



Professional Indemnity Insurance Intermediaries (Non-Commercial)

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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.

Non-Investment Insurance Intermediaries - Guide to Completing this Proposal Form

When submitting this proposal form to your Broker or to The PI Desk, please make sure 'YOU' ('you' means the proposer/the firm & its staff 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

If this is the first time you are submitting a proposal to The PI Desk, 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 your regulatory requirements and 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.

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

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@thepidesk.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

For all Underwriting queries call on: 0114 242 1176

Larger cases, claims or technical queries contact: roger.crowther@thepidesk.co.uk

Fees/Commissions/Income - please state n/a for years where no income is/was received

Please confirm the date of the firms next financial year end.

11. Please give the amount of the firms total gross Brokerage / Commission / Fee income received for the current financial year (estimated) as well as the last 3 financial years shown in prepared accounts from all business conducted.

	Year end - DD/MM/YYYY	Gross Fee Income
Current Financial Year (Projected to next financial year end)		£
Last Complete Financial Year		£
Previous Year 1		£
Previous Year 2		£

Split of Business Details

12. In respect of the above declared income(s) please state the percentage split of business in relating to the following activities conducted in the last financial year - if you are a new start up business show projected number in your target market for the next 12 months. (Please ensure the total equals 100%).

Insurance Business Split – Non Investment Insurance Contracts

Percentage of Income

General Insurance (Home Insurance/Buy to Let Insurance/other Personal lines)	<input style="width: 90%; height: 20px;" type="text"/> %
General Insurance (Motor)	<input style="width: 90%; height: 20px;" type="text"/> %
Pure Protection Plans – Term Life, DTA, CI, PHI etc	<input style="width: 90%; height: 20px;" type="text"/> %
Private Medical/Healthcare Insurance (Individual)	<input style="width: 90%; height: 20px;" type="text"/> %
Private Medical/Healthcare Insurance (Group/Schemes)	<input style="width: 90%; height: 20px;" type="text"/> %
Payment Protection Plans (PPI, ASU, MPPI etc)	<input style="width: 90%; height: 20px;" type="text"/> %
Short Term Income Protection	<input style="width: 90%; height: 20px;" type="text"/> %

Insurance Business Split – Commercial Insurance- (a supplementary questionnaire will be sent to you)

Commercial Property	<input style="width: 90%; height: 20px;" type="text"/> %
Commercial Liability	<input style="width: 90%; height: 20px;" type="text"/> %
Other: General or Commercial Insurance – please describe	<input style="width: 90%; height: 20px;" type="text"/> %
	100 %

Please Note that no cover will be provided for any single premium PPI or Commercial Insurance unless otherwise agreed

13. Does the firm conduct any business overseas? If yes provide details below or at the end of the form

Yes No

If Yes please provide further information

Risk Management

14. Is full training provided for all staff conducting General Insurance business? Yes No

15. Can you confirm that all staff conducting Insurance business hold the relevant regulatory qualifications and/or have the relevant experience? Yes No

16. If the firm uses a system(s) to transact its insurance business please list here.

17. Does the firm operate a robust renewal and diary system with adequate controls to identify any failings when transacting and/or renewing all its Insurance business? Yes No

18. Does the firm have adequate administrative cover in place in the event of sickness or holidays to deal with renewals and / or claims? Yes No

Commercial Insurance:

19. Does the firm conduct any Commercial Insurance business? – if No proceed to the Client Money section below Yes No

20. Does every member of staff conducting Commercial Insurance business hold the relevant/appropriate qualifications or have at least 3 years relevant experience? Yes No

21. If Yes, Please indicate the approximate percentage split between General and Commercial business conducted?

General	%
Commercial	%

22. What is the largest Commercial Property sum insured arranged in the last financial year? £

23. What is the largest Liability case conducted in the last financial year? £

24. Has the firm ever conducted any Marine, Aviation, Reinsurance business or hold binding authorities for any class of Insurance business? If Yes please provide full details at the end of the form. Yes No

Client Money:

25. Does the firm have FCA permissions to hold client money in respect of Insurance business? Yes No

26. If 'Yes' - is client money kept in a separate statutory or non-statutory client trust account with the relevant trust deeds and co-mingling agreements in place? N/A Yes No

27. If the firm holds client money, does the firm have full Risk Transfer agreements in place for all its General Insurance agencies? N/A Yes No

Additional Information

Compliance & Risk Management

28. Does the firm comply with the principles, rules and guidelines as set out by the Financial Conduct Authority and where applicable with the principles, rules and guidelines as set out by any previous regulator? (If **No** please provide full details on the firms processes at the end of the form). Yes No

29. Please provide the name of the person in the firm that deals with Compliance issues:

30. Does the firm employ the services of a Third Party Compliance Firm? If Yes please provide the name of the Third Party Compliance Firm and the services they provide. Yes No

31. What is the percentage of client files checked by your Compliance Firm? N/A %

32. Does your Compliance Firm deal with client complaints on your behalf? N/A Yes No

33. Can you confirm that you will undertake KYC checks as required by the FCA and that the result of such checks will be held on file? Yes No

34. Has the firm ever conducted or intends to conduct business with any clients connected with Russia, Belarus or the Ukraine and/or connected with Russian Oligarchs and/or with any Politically Exposed Persons and/or with anyone from Sanctioned countries? Yes No

35. Has the firm or any individual ever faced an investigation, disciplinary action or has its/their authorisation ever been suspended, withdrawn or declined by the Financial Conduct Authority or by any other regulator or trade body? (If **Yes** please provide full details at the end of the form). Yes No

36. Where required, does the firm have adequate procedures/checks in place to ensure that all sales files contain, for example, suitability letters, know your client questionnaires, product disclosure documents adequate risk warnings? Yes No

37. Does the firm keep all client sales files and associated documentation indefinitely in a durable format? (If **No** or if the firm has lost, destroyed or has no access to certain files please provide full details). Yes No

38. Has the firm ever provided advice on or transacted any Pension or Investment business irrespective of whether such business was regulated or not? Yes No

If yes please provide details:

Changes to Business:

39. Have any major changes in the firms activities/structure taken place in the past twelve months? Yes No

40. Are any major changes in the firms split of activities/structure which may dramatically increase the firms fees/expected growth in the next twelve months? Yes No

41. Is cover required for any previous activity, now ceased, which is different from that declared within the Proposal Form? Yes No

If Yes to any of the above three questions please provide further information

Existing Professional Indemnity Insurance

42. Has the firm previously been insured for professional indemnity?

Yes No

Name of Insurer:

Limit of Indemnity:

£

Excess

£

Renewal Date:

Premium Paid:

£

Retroactive date: (from expiring policy schedule if previously insured)

43. When do you want this insurance to start?

Start Date:

Or on renewal date of your existing or PI Desk Insurance Contract

Or T.B.A.

Claims & Circumstances

44. Has the firm ever received any complaints (including third party enquiries and/or subject access requests) in relation to any business conducted? - If 'Yes' please provide information in the supplementary sheet at the end of the form or provide your up to date complaints register.

Yes No

45. Have any claims for any negligent act, error or omission been made against the firm, its predecessors in business or any present or past partners, principals, directors or employees?

Yes No

46. Has the firm suffered any loss as a result of the fraud or dishonesty of any past or present partner, principal, director or employee or self-employed person?

Yes No

47. Are any of the partners, directors, principals or employees, after full enquiry of all areas of the proposer's business, aware of any circumstances that may give rise to a claim against the firm, its predecessors in business or any present or past partner, principal, director or employee?

Yes No

48. Has any previous insurer:

a) Declined a proposal for renewal for this firm or any director / principal / partner?

Yes No

b) Imposed special terms?

Yes No

c) Cancelled any insurance?

Yes No

If Yes to any part of this question - please give full details below or on the Supplementary sheet at the end of the form

Notice to the Proposer

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.thepidesk.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 required.

Signed for and on behalf of the firm by:

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***

Supplementary Sheet - Details of any claims / potential claims

If easier please provide a copy of your complaints/claims register

Date notified	Details of claimant / circumstance	Reserve and date set	Quantum (if reserve not known)	Payment and when paid	Open / Closed

Cause / alleged cause

Date notified	Details of claimant / circumstance	Reserve and date set	Quantum (if reserve not known)	Payment and when paid	Open / Closed

Cause / alleged cause

Date notified	Details of claimant / circumstance	Reserve and date set	Quantum (if reserve not known)	Payment and when paid	Open / Closed

Cause / alleged cause

Date notified	Details of claimant / circumstance	Reserve and date set	Quantum (if reserve not known)	Payment and when paid	Open / Closed

Cause / alleged cause

Supplementary Sheet – Additional Information

Please provide as much detail as possible when providing additional information