



**Accountants PROtectSM
Professional Liability Insurance
New Business Application**

IMPORTANT NOTICE

THIS IS AN APPLICATION FOR A POLICY THAT IS WRITTEN ON A CLAIMS-MADE BASIS AND COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF EXERCISED. CLAIMS MUST BE REPORTED TO THE INSURER IN ACCORDANCE WITH THE REPORTING PROVISIONS OF THE POLICY. THE LIMITS OF LIABILITY SHALL BE REDUCED, AND MAY BE COMPLETELY EXHAUSTED BY AMOUNTS INCURRED AS DEFENSE COSTS. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE PROVIDED WITH YOUR INSURANCE AGENT OR BROKER.

BY COMPLETING THIS APPLICATION, THE APPLICANT IS APPLYING FOR COVERAGE WITH EITHER **COLONY INSURANCE COMPANY, COLONY SPECIALTY INSURANCE COMPANY** OR **PELEUS INSURANCE COMPANY**, AN AUTHORIZED SURPLUS LINES INSURER OR **ARGONAUT INSURANCE COMPANY**, A LICENSED INSURER.

APPLICANT'S INFORMATION

Legal Name Of Applicant:

Business Address:

City: State:

Zip Code:

Business Phone: Web Address:

Date Established: Policy Effective Date:

Risk Management Contact:

Sole Proprietor
 Partnership
 Corporation
 Professional Corporation
 LLC
 Other (describe):

CURRENT COVERAGE

1.	Carrier	Policy Period	Limit	Deductible	Premium
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

2. List all pre-existing entities, including name changes, acquisitions and mergers, date of existence and nature of the change. Attach additional details if necessary. Firms that are accepted for coverage will be listed on the policy.

Name of Predecessor Firm	Dates in Existence	Nature of Change

Is coverage desired for any predecessor Firm?

Yes No

If "Yes", please provide full details.

Are any significant changes in nature or size of applicant's firm anticipated in next twelve (12) months?

Yes No

If "Yes", please provide full details.

3. Retroactive Date (Prior Acts):

Has the applicant, predecessor in business or any person for whom coverage is requested had professional liability coverage declined, canceled, rescinded or non-renewed? (Missouri Applicants - Do not answer this question)

Yes No

If "Yes", please provide full details (if required, please attach additional sheet).

FIRM'S PRACTICE

4. Total Staff (include branch offices):

	Officers, Partners, Owners	Employees
CPA employees providing accounting services whose time is billable to clients		
Non-CPA employees providing accounting services whose time is billable to clients		
Other employees including clerical and non-accounting employees		
Total employees		

5. Gross Fees are defined as the exact dollar amount of gross income, including fees paid to sub-consultants, but not including interest, rental income, or direct recovery of expenses.

	Previous Fiscal Year	Current Fiscal Year	Projection for Next Fiscal Year
Gross Fees	\$	\$	\$

6. Provide the approximate percentage of billings generated in the last year by each of the following types of engagements, and if signed engagement letters are used with such services. (Note: Total must equal 100%)

Type of Engagement	Percentage of Billing	Engagement Letter Used
Bookkeeping Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Write-Up	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Payroll Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Individual Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Estate/Trust Tax Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilation/Attest Services/Write-Up	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Review	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Private Companies	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Public Companies	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Governmental, Municipal, Non-Profit	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Pension	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Management Advisory Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Litigation Support	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Investment Advice	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Valuations and Projections	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
ERISA	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
SEC Engagements Other Than Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Fiduciary Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Executor / Trustee Services (other than tax)	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Personal Financial Planning	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forensic Accounting	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Personal Business management	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Elder Care	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts and Projections	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Registered Investment Advisory	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Real Estate Agent	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Life/Health Insurance Agent	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Data Processing and Entry	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Selling and/or Training on Computer Software and Hardware	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Development and/or Sale of Computer Software	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Monitor and Maintaining Client Systems	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Network Design and Installation	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Modifying, Developing or Designing Custom Software or Hardware for Use By Single Client	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Hosting Web Sites or Web Page Development	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other (describe):	%	<input type="checkbox"/> Yes <input type="checkbox"/> No

7. Provide the approximate percentage of billings generated in the last year by each of the following types of clients. (Note: Total must equal 100 %)

Type of Client	Percentage of Billings	Type of Client	Percentage of Billings
Construction	%	Large Public Companies (>\$100M Revenues)	%
Entertainment/Professional Athletes*	%	Manufacturing	%
Estate/Trust	%	Non-Profit or Charities	%
Factoring Company	%	Real Estate Developers	%
Financial Institutions	%	Retail	%
Government or Public Institutions**	%	Small Private Companies (<\$100M Revenues)	%
Healthcare/HMO/Healthcare Professionals	%	Small Public Companies (<\$100M Revenues)	%
Individuals	%	Trusts (>\$5M)	%
Individuals High Net Worth (>\$10M Assets)	%	Unions	%
Insurance Companies	%	Other (describe):	%
Large Private Companies (>\$100M Revenues)	%		

* Provide the names and occupations of the client(s) and detail of the services provided.

** Provide the branch of the government and the type of services provided, including the purpose of the service.

8. Please provide the following information about the Applicant's three (3) largest clients:

Client Name	Client Industry	Services Performed	Percentage of Revenue
			%
			%
			%

9. Has the Firm ever provided accounting services to a Financial Institution or an Insurance Company? Yes No

If "Yes," please complete the Financial Institution Supplemental Application.

10. Has the Firm ever provided professional services:

a. To a Publicly Traded Company? Yes No

b. Used in conjunction with issuance, offering or sale of securities? Yes No

c. To clients who are subject to SEC periodic reporting requirements or whose securities are registered with the SEC? Yes No

If "Yes", to ANY of the above, a completed Public Client And SEC Services Supplemental Application is required.

11. a. Does the Firm delegate work to other accounting firms? Yes No

b. Has the Applicant performed professional services as a subcontractor or per diem accountant for other accounting firms? Yes No

If "Yes", provide details including the name of other accounting firms, nature of work and percentage of firm's billings.

12. Does the Applicant share any of the following with any firm:

Office Space	<input type="checkbox"/> Yes <input type="checkbox"/> No	Secretary/Receptionist	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Employees	<input type="checkbox"/> Yes <input type="checkbox"/> No	Client Files	<input type="checkbox"/> Yes <input type="checkbox"/> No
Letterhead	<input type="checkbox"/> Yes <input type="checkbox"/> No	Systems	<input type="checkbox"/> Yes <input type="checkbox"/> No

If "Yes", please provide full details.

CONFLICT MANAGEMENT

13. In last five (5) years, has the Firm provided professional services to clients in which Firm, any Firm member or any related individual served as an officer, director, trustee or partner or owned an equity or financial interest?

If "Yes", provide the following information:

Client	Type of Business	Annual Fees	Positions Held	Services Rendered	Equity Percentage
		\$			%
		\$			%
		\$			%

14. Ownership Control:

a. Does the Firm wholly or partly own, manage or control any other enterprise? Yes No

If "Yes", please provide full details.

b. Is the Firm wholly or partly owned, managed or controlled by any other enterprise? Yes No

If "Yes", please provide full details.

15. Has the Firm or any predecessor in business or any enterprise wholly or partially owned by the Firm or by the Firm's principals, partnerships, directors, or officers ever:

a. Received commissions, fees, reciprocity, or revenues for the sale or promotion of investments? Yes No

b. Organized, arranged or procured investments or real estate? Yes No

c. Prepared projections for use in any prospectus, offering or sales material? Yes No

d. Made recommendations as to the sale or purchase of specific stocks, bonds or other investments? Yes No

If "Yes", to ANY of the above, attach a statement providing details.

16. Has the Firm or any member of the Firm disbursed, received, invested or in any way acted in a decision-making capacity with respect to client funds within the last five (5) years? Yes No

If "Yes", please complete a Trustee Services Supplemental Application.

17. a. Is the Firm or any member of the Firm licensed or operating as the following:

Lawyer	<input type="checkbox"/> Yes <input type="checkbox"/> No	Escrow Agent	<input type="checkbox"/> Yes <input type="checkbox"/> No
Investment Advisor	<input type="checkbox"/> Yes <input type="checkbox"/> No	Insurance Agent/Broker	<input type="checkbox"/> Yes <input type="checkbox"/> No

b. Is any revenue earned from the above professions? Yes No

If "Yes", please provide the revenue earned.

c. Under what Firm name are such services provided?

d. Do any accounting clients also receive other professional services? Yes No

e. Is a separate professional liability policy purchased for the above professionals? Yes No

If "Yes," provide name of insurer and limit of liability:

RISK MANAGEMENT

18. a. Is the Firm's standard practice to use engagement letters stipulating the nature and scope of work to be performed? Yes No

If "No", please provide an explanation.

b. What percentage of services are covered by signed engagement letters stipulating nature and scope of work to be performed? %

c. Is the Firm's standard practice to use termination or disengagement letters when competing or terminating representation? Yes No

If "No", please provide an explanation.

19. a. Has the Firm adopted a policy against suing for fees? Yes No

b. Please indicate number of suits filed for collection of fees during the last five (5) years.

20. Has the Firm, predecessors in business or any other person for whom insurance is requested ever been the subject of a complaint to or disciplinary action or reprimand by any state board of accountancy (or equivalent); the S.E.C.; the IRS; any governmental regulatory or tax authority; federal, state, local court; any state or national accounting society? Yes No

If "Yes", attach a statement providing details.

21. Have any of your staff attended a loss control seminar or completed a loss control course within the last three (3) years? Yes No

22. a. Has the Firm had a quality review under sponsorship of the AICPA, a state society or any other professional association? Yes No

b. If "Yes", is the Firm in compliance with all peer review requirements? Yes No

If "Yes", please attach copy of the opinion, along with management's response.

c. Date of most recent review:

Result: Pass Pass with Deficiencies Fail

If result is "Pass with Deficiencies" or "Fail", attach a copy of the report and details along with management's response.

23. a. Does the Firm have a written quality control document? Yes No

b. Does the Firm use written procedure manuals? Yes No

c. Does the Firm have a written system for screening and evaluating new clients? Yes No

If "No" to ANY of the above, describe what procedures and systems are used (if required, please attach additional sheet).

24. a. Does your organization have a social engineering fraud risk management strategy in place, including an employee training and awareness program? Yes No

b. Do you independently verify written, electronic or telephonic instructions to transfer, pay or deliver funds or data with call backs to senior management at previously known or designated phone number? Yes No

CYBER AND NETWORK SECURITY

- 25. a. Do you buy a separate stand-alone cyber insurance policy? Yes No
- b. If "Yes", what carrier?
- c. If "Yes", what limit and deductible?
- 26. How many records do you store?
- PII
- PHI
- 27. a. Do you distribute corporate security policies and make sure all employees receive them? Yes No
- b. Do you train employees and re-train employees in key areas such as:
Acceptable use of computer systems and emails? Yes No
- c. Secure password policies? Yes No
- 28. Do you perform frequent backups and have a re-image process in place and do you test your system re-imaging and back-up process to make sure it works properly? Yes No
- 29. Do you have and use the following technological defenses:
- a. Encryption for all records and confidential data? Yes No
- b. Firewalls? Yes No
- c. Anti-virus? Yes No
- d. Intrusion detection? Yes No
- e. Data loss prevention? Yes No

CLAIMS HISTORY

If any of the below questions are "Yes", complete a Claims Supplement Application or attach a statement providing full details.

- 30. In last five (5) years, have any claims involving professional services ever been made against the Firm, predecessors in business or any other person for whom coverage is requested? Yes No

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 30. IS EXCLUDED FROM THE PROPOSED INSURANCE.

- 31. Has the Firm or any predecessor Firm reported a potential claims to a professional liability insurer in the last five (5) years? Yes No
- 32. After inquiry, does the Firm, predecessors in business or any other person for whom coverage is requested, have knowledge of any actual or alleged act, error, omission or circumstance which may result in a claim being made against them or any other basis to reasonably anticipate a claim being made against them? Yes No
- If "Yes", have you reported same to your current insurer? Yes No

NOTE: WITHOUT PREJUDICE TO ANY OTHER RIGHTS, DEFENSES OR REMEDIES OF THE UNDERWRITER, IT IS AGREED THAT ANY CLAIM REQUIRED TO BE DISCLOSED IN RESPONSE TO QUESTION 32. IS EXCLUDED FROM THE PROPOSED INSURANCE.

- 33. Has any member of the Firm ever been the subject of a complaint to authorities or disciplinary action as a result of the professional activities? Yes No
- If "Yes", how many?
- 34. In the last five (5) years have you or anyone in your Firm received any complaints concerning products or services provided by you or anyone else on your behalf? Yes No
- If "Yes", how many?

FRAUD STATEMENT/SIGNATURES

THE FRAUD STATEMENT APPLICABLE TO YOU APPEARS ON THE FOLLOWING PAGE OF THIS INSURANCE APPLICATION. PLEASE READ IT CAREFULLY AND SIGN YOUR APPLICATION.

FRAUD STATEMENT

(Not applicable in the states mentioned below where a specific warning applies.)

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, may be committing a fraudulent insurance act, and may be subject to a civil penalty or fine.

Alabama

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison, or any combination thereof.

Arkansas, District of Columbia, Louisiana, Rhode Island, West Virginia

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Florida

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

Kansas

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Kentucky

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance 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.

Maine

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or denial of insurance benefits.

Maryland

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey, New Mexico

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

Ohio

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Pennsylvania

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.

Pennsylvania (Auto)

Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

Tennessee, Virginia, Washington

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

New York

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 shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

New York (Auto)

Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.

SIGNATURES

DO NOT SIGN UNTIL YOU HAVE READ THE CONTENTS OF THIS APPLICATION AND THE APPLICABLE FRAUD WARNING(S).

I have reviewed the contents of this application and with my signature, I declare to the best of my knowledge that all statements herein are true and no material facts have been suppressed or misstated. I am also aware that my operation may be inspected by the Insurance Company.

APPLICANT/NAMED INSURED	
APPLICANT/NAMED INSURED SIGNATURE	DATE

Agent/Broker:

Are you personally familiar with this Applicant's operations?

Yes No

Did your office control this risk in the past year?

Yes No

AGENT'S OR BROKER'S NAME AND ADDRESS	TELEPHONE NUMBER	LICENSE NO.
AGENT'S OR BROKER'S SIGNATURE		DATE