / No**

If "Yes", please state percentage _____

(e) Do you give any advice relating to the Laws of these Countries? **Yes / No**

If "Yes", please provide full details:

(f) Does the Proposer or any partner, director etc. own any assets in the USA, Canada or Australia? **Yes / No**

If "Yes", please provide full details:

C4. Are any major changes in the Proposer's activities anticipated in the forthcoming 24 months? If "Yes" please provide full details:

C5. Division of work:

(a) Please indicate the approximate percentage of total income derived from each section based on the Last Financial Year

		Split based on last financial year income:	As disclosed on 2018/2019 proposal form:
Audit	South African stock exchange listed Companies and subsidiaries	%	%
	Companies with Public Interest Score above 350	%	%
	All other audits excluding those listed in a more specific category	%	%
	Banks and returns in terms of the regulations to the Banks Act	%	%
	Insurance Companies, Collective Investment Schemes, Pension, Retirement & Provident funds	%	%
	Medical Schemes	%	%
	Auditor General	%	%
	Attorneys and Estate Agents Trust Accounts	%	%
Assurance	B-BBEE	%	%
	Independent Review	%	%
	Internal	%	%
	Compilations	%	%
Tax	Compliance and Administration	%	%
	Consulting	%	%
Business Support	Accounting, bookkeeping and agreed upon procedures	%	%
	Payroll administration	%	%
	Secretarial (including statutory returns) and Share Registration	%	%
	Management Consulting and advisory excluding valuations, mergers, acquisitions	%	%
	Valuations, Mergers and Acquisitions	%	%
Independent Services	Trusteeship, Trust Administration, Executorship, Curatorship	%	%
	Liquidations and Insolvencies	%	%
	Partners or Directors acting as Business Rescue Practitioners	%	%
	Business Rescue Practitioner support services	%	%
	Forensic Investigations and Services, Acting as a Arbitrator, Mediator or Expert witness	%	%
Financial Services	Sale of Short Term Insurance, Life Assurance and Medical Aid products	%	%
	Financial Planning and Investment Advice	%	%
	Investment Advice and Services iro Property Syndication	%	%
	Money Market and Funds management	%	%
Other Services	Please describe fully:	%	%
TOTAL		100.00%	100.00%

(b) Division of work spit – additional information:

Please complete below should there be any additional information you wish to provide about your division of work, including but not limited to:

If you feel addition information about you split should be advised to Insurers

If you are undertaking work where you are not charging for and a percentage is not shown in the above split

If you plan on undertaking new activities and a percentage is not shown in the above split

If you are acting as a trustee, executor or curator but have not derived any income from his as yet

If you believe in future that there could be a material change to the division of work shown above

C.6 (a) Should you be providing payroll services please advise whether you are offering any other services apart from basic payroll administration such as preparing salary slips, PAYE calculations and loading of PAYE submissions on your clients profile

(b) Should you have access to any clients internet banking passwords and one time passwords do you set up the transactions for final release by your client? Would you or the client receive the "one time" pin.

C.7. Should you be providing arbitrator, mediator or expert witness services, please provide full details below

C.8 Should you be limiting your liability in respect of non-attest work in either engagement letters or in any other form please provide more information such as restricting to two times etc.

C.9. Should you be registered with the Financial Services Conduct Authority (FSCA) to provide investment advice please provide your registration number and financial products provided:

C.10. Inter partnership arrangements / Sub-contract work:

a. If you sub-contract with other parties whereby they carry work out in your name please name them and provide details:

b. If you sub-contract with other parties whereby you carry work out in their name please name them and provide details:

c. Do the parties mentioned in a. or b. above have a similar Professional Indemnity Policy and for what Limit of Indemnity? **Yes / No**

Limit: R _____

d. If they carry out work in your name, please submit a declaration from them that their partners are, after enquiry, not aware of any circumstances which may result in any claim being made in connection with work undertaken on your behalf.

e. Are you undertaking / or, in the near future, plan on undertaking any work with any other party in the name of a joint venture? **Yes / No**

If "Yes", please provide full details:

C.11. Management of Money Market Facilities

Information should include details in relation to any Money Market Facilities or similar facility relating to investment of client funds

Should you manage a money market facility, through which financial institution/s are these funds invested?	
Name the persons who have authority to make transactions, add a new beneficiary and change bank account numbers in respect of this facility?	
Is a minimum requirement that at least 2 of the authorised signatories (with 1 being a Partner / Director) authorise transactions, add a new beneficiary and change bank account numbers?	
Do you allow for funds to be transferred to a third party and not only to the person investing these funds?	
Please indicate the approximate total monthly amount invested.	
Do you earn any income from this work? <i>If yes, this needs to be disclosed under the division of work split above - see question C5.</i>	
If there is anything further you wish to add regarding money market investments please add here	

C.12. Management of Third Party funds (apart from Money Market Facilities) and/or any investments for clients

Information should include details in relation to any management of third party funds apart from money market, e.g. acting as executor / curator etc.

Name the persons who have authority to make transactions, add a new beneficiary and change bank account numbers in respect of this facility?	
Is a minimum requirement that at least 2 of the authorised signatories (with 1 being a Partner / Director) authorise transactions, add a new beneficiary and change bank account numbers?	
If any funds are transferred to Third Parties, what are your procedures / processes, i.e. How are instructions received from clients and how are these verified?	
What is the estimated total amount of third party money under your control? If amounts vary, please provide an average monthly figure.	
Do you earn any income from this work? <i>If yes, this needs to be disclosed under the division of work split above - see question C5.</i>	
If there is anything further you wish to add regarding money market investments please add here	

C.13 Financial Controls in respect of the theft of the Firm's own funds.

- a. Is the firm currently insured for Fidelity cover through another Insurer? **Yes / No**
 If so who is the Insurer? _____
- b. Have any insurers ever cancelled or refused to accept or continue any Fidelity Insurance / Theft of Funds cover for the entities to be insured? **Yes / No**
If Yes, please provide details on a separate sheet
- c. Is any employee allowed to sign a cheque on their signature alone and / or have access to internet banking passwords? **Yes / No**
If "Yes" please provide the names and designations of the relevant persons:-

- d. Over the past 5 years have any of the entities to be insured sustained any loss through the fraud or dishonesty of any partner or employee? **Yes / No**
If Yes, please provide details on a separate sheet.
- e. Do you know of any potential loss as a result of fraud or dishonesty of any partner or employee? **Yes / No**
If Yes, please provide details on a separate sheet.
- f. How often are entries in the Cash Book checked with the vouchers and reconciled with the Bank Statements?

- g. Who does the checking? _____
- h. Apart from petty cash cheques, are all cheques made out in favour of ultimate suppliers? **Yes / No**
 If Yes, please provide details: _____

D - COVER REQUIRED

- D1.** Limit of liability / Indemnity Limit: R _____
 Alternatives: 1: R _____
 2: R _____
- D2.** Excess / First Amount Payable: R _____
- D3.** Retroactive Date: _____

Is there any additional material information that you feel should be provided in order for Insurers to better determine the rate and analyse your risk exposure?

DECLARATION

I/We hereby declare that the above statements and particulars contained in this Proposal are true and complete, that at the present time, other than as stated, I/We have no reason to anticipate any claim under the insurance now being requested.

I/We agree that this Proposal and declaration, together with any other information supplied by me/us, shall form the basis of any contract of insurance effected between me/us and the Insurers, and shall be incorporated therein..

I/we undertake to inform the Insurers of any material alteration to these facts, whether occurring before or after completion of the contract of insurance.

Signed at _____ on this _____ day of _____ 20____

Signature on behalf of the Proposer

a duly authorised signatory

Capacity / Designation of signatory
(must be a director / partner)
