



## **Professional Indemnity Insurance**

## **Design & Construction Proposal Form**

## **THE INSURANCE ACT AND THE DUTY OF FAIR PRESENTATION**

The Insurance Act provides clarity around what information a purchaser of insurance has to provide to the insurer, which of their staff is responsible for doing that and to whom they have to provide it. The new duty is now described as a 'duty of fair presentation', effectively requiring non-consumer policyholders to undertake a reasonable search of information available to them, and defining what a policyholder knows or ought to know. It is important to note that 'entering into an insurance contract' includes not only the main policy and each renewal of it, but any variations or amendments. Each time a contract is varied, the duty arises afresh in relation to that variation.

### **Fair Presentation and Material Circumstances**

Before the insurance policy takes effect you have a duty to make a fair presentation of the risk to be insured under the insurance policy.

A *fair presentation of the risk* is one:

- which;
  - a) discloses to the Insurer every material circumstance which the proposer knows of or ought to know of, or failing that;
  - b) disclosure which gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purposes of revealing those material circumstances; or
- disclosure which would be reasonably clear and accessible to the Insurer; and;
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

The proposal form will form the basis of a contract between you and the Insurer. Inaccuracies or misrepresentations could lead to the policy being voided, and/or a claim being refused. If you have any doubt whether particular information or a material circumstance is relevant to Insurer's ability to underwrite your application for insurance, you should declare the information as soon as possible. A *material circumstance* is one that would influence the Insurer's decision as to whether or not to agree to insure you. If you are in any doubt as to whether a circumstance is material, you should immediately disclose it to the Insurer.

### **Remedies**

Importantly, the Act introduces a new system of proportionate remedies where the duty to make a fair presentation has been breached. The ability to avoid will be retained in some cases where the insured breaches the duty to make a fair presentation in relation to disclosure/misrepresentation – see brief details below of how Remedies will apply.

#### **Remedies for Material Non-Disclosure or Misrepresentation**

Consequences of a deliberate or reckless breach may be:

- a) the insurer may avoid the contract and refuse all claims; and
- b) need not return any of the premiums paid

For example, an insured deliberately conceals known and material information from its presentation of the risk and does not even provide sufficient information to put the insurer on enquiry, making it an unfair presentation. This entitles avoidance but with no obligation to return premium.

#### **Proportionate Remedies; for non-deliberate or reckless breaches**

1. If the insurer would not have entered into the contract on any terms: the insurer may avoid the contract and refuse all claims but must in that event return the premiums paid.
2. If the insurer would have entered into the contract but on different terms (other than terms relating to the premium): the contract is to be treated as if it had been entered into on those different terms if the insurer so requires, even if the insured would never have accepted such terms.
3. In addition, if the insurer would have entered into the contract but would have charged a higher premium (whether the terms relating to matters other than the premium would have been the same or different): the insurer may reduce proportionately the amount to be paid on a claim.

In sub-paragraph (3) above, 'reduce proportionately' means that the insurer need only pay on the claim X% of what it would otherwise have been under the terms of the contract (or, if applicable, under the different terms provided for by virtue of paragraph 2, because 2 and 3 can apply together). The calculation is as follows:

$$X = \frac{\text{Premium actually charged}}{\text{Higher Premium}} \times 100$$

#### **Insurers Remedies for Fraudulent Claims**

The Act provides the insurer with clear statutory remedies when a policyholder submits a fraudulent claim. If a claim is tainted by fraud, the policyholder forfeits the whole claim, they cannot recover the part of the claim that would genuinely have been payable.

The Act also provides that the insurer may refuse any claim arising after the fraudulent act and can serve notice that it is treating the contract as terminated from the date the offence was committed. However, previous valid claims arising prior to the fraudulent act are unaffected.

The insurer need not return premium following notice of termination based upon the submission of a fraudulent claim.

**If you need further clarification on the Insurance Act 2015 please do not hesitate to contact your Broker.**

## Guide to Completing this Proposal Form

When submitting this proposal form to your Broker or The PI Desk, please make sure 'YOU' ('you' means the proposer/the firm, your staff and/or appointed agents entitled to indemnity under this insurance contract) answer all questions fully leaving no blank spaces (if necessary comment as N/A, 'not applicable' or 'none'). If the form is not satisfactorily completed we will not provide any terms but may make further enquiries of you or will automatically decline.

If there is insufficient space to complete all answers, please continue at the end of the form or provide additional information on the firms headed paper. Providing as much information as possible will help underwriters to understand the business and enable Insurers to offer terms quickly. Failure to provide underwriters with relevant information in an appropriate manner may adversely influence the ability of Insurers to offer suitable terms.

The form must be signed and dated by a Director, Partner or Principal or an identified Officer of the proposing entity.

Insurance coverage is not effective until the underwriters and/or Insurers have underwritten and accepted this proposal form, any subjectivities have been satisfied and the terms (or special terms) offered to the proposer have been accepted in writing.

If the proposer has not been trading for at least 3 years in this profession, please enclose CV's of all Directors, Partners and/or Principals. If the proposer is a new start-up please provide full details of past experience, qualifications along with the CV's.

Where available, email addresses, web site addresses, brochures, the proposer's standard contract conditions and/or agreements should be provided to assist the underwriting process.

### Claims and/or Claims Circumstances

If the proposing firm has received any complaint(s) or claim(s) or is aware of any circumstance(s) that may give rise to a claim please provide full details and forward a complaints/claims log in a durable format which has been fully completed; is up to date and which should incorporate all complaints/claims from inception of the business. Please also include any complaints/claims notified to any predecessor firm and/or whilst conducting business for or on behalf of any other firm.

Professional Indemnity (PI) policies respond on a claims-made basis, which means that cover is only provided for matters arising where Professional Indemnity Insurance is in force at the time of the notification of a complaint or claim to Insurers. Where a retroactive date is noted on the policy certificate/schedule, then no cover is provided for any matter arising from business conducted prior to the retroactive date. If a PI policy is allowed to lapse at renewal or mid-term due to unpaid premiums then cover is automatically cancelled and no cover is provided in any event.

Please note that Professional Indemnity Insurance schedules/certificates are issued as annual contracts and you cannot cancel the Insurance mid-term unless specifically agreed by Underwriters.

### New Business Start Up Venture

If this proposal form relates to a new business startup, please complete the questions by giving your best estimated information for your first year of trading. When estimating your projected fee income, we recommend that you provide a realistic estimate of what you think is achievable based on your business plan. If you exceed your projections the policy cover/limits can be amended.

### Retroactive Cover

It is very important that you provide details of any retroactive date applying to your business. Where a retroactive date is stated on your expiring policy schedule, this will be applied on the quotation document and thereafter the policy schedule. In this event, the policy will only provide indemnity for claims arising from activities/work declared to the Insurer and which has been undertaken on or after the retroactive date shown. It is your responsibility to ensure that there is no work or liabilities arising from work undertaken prior to the retroactive date which needs to be covered under your policy.

### Predecessor Companies and/or Partners, Principals Previous Businesses

If cover is required in respect of liabilities arising out of predecessor companies or any partners, principals previous businesses, please include full written details within the proposal form. If there is insufficient space to provide this information, please include an additional page, covering letter or email with full details.

### Limits of Indemnity

You must arrange and maintain a limit of indemnity that is adequate to meet any claims that may be brought against you both now and in the future. If you are subject to a minimum requirement by your professional body you must not take this as being adequate and the level of cover should meet the protection requirements of you and your business. We can provide quotations for any limit you request you will not accept any responsibility for the choice you make. If you are in any doubt as to what limit of indemnity will meet your business needs then please discuss this with your broker.

### Independent Consultants

If you use the services of independent self-employed consultants to provide professional services on your behalf, you must check that they are adequately qualified and that they hold their own Professional Indemnity Insurance that carries a limit of indemnity at least equal to your own. If they do not hold Professional Indemnity Insurance (or their own policy is inadequate) you can arrange to insure them under your own policy but this would be subject to full details of the appointed consultants and may be subject to additional premium being charged. Please include CV's including relevant qualifications of those individuals requiring cover.

**If you require any assistance in completing this form please contact your Insurance Broker in the first instance.**

**Please note that we will communicate with you preferably by email so please provide a valid and regularly used email address.**

## Submission / Contact Details

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Email the completed form to the Insurance Intermediary/Broker dealing with your Professional Indemnity Insurance

Alternatively if you are dealing with the PI Desk Ltd, email to: [enquiries@thepidedesk.co.uk](mailto:enquiries@thepidedesk.co.uk)

Fax to: 0114 242 2372 or

Post to: The PI Desk Ltd, Suite B, Sheffield Business Centre, Europa Link, Sheffield, South Yorkshire, S9 1XZ

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For all Underwriting queries call on: 0114 242 1176

Larger cases, claims or technical queries contact: [roger.crowther@thepidedesk.co.uk](mailto:roger.crowther@thepidedesk.co.uk)

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# Professional Indemnity Proposal Form Design & Construction

Please print your answers clearly to assist the Insurers' consideration of the proposal

## 1 – General Information

Contact Name	
Name of Firm to be Insured	
Main Trading Address	
Date firm established	
Address of all other offices requiring cover	
email:	
Telephone:	
Mobile:	
Fax:	
Web Site:	

Is the Firm Associated directly with any other Firm(s)? - If "Yes" please give details of the relationship(s).

In respect of all Principals, Partners or Directors please give the following details:

Names of Principals / Partners / Directors	D.O.B	Qualifications	Date Qualified	Number of years in this capacity (in this firm)

Please give staff numbers:	Principals / Partners / Directors	
	Employees	
	Consultants	
	Administrative & Others	

## 2 - Gross Income / Fees – Financial Information

a) What date is your current trading Financial Year end (day/month/year):

Please give the amount of anticipated Gross Income / Turnover / Fees to be received for your current trading year, the income received from your last 3 financial years (from audited accounts) and also an estimated/projected income for your next financial year from business conducted in the following territories – it is important you complete the whole 5 year period.

*If you are new business please estimate your income based on your target market or anticipated contracts.*

Year Ending dd/mm/yyyy	UK	USA/Canada	Elsewhere	Total
Current year/projected ending	£	£	£	£
Last full Financial Year ending	£	£	£	£
Previous Financial Year ending	£	£	£	£
Prior Financial Year ending	£	£	£	£

What is the projected total turnover for your next financial year	£	£	£	£
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In support of this proposal, please feel free to provide a detailed description of the type of work you undertake including any specialisations and whether you need to have Professional Indemnity Insurance cover to satisfy any specific contractual requirements

### Cladding

Have you EVER been involved directly or indirectly with the planning, installation or supervision of ANY cladding/facades/rain screen work or contracts - If YES please provide brief details below and include: The Project, Type of Work, Type of Cladding, Height of the project/number of floors, City, Total Contract Value, Firms own Income/Contract Value, the Start date and the Completion date. (or on a separate sheet)

Yes  No

### Swimming Pools/Basements

Have you EVER been involved directly or indirectly with the planning, installation specification, design, alteration, surveying or given any advice relating to material choice or have project managed any Swimming Pools / Basement work or extensions? If yes please provide full details below including Total Contract Value, Firms own Income/Contract Value, the Start date and the Completion date. (or on a separate sheet)

Yes  No

### 3 – Division or Work / Contract details

Please provide the percentage split of the main activities of the Firm in respect of the past 12 months or if a new start-up the projected income for the forthcoming 12 months:

	Civil Engineering		%
	Electrical Engineering		%
	Structural Engineering		%
	Mechanical Engineering		%
	Heating & Ventilation Engineering		%
	Insulation and Thermal Engineering		%
	Chemical Engineering		%
	Nuclear Engineering		%
	Renewable Energy Engineering	a) Solar Energy	%
		b) Wind Power	%
		c) Hydro Power	%
		d) Geothermal Energy	%
		e) Biomass/Sustainable Biofuel	%
	Architectural		%
	Project Managing/Project Leader		%
	Building / Construction		%
	Interior Design/Refurbishment		%
	Town Planning and/or Feasibility Studies		%
	Quantity Surveying		%
	Other work (PLEASE SPECIFY)		%
	<b>Total</b>	<b>100</b>	<b>%</b>

In respect of the above Professional Activities, please provide percentage split of the types of contracts undertaken and/or commenced in the past 12 months or if a new start-up projected split for the forthcoming 12 months:

	Residential Housing (2/3 Floors)	%
	Commercial Buildings and/or Offices	%
	High Rise Building	%
	Schools, Municipal Buildings	%
	Hospitals – General areas (excluding Critical Support areas)	%
	Hospitals – Critical Support areas, Theatres and Clean Rooms	%
	Commercial Refrigeration/Cold Storage Rooms	%
	Hotels, Leisure and Sports Centres	%
	Funfairs, Rides and other Amusements	%
	Swimming Pools and/or Water Parks	%
	Basement contracts (installation or alterations/modifications)	%
	Foundations and Underpinning	%
	Industrial Systems Building, Warehousing & Factories	%
	Telephony/Mobile Networks	%
	Sustainable Energy Installations Onshore	%
	Sustainable Energy Installations Offshore	%
	Grid Work, High Voltage Electrical Supply, Distribution Network	%
	Mains Voltage Supply & Distribution, Sub Stations, Domestic Electrical Supply etc.	%
	Bulk Handling	%
	Roads, Highways, Motorways, Multi Storey Car Parks (provide more info at the end of the form)	%
	Bridges/Flyovers	%
	Dams/Mines	%
	Flood Prevention/Water Diversion	%
	Sewerage/Water Processing	%
	Nuclear/Chemical/Refineries	%
	Harbours/Jetties	%
	Other work (PLEASE SPECIFY)	%
	<b>Total</b>	<b>100 %</b>

**4 – Details of past and future Work / Contract details**

Please list your five largest contracts in the last 5 years:

Start Date	Name of Client	Nature of Contract	Total Contract Value	Income to You	Contract Period
			£	£	
			£	£	
			£	£	
			£	£	
			£	£	

Please provide details of the 3 largest contracts planned to commence in the next 12 months

Start Date	Name of Client	Nature of Contract or services provided	Total Contract Value	Income to You	Contract Period
			£	£	
			£	£	
			£	£	

**PLEASE ALSO PROVIDE A FULL DESIGN AND CONSTRUCT SPLIT AS DETAILED ON THE FOLLOWING PAGE**

## 5 – Design and Construction Split

### DESIGN AND CONSTRUCT SPLIT TURNOVER

**In the Last 12 months**

a) Turnover where you carry out construction / installation and you are responsible for the design\* and technical services and the design\* is undertaken by your own partners, directors or employees.

£

b) Turnover where you provide the design & technical services as above but where no construction or installation is carried out by you.

£

c) Turnover where you carry out the construction / installation and you are responsible for the design\* and technical services but the design\* is undertaken by third parties appointed by you and on your behalf.

£

d) Turnover where you carry out the construction / installation but have no responsibility for any aspect of the design\* - i.e. you work to others designs\* and technical services provided by your clients or the main contractor with no design\* input from you at all.

£

e) Turnover where you manufacture and construct only.

£

f) Other Turnover not listed above. Please give details

£

**TOTAL TURNOVER** £

\*Design means any design or specification, feasibility study, technical information calculation or survey carried out in relation to a contract. Construct can mean build, install, erect, fabricate etc

**If you have conducted or due to start any contracts/work overseas PLEASE SPECIFY below:**

Country	Name of Client	Nature of Contract	Start Date	Contract Period
1.				
2.				
3.				

**In respect of any business noted above please detail the income or projected income**

	Unusual Features of the Contract	Total Contract value £	Fee Income £
Contract 1		£	£
Contract 2		£	£
Contract 3		£	£

Please give details of any new major overseas operations already planned or commencing during the next two years



## 6 – Risk Management

- 1) - Do you take steps to ensure that you adequately understand your client's requirements?      Yes       No
- 2) - When engaging with customers, do you issue standard terms of business, form of contract or engagement agreement in every case? – please provide a copy      Yes       No
- 3) - Do you always obtain written references when engaging new partners, directors, employees or agents?      Yes       No
- 4) - Do you ensure that all cheques issued by the firm in respect of the business are signed by more than one partner or director      Yes       No

If No to questions 1 to 4 above please provide details

- 5) - Have you at any time entered into Contracts under Seal or signed collateral warranties?      Yes       No
- 6) - Does the Proposer engage in Contracts involving prototype construction or materials?      Yes       No
- 7) - Have you ever undertaken a contract as a member of a consortium or joint venture?      Yes       No
- 8) - Have you, ever, failed to complete a project? If yes, please explain the reason and type of project below      Yes       No
- 9) - Have you ever undertaken a contract which forms part of a PFI (Private Finance Initiative) or PPP (Public Private Partnership) project?      Yes       No
- 10) - Is the individual Firm or any Partners, Principal or Director connected or associated (financially or otherwise) with any other Practice, Company or Organisation?      Yes       No
- 11) - Has the Proposer or any Partner, Principal or Director been a Partner, Principal or Director or been associated with any business which has ceased trading either voluntarily or compulsorily?      Yes       No
- 12) - Has the business discharged any employee or severed any relationships with any partner or director within the last 5 years?      Yes       No

If Yes to questions 5 to 12 above please provide details

13) - Please comment on any features of your work that will be conducted in the next 12 months that may affect or change the structure or activities of the proposing firm, the proposed risk and / or will dramatically increase income:

## 7 – Associated Companies

Does the Proposer undertake work for any Partnership, Company or Organisation in which he/she or any Partner, Principal, Director or Employee holds a position whereby he/she is able to make major decisions on behalf of such Partnership, Company or Organisation? Yes  No

Is the individual Firm or any Partner, Principal or Director connected or associated (financially or otherwise) with any other Practice, Company or Organisation? Yes  No

Has the Proposer or any Partner, Principal or Director been a Partner, Principal or Director or been associated with any business which has ceased trading either voluntarily or compulsorily? Yes  No

If Yes to any of the above please provide details

What percentage of income (in any) is derived from Associated Companies as detailed above?  %

Is cover required for any work for any Associated Companies? (Cover is restricted to claims made by independent third parties) Yes  No

## 8 – Sub Contractors

Does the firm engage or use independent specialist consultants or sub-contractors? If No proceed to next section Yes  No

If Yes please confirm the level of indemnity you require them to hold.  £

If Yes please describe the nature of the majority of work conducted by these specialist consultants or sub-contractors

## 9 – Previous Coverage

Has this business been previously insured for professional Indemnity? Yes  No

How many years have you held continuous cover?  Years

Or what year did you last hold cover?

Please provide details of current or last insurer below

Name of Insurer:

Limit of Indemnity (state whether aggregate or any one claim basis) £

Self Insured Excess: £

Renewal Date:

If previously insured, please provide your Retroactive Date:

Annual Premium paid: £

Please attach a copy of your current schedule if this is easier

**You must answer this question** - Has any Insurer ever declined to offer terms, imposed special terms or cancelled or voided any Insurance for the Firm, predecessor F or any Principal, Partner or Director? If Yes  No   
 "Yes" please give full details.

If yes please provide details:

## 10 - Limit of Indemnity required for this insurance

Please tick the level of indemnity required:

£250,000  £500,000  £1 million  £2 million  £5 million  Other  £

Please insert the level of excess you require – (this is the amount you pay on each claim) £

(Underwriters will require minimum limits and excesses, depending on size and type of work undertaken)

## 11 – Claims History

Has any complaint or claim whether successful or not, **ever** been made against this firm/organisation or its predecessors in business or any past or present Partner, Principal, Director or Employee (whether previously Insured or not)? Yes  No

If "Yes", please give full details (attach a complaint schedule if this is easier) including dates, amounts involved, brief details of the nature of the claim and whether settled or outstanding?

Name of Claimant	Reason	Outstanding /Closed	Amount Settled
			£
			£
			£

Has the business sustained any loss during the past 10 years as a result of the fraud or dishonesty of any partner, director or employee of the business? (if Yes please provide full details) Yes  No

Are you or any of the Partners, Principals, Directors or Employees, **AFTER FULL ENQUIRY**, aware of any circumstance which may result in any claim being made against the Proposer, its predecessors in business or any past or present Partner, Principal, Director or Employee? If Yes please provide full details Yes  No

Please provide more information that you feel is necessary at the end of the form

**12 - When do you want this Insurance to start  
(Insert start date or tick one other box - do not backdate)**

Start Date:

Or on renewal date of existing TPIDL PI Insurance

Or T.B.A.

**13 – Declaration**

Please read the following carefully

**Data Protection**

At The PI Desk Ltd we recognise our responsibility to treat your personal information with care and to comply with all relevant legislation. For full details please refer to our Privacy Notice which governs how we use and protect your personal information. The Privacy Notice will be provided with any quotation but in the meantime it is available on request or can be obtained from our website [www.thepidest.co.uk](http://www.thepidest.co.uk).

**Duty of Fair Presentation and Disclosure Material Circumstances:**

Since an Insurance Contract is based upon the **Duty of Fair Presentation**, it is important that those seeking Insurance should provide full disclosure of any material circumstance to Insurers and that any changes to this information should be updated throughout the period of insurance. The Courts will find a circumstance to be 'material' where it would affect the judgement of a prudent Insurer as to whether or not to accept the risk at the particular terms offered. You are reminded that if you are in doubt whether or not any circumstance is material we recommend that you disclose the information to Insurers.

**Declaration**

I hereby confirm that I am authorised to complete this proposal form on behalf of all parties entitled to coverage under this insurance and understand that signing this proposal form does not bind the Proposer or the Insurer to complete and/or enter into any binding contract of insurance.

I declare that all Principals, Partners and/or Directors have read, understood and agreed that all the statements and particulars given, including those answers written for me by any other person and that to the best of my/our knowledge and belief, the contents of this proposal form, all attached additional information and other particulars which have been given separately to Underwriters and/or Insurers by me or our agents are true and complete and that no material circumstances have been omitted, suppressed, misrepresented, or misstated.

I agree that this proposal form, any additional information supplied and this declaration shall be the basis of the contract between all parties entitled to coverage under this insurance and the Insurers and I undertake to pay the premium when asked to do so.

I undertake to inform the Insurers of the change to any material circumstance that occurs prior to the point at which this insurance contract has been agreed and/or prior to the inception of the policy.

I agree that Underwriters and/or the Insurers may contact any previous Insurers for further information and/or clarification if

Full Name:	<input type="text"/>	Position:	<input type="text"/>
Signature:	<input type="text"/>	Date:	<input type="text"/>

N.B. APPLICATIONS MUST BE SIGNED WITHIN 30 DAYS OF THE PROPOSED START DATE AND CANNOT BE BACK DATED

***Please take a couple of minutes to check the information on the proposal form and save a copy for your records***

Please use this space for additional information