

SOLICITORS PROFESSIONAL INDEMNITY INSURANCE 2017

PROPOSAL FORM

Please provide a full answer to every question, using the additional information space on page 12 and any additional sheets if necessary. If you have any queries while completing the form, please do not hesitate to contact a member of Marsh's solicitors team whose details can be found on page 12.

Section 1: About Your Practice

Practice name and all other names under which you practice and any other entities for which you are seeking cover, including trustee, and/or nominee companies, and/or incorporated principals.

Main office SRA number:

Main office address:

	Postcode:	

Primary contact:

Position in firm:

Telephone:

Email:

Is your practice an LLP?

Yes ☐ No ☐

Is your practice a company registered at Companies House?

Yes ☐ No ☐

Date first established:

Do you have any other branch offices, other than the main office listed above, for which you are seeking cover? If yes, please complete the box below.

Yes ☐ No ☐

Address	Postcode	Is there a resident principal? If no, please provide details as to how the office is supervised	Number of fee earners in the office	Percentage of fees in the last financial year billed by this office
		Yes <input type="checkbox"/> No <input type="checkbox"/>		
		Yes <input type="checkbox"/> No <input type="checkbox"/>		

Has the firm opened any new offices since 1 October 2016 and/or does the firm plan to open any new offices in the next 15 months?

Yes ☐ No ☐

If yes, please list on a separate sheet of headed notepaper the location of the office, the work to be carried out from the office, how the office will be supervised and by whom. Please provide the office supervisor's CV.

Please complete the table below, using the additional information space on page 12 if necessary, for all prior practices to which this practice has become a successor practice in the last 15 years and any names that the practice has previously traded as.

Name of practice	Date established	Date of succession	SRA number	Was run-off cover purchased for the prior practice?	Number of fee earners joined from the practice?
				Yes <input type="checkbox"/> No <input type="checkbox"/>	
				Yes <input type="checkbox"/> No <input type="checkbox"/>	
				Yes <input type="checkbox"/> No <input type="checkbox"/>	

Is the practice planning any succession or merger with another practice within the next 15 months? If yes, please provide full details on page 12 regarding the business due diligence carried out and the work assets acquired.

Yes ☐ No ☐

Is your practice a member of a buying group?

Yes ☐ No ☐

If yes, please confirm which: e.g. Quality Solicitors

Section 2: Your Staff Details

	2017 full time	2017 part time	2016 full time	2016 part time	2015 full time	2015 part time
Number of partners/ principals/ directors/ members (including salaried)						
Number of solicitors and consultants (including trainee solicitors)						
Other fee earning staff						
Number of all other staff (including secretarial; excluding domestic staff)						

Please provide all information requested for every principal, solicitor, assistant solicitor and consultant who will be employed by your practice as at the inception date of the policy. If anyone listed is a registered foreign lawyer or registered European lawyer, please note RFL or REL alongside solicitor's status. If you are a practice established within the last 24 months please enclose curriculum vitae for every principal in your practice, your business plan and cash flow statement.

Roll number	Full name	Years as a partner at the firm	Date qualified	Status (full time/ part time)	Office location	Country of qualification

COLP name		COFA name	
Date they joined the practice		Date they joined the practice	

Are any principals or fee earners also principals, fee earners, or employees of any other law practices or any other business? If yes, please provide full details on page 12.

Yes ☐ No ☐

Do all partners, fee earners, and employees in the practice devote all their work time and attention to the business of the firm? If no, please provide full details on page 12.

Yes ☐ No ☐

Is your business that of a solicitors firm only? If no, please provide full details on page 12.

Yes ☐ No ☐

Do any of the partners, members, or directors exercise a controlling or financial interest in any other company or organisation for which the practice undertakes work? If yes, please provide full details on page 12.

Yes ☐ No ☐

Does any outside individual or company have a financial or business interest in your firm? If, yes please provide full details on page 12.

Yes ☐ No ☐

How many people have left the practice in the last 12 months?

Section 3: Quality Standards

Is the firm accredited with Lexcel?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, please provide date first granted	
Is the firm accredited with ISO 9001?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, please provide date first granted	
Is the firm accredited with CQS?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, please provide date first granted	

Have any of the above accreditations ever been withdrawn? If yes, please provide further details on page 12.

Yes ☐ No ☐

Section 4: Alternative Business Structures

Has your practice been approved as an alternative business structure (ABS) or multi-disciplinary practice (MDP)?

Yes ☐ No ☐

Does your practice have an intention to convert to an alternative business structure in the next 15 months? If no, please move on to section five.

Yes ☐ No ☐

Has your practice registered its intent to convert with the SRA?

Yes ☐ No ☐

Has your practice completed stage one of the application processes? If yes, please submit a copy of your application. Yes ☐ No ☐

Has your practice completed stage two of the application process? If yes, please submit a copy of your application. Yes ☐ No ☐

Is your practice intending to become a multi disciplinary practice? If yes, please provide details on page 12 of the additional services which are being considered. Yes ☐ No ☐

on page 12, please give an overview of the changes which will happen to the current practice if it is approved as an alternative business structure.

Please provide all information requested for every principal who is not a solicitor.

Full name	Date of birth	Fee earner	Full time/part time	Regulatory body/ qualifications
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Full time <input type="checkbox"/> Part time <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Full time <input type="checkbox"/> Part time <input type="checkbox"/>	

Section 5: Disciplinary and Regulatory

After full enquiry, has any partner, member, director, consultant, or employee of the firm or any prior practice:

Ever had a practising certificate refused, withdrawn, or suspended, or been granted a conditional practising certificate? Yes ☐ No ☐

Ever been reprimanded, fined, or otherwise sanctioned by the Solicitors Disciplinary Tribunal? Yes ☐ No ☐

Had an award for inadequate professional service made against him or her by the Legal Ombudsman or by the former LCS, CCS, or OSS or entered into any regulatory settlement agreement with the SRA? Yes ☐ No ☐

Practised in a firm that has been subject to an investigation, intervention by any department of the Law Society or SRA? Yes ☐ No ☐

Been brought before the SDT, and/or been the subject of a notification to the Legal Ombudsman or the former LCS, CCS, or OSS, having been charged with a serious arrestable offence? Yes ☐ No ☐

Been investigated or interviewed by any regulatory body other than the Law Society or SRA (e.g. FSA/FCA, Council of Licensed Conveyancers, ILEX)? Yes ☐ No ☐

Acted as an intervening agent appointed by the Law Society or SRA? Yes ☐ No ☐

Taken over an intervened firm? Yes ☐ No ☐

Ever been investigated, charged, tried or convicted for any criminal offence involving fraud or dishonesty or had a civil judgment made against them? Yes ☐ No ☐

Has the firm been the subject of any visit or enquiry from the Forensic Investigation Unit or SRA in the last three years or has notice of any proposed visit or enquiry been given? Yes ☐ No ☐

Has the practice been the subject of a monitoring visit from the SRA in the last three years or has any notice of a visit been given? Yes ☐ No ☐

If you have answered yes to any of the above please provide full details on page 12 and include a copy of all reports and relevant correspondence issued by the SRA, Legal Ombudsman, the former LCS, CCS or OSS, Forensic Investigation Unit, Disciplinary Tribunal and/ or any regulatory body.

Section 6: Your Practice Fees

Please complete the table below.

Date of financial year end

	Estimated current year	Last accounting year	Annual accounting period before last	Annual accounting period but two
a) In the UK (for UK clients)	GBP	GBP	GBP	GBP
b) In the UK (for US/CAN clients)*	GBP	GBP	GBP	GBP
c) In the UK (for all other* overseas clients)	GBP	GBP	GBP	GBP
d) European offices†	GBP	GBP	GBP	GBP
e) US/CAN offices†	GBP	GBP	GBP	GBP
f) All other overseas offices†	GBP	GBP	GBP	GBP
Total fee income	GBP	GBP	GBP	GBP

* If you have declared that any of your fee income comes from overseas clients in questions (b) and/or (c) then please provide details of the client, the country in which they are domiciled, and the type of work undertaken on page 12.

† If you have declared that any of your fee income comes from an overseas office in questions (d), (e) and/or (f) then please provide details of where the office is based and the type of work undertaken on page 12.

If any fees or advice relate to clients outside of the UK please provide full details on page 12 of the clients, the country in which they are domiciled, the work undertaken for them, and whether the work involves advice based on UK, US, Canadian or other law.

If more space is required, please use additional sheets

Does the firm give any foreign law advice? If yes, please provide full details on page 12.

Yes ☐ No ☐

Does any one client, group of clients, or any referral source continuously generate 20% or more of your annual fees? If Yes, please provide full details on page 12, including the nature of your client's business, the work undertaken and the gross fees billed to each client.

Yes ☐ No ☐

Do you sue for unpaid fees?

Yes ☐ No ☐

If yes, have you ever been subject to any countersuits as a result of this?

Yes ☐ No ☐

Please state the largest fee charged in the last 12 months	GBP	Please state the total fees outstanding which are due to the firm	GBP
Please state the average fee charged in the last 12 months	GBP	Please state the total unbilled work in progress	GBP

Please state the percentage of fees invoiced over 90 days ago and still outstanding.

%

Section 7: Your Annual Accounts

Please provide an up to date copy of your management accounts with your application.

Please provide the following information for the last three accounting periods:

	Last completed accounting year	One year prior to last completed accounting year	Two years prior to last completed accounting year
Net profit (loss) after tax and before drawings			
Total principal/partner drawings or director/member remuneration			
Net worth of the firm (total assets less total liabilities)			

How much debt does your firm carry?

GBP

What cash reserves does the practice hold?

GBP

Are VAT payments funded by loans?

Yes ☐ No ☐

Do you have a written drawings policy? If yes, please attach the policy.

Yes ☐ No ☐

How does your accounts manual deal with authorisation of withdrawals from the client account?

How often do you reconcile undertakings with your client accounts?

Are there any undischarged undertakings that you have given, the discharge of which is not entirely within your control? If yes, please provide full details on page 12.

Yes ☐ No ☐

In the past twelve months have you had a situation where an undertaking does not reconcile with a client account? If yes, please provide full details on page 12.

Yes ☐ No ☐

Section 8: Your Areas of Practice

Please provide a percentage breakdown for gross fees, rounded to the nearest whole percentage, for the last accounting period into the following categories

Administering oaths, taking affidavits, and notary public	%	Landlord and tenant	%
Agency advocacy	%	Lecturing and related activities and expert witness work	%
Acting as an arbitrator, adjudicator, or mediator	%	Litigious work other than given in any other category	%
Children, mental health tribunal, and welfare	%	Matrimonial/family	%
Commercial litigation	%	Non-litigious work other than given in any other category	%
Commercial/corporate work (excluding work related to public companies)	%	Offices and appointments	%
Conveyancing — commercial	%	Parliamentary agency	%

Conveyancing — residential	%	Personal injury (claimant)	%
Criminal law	%	Probate and estate agent administration	%
Debt collection	%	Property management, valuations, and real estate agency	%
Defendant litigious work for insurers, including defendant personal injury work	%	Town and country planning	%
Employment — contentious	%	Wills, trusts and tax planning	%
Employment — non-contentious	%	Commercial/corporate work for public companies	%
Financial advice and services regulated by the Solicitors Regulation Authority	%	Financial advice and services where your practice has opted into regulation by the FCA	%
Immigration	%	Intellectual property including patent, trademark, and copyright (please provide full details on page 12)	%

Total must equal to 100%

Section 9: Changes to Your Practice

Does your firm intend to carry out legal services in the next 15 months that it currently does not perform? If yes, please provide full details on page 12. Yes ☐ No ☐

Does your firm perform or intend to perform in the next 15 months any professional services that are not regulated by the SRA? If yes, please provide full details on page 12. Yes ☐ No ☐

Does your firm perform or intend to perform in the next 15 months any unbundled legal services? If yes, please provide full details on page 12 regarding how you limit the scope of your retainer. Yes ☐ No ☐

Section 10: Financial Services Work and Investment / Tax Advice

Has your firm undertaken any regulated activities as defined in the Financial Services and Markets Act 2000 or acted as an introducer in respect of such regulated activities? Yes ☐ No ☐

Has your firm undertaken work in relation to selling or advising on any mortgage endowment policies? Yes ☐ No ☐

Has your firm advised on equity release plans? Yes ☐ No ☐

If you have answered yes to any of the above please contact Marsh to request the financial services questionnaire or download from <http://uk.marsh.com/Industries/Solicitors.aspx>

Do you undertake tax planning advice other than inheritance tax? If yes, please state the percentage that is for: Yes ☐ No ☐

a) Implementation of schemes devised by others % b) Devising tax mitigation schemes yourself %
c) Schemes endorsed by your firm %

Has your firm ever undertaken work in relation to advising, endorsing, or selling Collective Investment Schemes (CIS)? Yes ☐ No ☐

In the last six years has your practice provided management services or investment advice to any clients? If yes, please provide full details on page 12. Yes ☐ No ☐

Has your firm ever undertaken work in relation to advising, endorsing or selling SDLT mitigation schemes? Yes ☐ No ☐

Has the firm ever referred any client to a third party who provides advice or products in relation to above mentioned work? If yes, please provide further details on page 12. Yes ☐ No ☐

Section 11: Personal Injury and Litigation (only to be completed if your firm conducts such work, if not please proceed to section 12)

Please set out in the table below your 5 largest Personal Injury / litigation cases:

	Description of litigation	Claim value	Status (ongoing / settled)	Successful / Unsuccessful
1)				
2)				
3)				
4)				
5)				

Please state the average settlement in the last 12 months

GBP

Please advise your current personal injury work by percentage

Clinical negligence

%

Occupational disease

%

All other personal injury (RTA, employers' liability, etc.)

%

How many personal injury / litigation cases does your practice currently have where you expect the settlement to exceed GBP250,000?

Does the firm advise those clients regarding taxation of compensation awarded or damages payable, and HMRC's current position? Please provide further detail on page 12.

Yes

☐

No

☐

Has your firm done any personal injury work which is underwritten by after the event (ATE) insurance?

Yes

☐

No

☐

Please advise your current personal injury work by percentage

Solicitors

Other qualified fee earners

Non-qualified fee earners

Has your firm entered into arrangement to facilitate deductions from personal injury damages?

Yes

☐

No

☐

Has your firm been part of any referral network, claims management, or promotional group?

Yes

☐

No

☐

Has your firm conducted work on behalf of a trade union or similar body?

Yes

☐

No

☐

Do you highlight to clients the implications that qualified one way cost shifting may have on potential costs? If you have answered yes to any of the above please provide full details on page 12.

Yes

☐

No

☐

Please provide your standard terms and conditions for using CFAs and DBAs.

How many CFA agreements did you enter into in the 12 months before 1 April 2013?

Have you entered into any collective CFAs relating to class actions?

Yes

☐

No

☐

If yes, were advocacy or litigation services provided before 1 April 2013? Please provide full details on page 12.

Yes

☐

No

☐

How many ATE policies did you apply for in the 12 months before 1 April 2013?

Have any of your litigation cases been funded by third party litigation funding?

Yes

☐

No

☐

If yes, have any of these litigation funders not been named in the claim and litigation process?

Yes

☐

No

☐

Do you intend to enter into any DBAs in the next 15 months?

Yes

☐

No

☐

Please provide standard terms of engagement for clients where costs management will apply.

Do you have a diary system in place to ensure that deadlines for filing budgets are complied with?

Yes

☐

No

☐

How often do you review costs to ensure that case management costs are within budget?

Do you ensure all parties are informed of costs overrun as soon as you are aware and get any necessary amendments agreed by the court?

Yes

☐

No

☐

Has your firm ever handled any Payment Protection Insurance (PPI) and/or Interest Rate Swap compensation claims?

Yes

☐

No

☐

In the last six years has your firm accepted instructions for any class actions or other group litigation? If yes, please provide full details on page 12.

Yes

☐

No

☐

Section 12: Conveyancing Work (only to be completed if your firm conducts such work, if not please proceed to section 13).

Residential Conveyancing (all figures to be in GBP)

	Current year estimate	2016 / 2017	2015 / 2016	2014 / 2015	2013 / 2014	2012 / 2013	2011 / 2012
Gross fees							
Highest transaction value							
Average typical transaction value							
Approximate number of transactions							

Commercial Conveyancing (all figures to be in GBP)

	Current year estimate	2016 / 2017	2015 / 2016	2014 / 2015	2013 / 2014	2012 / 2013	2011 / 2012
Gross fees							
Highest transaction value							
Average typical transaction value							
Approximate number of transactions							

Over the last three years, how many completed sales and purchase transactions fall into the following categories?

	2016 / 2017	2015 / 2016	2014 / 2015
Residential property — mortgaged			
Residential property — non mortgaged			
Total number of back to back transactions			
Total number of buy to let transactions			
Conveyancing work emanating from new build developments			
Conveyancing work emanating from house builders/ property developers			
<u>Conveyancing work for land and property investment schemes (including peer-to-peer and crowd funding schemes)</u>			

Have you ever acted for an individual or collective application by a tenant or tenants to enfranchise a freehold interest, where the premium payable was greater than £250K?

Yes ☐ No ☐

If yes, please ask your broker for additional questions.

Are all conveyancing transactions directly supervised by a principal of the firm? If no, please advise who is responsible for the supervision process and how it works on page 12.

Yes ☐ No ☐

Over the last three years have you acted for multiple buyers of a property in the same development or in the same building? If yes, please provide full details on page 12.

Yes ☐ No ☐

Has the firm or is the firm intending in the next 15 months to carry out residential or commercial surveys/ valuations for lending purposes or perform residential or commercial estate agency work? If yes, please provide full details on page 12.

Yes ☐ No ☐

In any of the last three years have more than 10% of your conveyancing instructions originated from any development or from any one client or referrer, e.g. a mortgage broker, developer, financial advisor, or estate agent? If yes, please provide full details on page 12.

Yes ☐ No ☐

Does your firm comply with the Law Society practice note on mortgage fraud (dated 15 April 2009)? If no, please provide full details on page 12.

Yes ☐ No ☐

In circumstances where a principal, close family member or friend is the party to the conveyancing transaction, does another principal sign reports, and/or certificates of address to lenders?

Yes ☐ No ☐

In the past 24 months, has your firm received requests for conveyancing files from lenders?

Yes ☐ No ☐

i) If yes, on how many occasions?

ii) Of these requests on how many occasions has the lender identified an issue?

iii) Of these requests, how many have been accepted by your current insurer as a circumstance that may give rise to a claim?

Please also provide full details including the name(s) of the lender(s) and confirmation that they have been reported to insurers on page 12.

In the past 24 months have you been suspended or removed from any lender panel? If yes, please provide full details of the lender and reasons why on page 12.

Yes ☐ No ☐

In the last 10 years have you carried out any "right to buy" conveyancing transactions? If yes, provide full details on page 12 including total number of transactions each year, number from referrals (e.g. brokers or marketing professionals and number of direct approaches).

Yes ☐ No ☐

Does anyone other than a principal sign reports and/or certificates of title addressed to lenders?

Yes ☐ No ☐

Do you use a software package to track all undertakings to ensure timely compliance? If no, explain the controls that you have in place on page 12.

Yes ☐ No ☐

Have you made any block notifications to your current insurer or any other previous insurer of all claims and circumstances that have arisen out of requests for your conveyancing files by a particular lender or in respect of a particular fee earner?

Yes ☐ No ☐

Have you ever acted for borrowers or lenders in transactions involving sub prime loans / mortgages?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Have you ever acted for a lender offering any unregulated (as defined by the FCA) mortgage / loan?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you advertise or have membership of any groups or other arrangements which deliver conveyancing clients outside your local area? If Yes, please provide details on page 12, of the memberships and advertising or arrangements, the number of clients coming from those sources, and the areas in which they are based, and your experience of conducting conveyancing transactions in these areas.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Have you ever acted for the purchase of a property outside of the UK?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you obtain a flood risk indicator report for those properties which reside in high flood risk areas?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Do you ensure that you receive a CML Disclosure of Incentives form for all new build, renovated, or converted properties?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>

If you do not meet a client prior to a transaction, how do you establish their identity?

Does the firm have controls in place to ensure compliance with the most recent SRA requirements and Law Society practice notes in respect of Mortgage Fraud, Property Fraud and Client Account Fraud?
If No, please provide further information

Yes ☐ No ☐

Section 13: Trust & Probate

Does the firm engage in any free Will drafting schemes?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
If yes, are the files opened, retainer letters sent and proper records kept exactly the same way as if it was a fee generating instruction? If no, please provide further details.	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm have any procedures in place for periodically reviewing existing Wills in the light of tax / legislative changes?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm have standard procedures for recording testamentary capacity assessments when undertaking Will drafting for elderly/ill clients?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm undertake Will drafting in relation to agricultural landholdings or estates with an estimated value in excess of GBP 1m?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
i) If yes, how many over GBP 1m	<input type="text"/>			
ii) Largest Estimated Value	<input type="text"/>			

Section 14: Matrimonial

Does the firm advise the clients to obtain an independent report from a Pensions Expert, and evidence such advice?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
--	-----	--------------------------	----	--------------------------

Section 15: Risk Management and Client Account Controls

Does the firm always verify by telephone changes to financial and account information sent via email by its clients?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm have email encryption software?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm conduct or has the firm conducted network security and penetration testing?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Does the firm use intrusion detection software / third party monitoring to detect unauthorised access to internal networks and computer systems?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
Please provide average number of files per fee earner.	<input type="text"/>			
Please provide number of CPD hours recorded for your firm in the past 12 months.	<input type="text"/>			

Do you operate a key dates management system?

Yes ☐ No ☐

If so, how often are entries monitored?

Do you have a template/checklist document that is consistently used to record notes of client meetings, discussions, and instructions?

Yes ☐ No ☐

Do you obtain sign off from the client confirming the notes of the client meetings, discussions, and instructions? If no, please provide details of the process you use on page 12.

Yes ☐ No ☐

Do all cheques over GBP25,000 require two partners signatures? If no, please provide cheque signing details on page 12.

Yes ☐ No ☐

Is there any dual control over electronic funds transfer so that no one person can transfer money without the knowledge of another? If no, please provide details of the security surrounding electronic transfer.

Yes ☐ No ☐

What percentage of files are audited annually?

Does the practice carry out regular audit/reviews on all active files (including partners casework)? **If yes, how many files are audited, how are they chosen, how often, and by whom? Please provide full details on page 12**

Yes ☐ No ☐

Does the firm's standard engagement letter require that an email address and bank account details be provided by the client for use throughout the transaction?

Yes ☐ No ☐

Does the firm have a process to ensure that communication is only made to the email address provided and funds are only transmitted to the bank account details nominated by the clients at the outset of your engagement?

Yes ☐ No ☐

Does the firm give any warnings to clients against communicating or transmitting funds to any account save for those details in your written letters of engagement?

Yes ☐ No ☐

Are all employees who are responsible for authorising and executing payments or fund transfer requests provided with anti-fraud training?

Yes ☐ No ☐

If Yes, Does your Training cover:

Social Engineering

Yes ☐ No ☐

Phishing

Yes ☐ No ☐

Masquerading

Yes ☐ No ☐

Other fraud schemes

Yes ☐ No ☐

Internal and external frauds and scams

Yes ☐ No ☐

If you have answered no to any of the above, please explain how you manage these risks

Section 16: Claims and Circumstances

Has your practice or any prior practice, reported any circumstances or claims to the assigned risks pool or to participating or qualifying insurers in the **Insurance years: 2010 - Present**?

Inception	Expiry	Claim(s) Y/N	Insurer
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Yes <input type="checkbox"/> No <input type="checkbox"/>	

You MUST provide up to date participating or qualifying insurer claims prints from all qualifying insurers or the assigned risk pool, irrespective of whether any claims or circumstances have been reported by your practice and any practice to which you are a successor practice.

Have any circumstances or claims reported by your practice or any prior practice in the last five years arisen as a result of the dishonesty of any principal, member or employee of the practice? If yes, please provide full details on page 12 of incidents stating how the matter was resolved and processes to prevent re-occurrence. Yes ☐ No ☐

After making full enquiry of all principals, members and employees in your practice, are you aware of any circumstances or claims that you have not reported to your current or any prior insurers? If yes, please provide full details on page 12. Yes ☐ No ☐

Please note that you have an obligation under your current professional indemnity policy to notify these matters to your current insurer.

Have all matters been notified to your current insurer and noted on your qualifying claims prints attached? Yes ☐ No ☐

Have any notifications been declined by insurers? If yes, please provide full details on page 12. Yes ☐ No ☐

Section 17: Current Coverage

Has your practice or any prior practice ever been in the assigned risks pool? If yes, please provide full details on page 12. Yes ☐ No ☐

Has any Participating or Qualifying insurer refused to offer your practice or any prior or Successor practice terms for professional indemnity insurance? If yes, please provide full details on page 12. Yes ☐ No ☐

Have you ever failed to meet an indemnity premium and/or excess payment? If yes, please provide full details on page 12. Yes ☐ No ☐

If you are NOT currently insured through Marsh, please complete the table below

Current insurer	Broker	Premium (inc. IPT)	Limit	Excess

Section 18: Requested Cover

Limit of indemnity	Option 1	GBP (Million)	Excess (each and every claim)	Option 1	GBP (Thousand)
	Option 2	GBP (Million)		Option 2	GBP (Thousand)
	Option 3	GBP (Million)		Option 3	GBP (Thousand)

Section 19: Office insurance

Name of individual who deals with office insurance Office insurance renewal date

Section 20: Other Material Information

Has there been a material change in the firm in the last three years including, but not limited to, a change in legal entity, nature of work or location or additional partners? If yes, please provide full details on page 12. Yes ☐ No ☐

Do you expect there to be significant change to or in your firm in the next 15 months (for example, conversion to an ABS, merger with another firm, major change to work type, retiring partners, or ceasing practice)? If yes, please provide full details on page 12. Yes ☐ No ☐

All material information must be disclosed as part of the proposal and before insurance cover commences. Material information includes any fact which we may reasonably wish to know in relation to our assessment of the risk, the exposure and in calculation of any appropriate premium. You must disclose all such information whether or not a specific question has been included in this application form.

Is there any other material information that may be relevant to this application? Yes ☐ No ☐

Section 21: Document Checklist

- | | |
|--|---|
| <input type="checkbox"/> This form — fully completed, signed and dated. | <input type="checkbox"/> Additional information where necessary. |
| <input type="checkbox"/> Claims prints from all participating or qualifying insurers or the assigned risks pool, irrespective of whether any claims or circumstances have been reported by your practice and any practice to which you are successor practice since the insurance year 2011. | <input type="checkbox"/> A copy of all reports issued by the SRA, Legal Ombudsman, the former LCS, CCS, or OSS, forensic investigation unit, disciplinary tribunal and/or regulatory body where applicable. |
| | <input type="checkbox"/> A copy of your management accounts. |

Section 22: Notice and declaration

DISCLOSURE OF MATERIAL FACTS — Every proposer or insured, when seeking new insurance or amending or renewing an existing policy must disclose any information which might influence the insurer in deciding whether or not to accept the risk, what the terms of the policy should be or what premium to charge. If you fail to disclose all material facts, this may render the insurance voidable from inception (the start of the contract) and enable the insurer to repudiate liability (entitle the insurer not to pay your claims). If you are not sure whether a fact is material, you should disclose it.

DUTY OF DISCLOSURE AND FAIR PRESENTATION — We would specifically draw your attention to the attached "Duty of Disclosure and Fair Presentation" document. We ask that you read it carefully as, if your insurance contract is governed by English law (i.e. the laws of England, Wales, Scotland or Northern Ireland), any failure to disclose material information to your insurer(s), or any misrepresentation, may adversely affect the validity of your contract. If your contract is not governed by English law we recommend that you obtain independent advice as to your obligations under the relevant law. The attached guidance note does not purport to constitute legal advice but it does reflect the law. If having read the attached document you have any questions, please do not hesitate to discuss this with your usual Marsh contact. In any event, Marsh Ltd. recommends full disclosure of all material facts and circumstances as best practice.

- ☐ By ticking here, we declare that all statements and particulars are true, full enquiry having been made, and we have not omitted, suppressed or mis-stated any material facts which may be relevant to the Insurer's consideration of this insurance proposal and undertake to inform the Insurer of any change to any material fact that occurs prior to the point at which the insurance contract has been concluded and throughout the duration of the contract of insurance. We understand that the information we provide will be used by the Insurer in determining acceptance of the application together with the premium charged for the risk and the terms of any policy provided.
- ☐ By ticking here, we confirm that we have read and understood the content of the accompanying duty of disclosure and fair representation document.
- ☐ By ticking here, we understand that if the practice acquires, merges with or absorbs another practice during the period of insurance, the Insurer will require similar information in relation to that practice and may charge an additional premium.
- ☐ By ticking here, we agree that credit checks may be undertaken against the firm and the partners.

Signature of COLP

Signature of COFA

Print name

Print name

Date

Date

Please return the completed proposal form by email, or by post to:

The Solicitors Team
FINPRO
Marsh Ltd
Tower Place East
London
EC3R 5BU
pi.solicitors@marsh.com

Should you have any queries regarding the completion of this form do not hesitate to contact:

William Cooper Vice President	Email: william.cooper@marsh.com	Telephone number: 0207 178 4261
John Gold Senior Vice President	Email: john.gold@marsh.com	Telephone number: 0207 178 4263
Jeanna King Vice President	Email: jeanna.king@marsh.com	Telephone number: 0207 178 4267
Ian Black Senior Vice President	Email: ian.r.black@marsh.com	Telephone number: 0776 607 8409
Grant Lister Vice President	Email: grant.lister@marsh.com	Telephone number: 0113 394 7736

Should you have any queries regarding the completion of this form please do not hesitate to contact the team on 0207 178 4261, or email us at pi.solicitors@marsh.com



It is very important to read and understand the contract you will be entering into when purchasing insurance. Completion of this proposal form/questionnaire does not imply that insurance cover will be offered by insurers. Marsh Ltd is authorised and regulated by the Financial Conduct Authority. Copyright © 2017 Marsh Ltd. All rights reserved.

[illegible]

THE DUTY OF DISCLOSURE AND FAIR PRESENTATION FOR ENGLISH AND WELSH SOLICITORS



If your insurance¹ policy is governed by the laws of England and Wales, please read this guidance note carefully, as any failure to comply with the duty of fair presentation and disclose material information to your insurer may adversely affect the validity of your insurance policy.

If you have any questions, please do not hesitate to contact your usual Marsh contact in the first instance.

If your insurance policy is not governed by the laws of England and Wales, we recommend that you obtain independent advice as to your obligations under the relevant law. If you are not sure about which law applies to your insurance policy, you should discuss this with your usual Marsh contact.

This guidance note does not constitute legal advice, but it does reflect the law. Insurance policies may contain clauses which vary from the strict legal position. Policies issued which are subject to the Solicitors Regulatory Authority Minimum Terms and Conditions of Professional Indemnity Insurance

(SRA MTC Policies) do contain such clauses and, where applicable, the variation is explained in the relevant sections of this document. If appropriate you should, in addition to speaking with your Marsh contact, consider taking your own independent legal advice.

Please tell us if the person in your organisation responsible for arranging insurance changes so that we can explain the duty of disclosure/fair presentation to that person.

REMEMBER – you are responsible for the accuracy and completeness of all the information that you provide to us and to your insurer.

¹ References to insurance/insured/insurer also apply to reinsurance/reinsured/reinsurer, save for consumer insurance references.

² All references to English law include the laws of Wales, Scotland, and Northern Ireland.

BUSINESS INSURANCE CONTRACTS³

1. YOUR OBLIGATIONS

As you are a business and your insurance policy is governed by English law, you must, at all times, act with utmost good faith towards your insurer. Before your policy is placed, at renewal, and when varying or extending the policy, you have a duty under the Insurance Act 2015 to make a “fair presentation” of the risk and you must disclose to your insurer all information, facts, and circumstances which are, or ought to be, known to you and which are material to the risk.

In addition, if your policy contains a particular clause stating that any change in circumstances must be advised to your insurer, you will also have to disclose certain information during the policy period.

When providing information, completing a proposal form, or otherwise confirming any information to your insurer, you should take care to ensure that the details provided are complete and accurate.

Even where a proposal form is used, you should note that your duty to make a fair presentation is not confined to answering the specific questions listed in the form and/or asked by us, or by your insurer. All material circumstances should be disclosed to your insurer, regardless of whether or not your insurer has specifically asked for the information.

THE INSURANCE ACT 2015 GIVES SOME GUIDANCE AS TO WHAT A “FAIR PRESENTATION” OF THE RISK MEANS:

You must disclose every material circumstance which is known by:

- (i) Your senior management (the Act defines “senior management” as “those individuals who play significant roles in the making of decisions about how the insured’s activities are to be managed or organised”).

- (ii) Those individuals responsible for arranging your insurance (which includes risk managers and any employee who assists in the collection of data, or who negotiates the terms of the insurance, such as your individual brokers).⁴

You “ought to know” what should reasonably have been revealed by a “reasonable search” of information available to you. This means that you must conduct a reasonable search for, and disclose, material information that is available to you. It is important to note that this includes not only information held within your organisation⁵ but also outside it, including information held by your agents, and also held by persons and entities who are to be covered by the insurance.

- You must not make any misrepresentations to your insurer.
- You must provide the information to your insurer in a manner which would be “reasonably clear and accessible” to a prudent insurer. This is a new, standalone, duty.

2. WHAT IS “MATERIAL”?

Under English law, every circumstance is material if it would influence the judgement of a prudent insurer in fixing the premium and/or the terms of the insurance and/or determining whether to accept the risk. This refers to “any” prudent insurer, not just the insurer who has been offered the risk. A circumstance may be material even if disclosure would not necessarily lead to an increased premium or declinature of the risk.

In the context of business insurance policies, insurers are likely to regard matters such as, but not limited to, the examples detailed in Appendix 1 of this document as material. If you are unsure whether a fact or circumstance should be disclosed, or whether the duty to disclose information continues throughout the period of a particular policy, we recommend that you disclose the information anyway, as failure to do so may lead to your insurer reducing its claim payment, applying additional terms, or even avoiding the policy.

³ A business insurance contract is any contract which is not a consumer contract. A consumer contract is an insurance contract taken out by an individual for purposes which are wholly or mainly unrelated to the individual’s trade, business, or profession.

⁴ If you are an individual taking out a business insurance policy, for example if you are a sole trader or a trustee, you must disclose the material information that you know and that is known by the individuals responsible for arranging your insurance.

⁵ If you are an individual taking out a business insurance policy, this means that it will not only be information that is known or held by you that may have to be disclosed.

1.1 3. WHEN TO DISCLOSE

The duty to make a fair presentation applies throughout the negotiations preceding the placing of your policy until your insurer has agreed to accept the risk and has set the terms, price, and level of participation, and the contract has been finalised.

After the policy has been placed, the duty to make a fair presentation arises again if you wish to make changes to the policy so that your insurer takes additional risk or when there is an extension of the policy period. A policy condition may also require you to advise your insurer of a specific increase or alteration in risk, which puts a duty on you to disclose certain information.

The duty to make a fair presentation and disclose material facts and circumstances arises again during the renewal process.

1.2 4. FAILURE TO DISCLOSE

The consequences of failing to comply with the duty of fair presentation and failing to disclose a material fact or circumstance will depend on the precise terms of your insurance policy. The general position is set out below, and the special position for SRA MTC policies is at the end of the section.

GENERAL POSITION (NON-SRA MTC POLICIES)

The Insurance Act 2015 sets out the remedies that your insurer will have if you fail to comply with the duty of fair presentation. Your insurer's remedy will depend on whether or not your failure was deliberate or reckless:

- If you deliberately or recklessly fail to comply with your duties, your insurer will be able to avoid the policy. That means they can treat it as if it had never existed, and may also retain the premium.
- If your failure to comply with your duties was not deliberate or reckless, your insurer's remedy will depend on what the insurer can show it would have done had a fair presentation of the risk been made:

If your insurer would not have entered into the contract on any terms, it can still avoid the contract, but must return the premium.

- If your insurer would have entered into the contract but on different terms (not relating to premium), the contract may be treated as if it included those terms from the outset.
- If your insurer would have entered into the contract but would have charged a higher premium, the amount paid on a claim may be reduced proportionately.

Similar proportionate remedies are available to your insurer in the event of a breach of the duty of fair presentation in relation to a variation of your policy. This will depend on whether the breach was deliberate or reckless, and what the insurer can show it would have done had the duty not been breached. This may result in the insurer treating the policy as if the variation was never made, reducing your claim payment, applying additional terms, or even avoiding the entire policy.

SRA MTC POLICIES

However, there are some changes to SRA MTC policies as a consequence of the Insurance Act 2015, which we explain further below. Under SRA MTC policies insurers are not able to reduce or avoid claims and this remains unaltered by the Insurance Act (so the above paragraphs do not apply so far as they refer to avoidance, cancellation, and the right of insurers not to pay a claim in full).

In respect of SRA MTC policies, you should note that the reimbursement provisions (which govern the extent to which insurers might seek to re-coup money from firms), have been amended to make reference to the duty of fair presentation. While historically it is rare for insurers to use the reimbursement rights to pursue firms or individual solicitors, it is possible that the existence of the new duty of fair presentation will lead to greater use of them.

- Insurers' reimbursement rights (if a breach of the duty of fair presentation is established) under SRA MTC policies are unchanged from prior years. They remain limited "to the extent that is just and equitable having regard to the prejudice caused to the insurer's interests". Insurers will still not be able to avoid a claim or policy on the grounds that a firm has failed to comply with the new duty of fair presentation. However, the remedies that apply under the Act will be relevant to any decision about what is "just and equitable", if insurers do seek reimbursement, and the firm has not made a fair presentation of the risk.
- Although reimbursement rights are rarely used, we would suggest that given the existence of this new duty it is all the more prudent to keep records of the enquiries made, and the extent of the efforts taken to undertake a reasonable search, prior to presentation of your proposal. For example, records of any communications asking fee earners to disclose if there are any circumstances which might lead to a claim, will be useful in order to demonstrate performance of the duty.
- Also, (although not new) it should be noted that for SRA MTC policies, most complaints are reportable to insurers, and whether notified as claims or not, are likely to require disclosure to meet the fair presentation duty.

APPENDIX 1

NON-EXHAUSTIVE ILLUSTRATIVE EXAMPLES OF MATERIAL INFORMATION

Circumstances which may be considered material are:

- Special or unusual facts relating to the risk.
- Any particular concerns which led you to seek insurance cover for the risk.
- Anything which would generally be understood as being something that should be disclosed for the type of risk in question.

By way of example:

GENERAL INFORMATION ABOUT YOUR BUSINESS

- Business activity (or change to business activity), including processes, products, and geographic presence.
- New companies, markets, acquisitions, or disposals.
- Additional premises/insurable items.
- Changes to premises.
- Higher than ordinary degree of risk or liability (specific to your business or industry).
- Business financial status.
- Loss history/experience, including paid and outstanding claims and potential claims/circumstances/incidents/losses that were not reported as claims (whether insured or not).
- Details of criminal charges and convictions of your organisation, its directors or employees; regulatory investigations or enforcement/health and safety investigations and prosecutions.
- Any insurers' previous declinatures, refusals to renew, imposed terms/restrictions in cover, mid-term cancellations, etc.

MATERIAL DAMAGE POLICIES

- Changes in construction and/or purpose.
- New/amended processes.
- Changes to fire protections.
- Increased storage of hazardous materials/attractive stock.
- Any attempted break-in or arson attack.
- Use of temporary/third party premises.

LIABILITY POLICIES

- Changes to business activities (including disclosing historic activities that have ceased).
- The creation or acquisition of new companies for which cover is required.
- Products exported to, or work in, overseas territories (particularly the USA or Canada).
- Work in or on hazardous locations such as offshore installations.
- Health and safety investigations/prosecutions.

REMEMBER – THIS LIST PROVIDES EXAMPLES ONLY. IF IN DOUBT – DISCLOSE.

For more information about the duty of disclosure and fair presentation, visit marsh.com, or contact your local Marsh representative.

WILLIAM COOPER
william.cooper@marsh.com
+44 (0)20 7178 4261

The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only. The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

In the United Kingdom, Marsh Ltd is authorised and regulated by the Financial Conduct Authority.

Copyright © 2017 Marsh Ltd All rights reserved