

Accountants Professional Liability Coverage Application

Claims-Made: The information requested in this Application is for a Claims-Made policy. If issued, the policy will apply only to claims first made during the policy period, or any applicable extended reporting period.

Defense Within Limits: The limits of liability will be reduced, and may be completely exhausted, by amounts paid as defense costs. The Insurer will not be liable for the amount of any judgment, settlement, or defense costs incurred after the exhaustion of the limit of liability. (For policies issued in New York, the limit of liability may be reduced up to 50% for amounts paid as defense costs).

Answer each question on behalf of all entities seeking insurance coverage, unless specifically requested otherwise.

GENERAL INFORMATION

Legal Name of Firm (including trade name or DBA if applicable):			Year Established:
Primary Office Address:			Proposed Effective Date:
City:	State:	Zip:	
Mailing Address (if different):			
City:	State:	Zip:	
Primary Contact Name and Title:		Telephone Number:	
Web Address:		Email Address <i>(optional for Kansas applicants)</i> :	
Entity Type:	<input type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership	<input type="checkbox"/> Professional Association
	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Corporation	<input type="checkbox"/> Other (specify):

If coverage is desired under this proposed policy for any entity that provides accounting services, other than the firm listed above, complete the Separate Entity Supplement.

FIRM INFORMATION

1. List number of firm staff as follows (include employees who work 500 or more hours per year):

	CPAs	Non-CPAs
Owners, Partners, Shareholders		
All Other Accounting or Tax Professionals		
Enrolled Agent		
Other Consulting Professionals (not included above)		
Administrative		
Total		

2. What is the firm's anticipated 12 month revenue for the current fiscal year? (Combine the actual revenue to date and estimated revenue until the end of the fiscal year). \$ _____

3. What was the firm's actual 12 month revenue for the prior fiscal year? \$ _____

4. In the past 12 months (or in the next 12 months), was there (or will there be) any material changes to the firm including mergers, acquisitions, restructuring, or the addition of a new client industry or change to the scope of practice? Yes No

If yes, please explain: _____

5. For all services provided, indicate the approximate percentage of the firm's prior fiscal year 12 month revenue and if engagement letters are used for each practice area. The total percentage must add up to 100%.

Area of Practice	% of Revenue	Engagement letters on all matters?	Area of Practice	% of Revenue	Engagement letters on all matters?
Bookkeeping			Forensic Accounting/Litigation Support/ Investigative Accounting	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping/Write-ups/Payroll	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Hardware/Software Consulting and Sales	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Tax			Management Advisory Services	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Individual Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Mergers and Acquisitions	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Specialty Services		
Estate and Trust Tax	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Executor/Administrator/Trustee*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Attestation Services			Limited Partnership & Tax Shelter Syndication*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Publicly Traded Entity Audit*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Securities*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Non-Public Audit*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Non-Financial Statement Audit*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Personal Financial Planning or Investment Advisory Services*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Reviews	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Contract Financial Officer Services*	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Other Services			Registered Representative		
(describe):	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Quote for coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Consulting			Life and Health Insurance Agent		
Business Valuations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Quote for coverage? <input type="checkbox"/> Yes <input type="checkbox"/> No	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts and Projections	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Total:	100%	

*Complete the applicable section of the Accountants Professional Liability Coverage Supplemental Application.

6. Does any member of the firm provide professional services as a practicing lawyer, real estate agent or broker, registered investment adviser, or securities agent or broker? Yes No

If yes, complete the following chart:

Employee Name	Type of License	Types of Services Provided	Is separate Professional Liability Insurance in place?
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

7. Does any client represent 25% or more of the firm's gross annual revenue? Yes No

If yes, provide details below. Use the Additional Information section at the end of the application if needed.

Client Industry	Services Provided	Percent of Firm Revenue	No. of Years as a Client
		%	
		%	
		%	

8. Within the past 5 years, has the firm provided services to any client while a member of the firm, or their spouse or domestic partner, served as a director or officer of that client or had a combined ownership interest greater than 10% in the client? Yes No

If yes, complete the Outside Interests section of the Accountants Professional Liability Supplemental Application.

9. Within the past 5 years, excluding activities as a trustee or receiver, has any client been the subject of bankruptcy or insolvency, or, if a financial institution, operated under regulatory direction or agreement? Yes No
If yes, complete the Insolvency Supplement.
10. Within the past 5 years, has the firm or any member of the firm:
- a. organized, arranged, procured, or evaluated investments or real estate tax shelters, or prepared projections for use in these areas? Yes No
- b. participated in the management of any investment partnership, limited partnership, tax shelter, or other investment venture? Yes No
If yes to any part of a. or b., provide details: _____
- c. received commissions, fees, reciprocity, or revenue for the referral, sale, or promotion of investments or tax shelters? Yes No
- d. made recommendations as to the sale or purchase of any investments, including specific stocks, bonds, or other securities, for which the firm or any member of the firm received compensation? Yes No
- e. invested, received, disbursed, or in any way acted in a decision-making capacity, with respect to a client's funds? Yes No
If yes to any part of c., d., or e., complete the Personal Financial Planning & Investment Advice section on the Accountants Professional Liability Supplemental Application.
11. Does the firm have any international clients or office locations? Yes No
If yes, provide details: _____
12. Does the firm outsource any services to another entity? Yes No
If yes, provide details: _____

LOSS PREVENTION/RISK MANAGEMENT

13. Check all loss prevention and risk management controls below that are in place at the firm:
- a. Control systems and conflict of interest procedures:
- Prohibit engagements potentially adverse to any current or former client
 - Prohibit engagements where any professional has a financial interest, including a loan, in the proposed client or subject matter
 - Track tax, filing, and all other critical deadlines
- b. Client screening procedures and suits for fees:
- Screening procedures examine the complexity of the proposed services, experience, and ability to represent the client, and likelihood of success
 - Screening procedures examine the client's financial condition, credit rating or bill paying history, number of previous accounting firms employed, and reasonableness of expectations.
 - Firm does not sue to collect professional fees. If the firm has sued for fees, describe all collection suits in the past two years in the Additional Information section at the end of this application. Include services rendered, dates of service, date of suit, fee amounts, status or outcome, and whether the firm is still providing services to this client.
- c. Firm management/loss prevention procedures include:
- regular review by firm management of the status of all engagements.
 - internal review of all significant GAAP and GAAS opinions and decisions.
 - formal risk control or loss prevention program.
- d. Engagement letters:
- include updated letters for new matters for existing clients.
 - explain all issues, including matters undertaken, not undertaken, risks involved, and billing procedures.
 - contain an alternative dispute resolution, limitation of liability, or indemnification provision.

14. Is the firm subject to Peer Review? Yes No N/A
If yes, is the firm in compliance with all peer review requirements? Yes No
 Date of most recent review: _____ Pass Pass with deficiencies Fail
Attach a copy of the Peer Review and details of any corrective action.

CLAIMS AND PRIOR INSURANCE

Travelers renewal customers do not need to answer questions 15. through 19.

15. Has any member of the firm ever:
 a. had their license suspended, revoked, or been subject to any investigation or disciplinary action by any entity providing regulatory or professional oversight? Yes No
 b. been indicted or convicted of a felony or paid any criminal or civil penalty or fine, including a tax preparer’s fine, in connection with any professional service or business activity? Yes No
If yes to a. or b., provide full details in the Additional Information section at the end of this application.
16. Has any claim involving professional services been made against the firm, any predecessor firm, or any current or former partner, officer, shareholder, or employee in the past 5 years or earlier if the claim is still pending? Yes No
If yes, complete the Claim, Suit, or Incident Supplement for each claim.
17. Does any person seeking coverage under this proposed policy have knowledge of any incident, act, error, or omission involving professional services that could reasonably be expected to be the basis of a claim? Yes No
If yes, complete the Claim, Suit, or Incident Supplement for each claim or incident.
18. Does the firm currently carry professional liability insurance? Yes No
If yes, complete the following chart or provide copies of the current declarations page:

Carrier	Policy Period	Limits	Retention	Premium	Retroactive Date
	to	\$	\$	\$	
	to	\$	\$	\$	

19. Has any person or entity seeking coverage under this proposed policy ever had their professional liability insurance non-renewed or canceled? (Missouri applicants: do not respond) Yes No
If yes, provide details in the Additional Information section at the end of this application.

LIMITS AND RETENTIONS

- Each Claim Limit: \$ _____ Aggregate Limit: \$ _____
- Limit Type: Defense costs within limits Defense costs within limits with separate defense limit
 Defense costs outside limits
- Each Claim Retention: \$ _____ Aggregate Retention: None 1 time 2 times 3 times
- Retention Type: Retention applies to damages only Retention applies to damages and defense costs

NOTICE REGARDING COMPENSATION

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website:

If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Agency Compensation, One Tower Square, Hartford, CT 06183.

FRAUD STATEMENTS – ATTENTION APPLICANTS IN THE FOLLOWING JURISDICTIONS

ALABAMA, ARKANSAS, DISTRICT OF COLUMBIA, MARYLAND, NEW MEXICO, AND RHODE ISLAND: Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

CALIFORNIA: For your protection California law requires the following to appear on this form. Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company to defraud or attempt 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 to defraud or attempt to defraud the policyholder or claimant regarding a settlement or award payable from insurance proceeds will 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: Under Kansas law, 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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, NEW JERSEY, NEW YORK, OHIO, AND 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. (In New York, the civil penalty is not to exceed five thousand dollars (\$5,000) and the stated value of the claim for each such violation.)

LOUISIANA, MAINE, TENNESSEE, VIRGINIA, AND WASHINGTON: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company to defraud the company. Penalties include imprisonment, fines, and denial of insurance benefits.

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

PUERTO RICO: Any person who knowingly and intending to defraud presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, will incur a felony and, upon conviction, will be sanctioned for each violation with the penalty of a fine of not less than \$5,000 and not over \$10,000, or a fixed term of imprisonment for three years, or both penalties. Should aggravating circumstances be present, the penalty established may be increased to a maximum of five years; if extenuating circumstances are present, it may be reduced to a minimum of two years.

VERMONT: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

SIGNATURES

The undersigned Authorized Representative represents that to the best of their knowledge and belief, and after reasonable inquiry, the statements provided in response to this Application are true and complete, and, except in North Carolina, may be relied upon by Travelers as the basis for providing insurance. The Applicant will notify Travelers of any material changes to the information provided.

Electronic Signature and Acceptance – Authorized Representative*

*If electronically submitting this document, electronically sign this form by checking the Electronic Signature and Acceptance box above. By doing so, the Applicant agrees that use of a key pad, mouse, or other device to check the Electronic Signature and Acceptance box constitutes acceptance and agreement as if signed in writing and has the same force and effect as a signature affixed by hand.

Authorized Representative Signature: X	Authorized Representative Name and Title:	Date:
Producer Name (required in FL & IA): X	State Producer License No (required in FL):	Date:
Agency:		Agency Phone Number:

ADDITIONAL INFORMATION

