



*Philadelphia Insurance Companies*  
 One Bala Plaza, Suite 100  
 Bala Cynwyd, Pennsylvania 19004  
 800.873.4552

## ACCOUNTANTS' PROFESSIONAL LIABILITY INSURANCE APPLICATION

<b>OFFICE USE ONLY</b>
<input type="checkbox"/> New Application
<input type="checkbox"/> Renewal Application

Your Current Policy Number: \_\_\_\_\_

Coverage is provided on a "Claims Made and Reported" basis; therefore, only claims which are first made against your firm during the policy term and reported to the Company in writing during the policy period or within 60 days thereafter, are covered, subject to policy provisions.

**PLEASE COMPLETE APPLICATION IN INK.**

Firm Name: _____			
Contact Person: <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. _____			
Address: _____		Mailing Address _____	
Street Address	Mailing Address		
City _____	State _____	Zip _____	County _____
Telephone: (____) _____		Fax: (____) _____	
<b>PLEASE ATTACH A COPY OF YOUR FIRM'S LETTERHEAD</b>			

**VERY IMPORTANT:** Please note that if you mark "No" to any of questions 1-3, you MUST complete the numbered Supplement to the right of the box (Supplements attached).

1. A principal of our firm is a licensed CPA and our firm is in public practice.  Yes  No (5)
2. Our firm, its predecessor, employees or past owners have had **fewer** than **two claims** or **potential claims** in the past five years **AND** any amounts paid or reserved (if applicable) totaled less than \$5,000.  Yes  No (1)
3. Does your firm have screening procedures for new clients and disengagement procedures for terminating client relationships?  Yes  No (5)  
 If Yes, is it in written form and consistently used by all employees?  Yes  No (5)

**VERY IMPORTANT:** Please note that if you mark "Yes" to any of questions 4-19, you MUST complete the numbered Supplement to the right of the box (Supplements attached).

4. We **have performed** government audits in the past three years.  Yes  No (2)
5. In the past three years, has your firm **performed** professional services for a client in which any past or present partner, principal or shareholder of your firm:
  - a. owns or has owned more than 10% equity or financial interest in that client?  Yes  No (5)
  - b. serves or has served as an officer, director, manager or general partner of that client?  Yes  No (5)
6. Does any member of your firm **provide services** as an Attorney, Realtor, Insurance Agent, Securities Broker or in any other **non-accounting** professional capacity?  Yes  No (5)
7. Has there been any **change** in your **firm's name** or **structure**, including **acquisition, merger** or **dissolution** in the past 5 years?  Yes  No (5)

8. Has your firm performed services for **publicly traded** companies or **SEC** engagements in the past five years?  Yes  No (3)  
 If Yes, are the services other than **tax** only?  Yes  No (3)
9. Has your firm performed **financial institution (including credit unions) audits/directors exams** in the past five years?  Yes  No (4)
10. Does your firm **administer** funds under the guidelines of **ERISA**?  Yes  No (5)
11. Does your firm or a member of your firm act as a **Trustee, Receiver** or an **Executor**?  Yes  No (5)
12. Does your firm have any discretionary control over client funds for **investment** or **disbursement**?  Yes  No (5)
13. Has your firm **sued** to collect unpaid fees in the past three years?  Yes  No (5)
14. Does your firm **develop, distribute, or sell** computer hardware or software products or provide computer services other than to support your clients' accounting functions?  Yes  No (5)
15.
  - a. Does your firm perform **projections** or **forecasts**?  Yes  No (5)
  - b. Does your firm participate in the organization, management, promotion or sale of any **investments** or **securities**?  Yes  No (5)
16. In the past five years, has your firm performed audits or reviews for any clients that were subsequently placed in **bankruptcy** or **receivership** or are currently in the process of filing for **bankruptcy** or **receivership protection**?  Yes  No (5)
17. In the past five years, has your firm or any partner, officer, principal or employee:
  - a. had his or her **accounting license** or authority to practice accounting suspended or revoked?  Yes  No (5)
  - b. been subject to **disciplinary action** by any state board of accounting, AICPA or state CPA society?  Yes  No (5)
  - c. been subject to any **fine, reprimand, criminal penalty** or **civil liability** related to performance of professional services?  Yes  No (5)
18. Has your firm or any member of your firm had a professional liability insurance policy **canceled** or **nonrenewed** (except for **Ins. Co. going out of this line of business**) by any insurance company?  Yes  No (5)
19. Having inquired of all officers, partners and employees, are there facts or circumstances which may result in a **claim** being made?  Yes  No (1)

20. We have \_\_\_\_\_ **total staff**. They can be categorized as follows:
- a. **Proprietors, Partners, Owners and Officers:** \_\_\_\_\_
  - b. **Licensed CPAs**, excluding those listed in a. above: \_\_\_\_\_
  - c. Full-time non-CPA accounting professionals: \_\_\_\_\_
  - d. All other full-time employees: \_\_\_\_\_
  - e. Part-time employees and/or per diems (more than a total of 1000 hours per year): \_\_\_\_\_

21. Our fiscal year ends on (month/day): \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

22. Provide **Total Gross Billings**, defined as gross cash revenues, derived from your firm's professional accounting services for the **last fiscal year**. Please do not include direct recovery of expenses (overhead). \$ \_\_\_\_\_

23. Provide estimated total gross billings for the **current fiscal year**. \$ \_\_\_\_\_

24. Provide the approximate percentage of your gross billings (fees) received from each of the following types of engagements for the last fiscal year. **MUST TOTAL 100%**.  
**Also indicate whether your firm uses engagement letters for each engagement performed below by checking the YES or NO column.**

TYPE	%	YES	NO		%	YES	NO
Corporate Tax				Data Processing			
Individual Tax				Attestation			
Compilation				Corporate Financial Planning			
Bookkeeping				*Audit (Complete Supplement #2)			
Elder Care				SEC Work (Complete Supplement #3)			
MAS Services (Attach explan.)				Assurance Svcs (Attach explan.)			
*Review				Other (Attach explan.)			
Personal Financial Planning				Other (Attach explan.)			

**\*If you performed these services and answered "NO" to the use of engagement letters, or you do not update engagement letters annually, please complete question #24 on Supplement #5.**

25. How long does your firm retain work documents? \_\_\_\_\_ years

26. a. Does your firm undergo **peer** or **quality review**?  Yes  No  
 Date of last review: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  \*Qualified  Unqualified  
**\*Please attach all correspondence generated due to a Qualified (adverse) review.**

b. Number of staff who attended a loss control seminar in the past 2 years: \_\_\_\_\_  
 Sponsor of seminar: \_\_\_\_\_

**If you answer any part of question 27 "No," please complete Supplement 5.**

27. a. Has your firm developed and enacted a program to advise clients of the impact Year 2000 problems can have on the client's financial statements and operations?  Yes  No
- b. Do your financial statements, director's exams and management letters include any necessary disclosures on the impact of the Year 2000 issue on the client's financial condition?  Yes  No
- c. Our firm is not marketing its services to fix client computer problems involving the Year 2000 issue, and does not plan on offering such services.  Yes  No

27. d. Fully describe the steps you have taken to insure that your computer systems, hardware and software are year 2000 compliant. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Please answer the following questions.**

28. We currently carry professional liability coverage:  Yes  No If Yes, please list:  
 expiring Limit of Liability: \_\_\_\_\_; expiring Deductible: \_\_\_\_\_  
 expiring Premium: \_\_\_\_\_

29. Our current insurance company is: \_\_\_\_\_

30. Our current policy expires: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

31. We have carried continuous claims-made coverage for \_\_\_\_\_ years.  
**If 5 years or more, please attach a copy of your current Declarations Page.**

32. The Prior Acts/Retroactive date listed on our policy is: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

33. Our firm was established: \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

34. Optional Coverages:  EPLI Defense  D&O Defense

**COVERAGE SELECTION**

**Limit and Deductible options subject to Carrier standards**

**Desired Limit of Liability per Claim/Aggregate**

**Desired Deductible per Claim**

- \$100,000/\$300,000
- \$250,000/\$500,000
- \$500,000/\$1,000,000
- \$1,000,000/\$1,000,000
- \$\_\_\_\_\_ Other

- \$1,000
- \$2,500
- \$5,000
- \$10,000
- \$\_\_\_\_\_ Other

**Desired Effective Date** \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

The undersigned being authorized by, and acting on behalf of the Applicant and all persons concerned seeking this insurance, has read and understands this application and declares all statements set forth herein are true, complete and accurate. The undersigned further declares and represents that any occurrence or event taking place prior to the issuance of the policy applied for, which may tender inaccurate, untrue, or incomplete any statement made herein will be immediately reported in writing to the Company. The undersigned acknowledges and agrees that the submission and the Company's receipt of such written report, prior to the inception of the policy applied for is a condition precedent to coverage. The signing of this application does not bind the undersigned to purchase the insurance, nor does review of the application bind the Company to issue a policy. It is agreed that this application shall be the basis of the contract should a policy be issued. **Notice to all Applicants "Anti-Fraud" Warning:** Any person, who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. **Note:** Any claim or potential claim listed in response to Application questions 2 or 19, or any supplement, or of which any member of the applicant firm has knowledge prior to inception of any policy by Philadelphia Insurance Companies will be excluded from any policy which may be issued.

**We have completed the entire application and the following Supplements (check those that apply).**  1  2  3  4  5

Signature \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

**(This Application must be signed by an Owner, Partner or Principal of the Firm)**

*Return completed application to:*