

ACCOUNTANTS PROFESSIONAL LIABILITY APPLICATION



New Business Renewal of Policy Number _____

AGENT INFORMATION	Agent Name _____
	Soliciting Agency/Licensee/Producer _____
UNDERWRITING COMPANY	St. Paul Fire and Marine Insurance Company
FAX TO	Insurance Agent: <i>Please fax this completed application and all applicable attachments, supplements, and additional information to The St. Paul, Fax No. 877.435.7775</i>
NOTICE	This is an application for a policy that contains "Claims-made" liability protection. Coverage for prior acts and claims made after termination of this policy may be restricted.

APPLICANT INFORMATION

1. a. Legal Name of Applicant _____

b. Applicant is a (check only one):
 Individual Limited Liability Company Limited Liability Partnership Corporation
 Partnership Professional Association Professional Corporation Other _____

2. a. Address (Street, City, State, Zip Code) _____
 b. County _____

3. Mailing Address (if different from address in question 2) _____
 4. Telephone Number () _____

5. E-mail Address _____
 6. Facsimile Number () _____

7. Internet Address _____
 8. Desired Coverage Effective Date _____

9. Desired limit of coverage "each wrongful act/total limit":
 \$100,000/200,000 \$250,000/500,000 \$500,000/1,000,000 \$ Other _____

10. Desired deductible "each wrongful act": (Financial Statement is Required for Deductible in Excess of \$10,000)
 \$1,000 \$2,500 \$5,000 \$Other _____

11. Date applicant firm was established: _____

12. Has the applicant firm's name changed in the **past five years**? Yes No
 If yes, provide the following information in chronological order:

Predecessor Firm Name	Date of Change	Number of Partners, Officers, and Owners of Predecessor Firm and date of dissolution	Number of Partners, Officers, and Owners of Predecessor Firm who joined successor	Percent of billings assigned to successor

13. a. Total number of individuals involved in accounting functions (including independent contractors and individuals who are licensed to sell annuities or mutual funds or who perform audit services)? _____

b. Total number of individuals who are licensed to sell annuities or mutual funds? _____

c. Total number of individuals who audit financial statements? _____

14. List all Owners, Partners, Officers, and Management:

Name	Position	Years in Practice	Credentials (CPA, PA, EA, ABA, ATP, other)	Professional Organizations

15. Is any individual listed in question 14 a certified financial planner, licensed investment advisor, or registered representative of a securities dealer? Yes No
If yes, provide the following for each individual:

Name	Profession				
a.	<input type="checkbox"/> Certified Financial Planner <input type="checkbox"/> Licensed Investment Advisor <input type="checkbox"/> Registered Representative				
<i>If this individual is currently insured under a professional liability policy for such services, complete the following: ...</i> <input type="checkbox"/> Yes <input type="checkbox"/> No					
Insurer	Policy Period	Limit of Liability	Deductible	Annual Premium	Retroactive Date or Prior Acts Date
b.	<input type="checkbox"/> Certified Financial Planner <input type="checkbox"/> Licensed Investment Advisor <input type="checkbox"/> Registered Representative				
<i>If this individual is currently insured under a professional liability policy for such services, complete the following: ...</i> <input type="checkbox"/> Yes <input type="checkbox"/> No					
Insurer	Policy Period	Limit of Liability	Deductible	Annual Premium	Retroactive Date or Prior Acts Date

16. Is the applicant's accounting practice less than a full-time business, or does the applicant engage in any other business that is not an accounting practice? Yes No
If yes, attach details including the number of hours per week devoted to any other activity.

NATURE OF PRACTICE

17. Gross Annual Billings:

a. Last Fiscal Year \$ _____

b. Estimated Current Fiscal Year \$ _____

18. Provide the percentage of fees derived from the following areas of practice. **Coverage may not be provided for all activities indicated.**

Audit Services:

Publicly Traded corporations* %

All Other Audit %

Accounting Services:

Review %

Compilation %

Bookkeeping/Write-Up %

Tax Services:

Individual Tax Returns %

Corporate Tax Returns %

Partnership Tax Returns %

Limited Partnership Tax Returns %

Estate Tax Returns %

Other Tax Services (including tax advice) %

Fiduciary Services:

Administrator, Executor, or ERISA Trustee %

Bankruptcy Trustee or Receiver %

Other Trustee Work %

Securities Activities* %

Financial Services:

Personal Finance Planning %

Annuity/Mutual Fund Sales %

Management Advisory Services %

Describe Activity _____

Data Processing Advice %

Describe Activity _____

Business Investment Advice (Includes tax shelter syndication, tax shelter advice, business acquisition evaluations and projections). %

Business Valuations %

Other Services (Describe) _____ %

TOTAL: 100 %

*Includes S.E.C. work such as reports on Audit, Review, or Compilation of financial statements or projections performed in connection with:

- A Registration statement filed with the S.E.C. or any state securities commission
- A private offering memorandum, Regulation D debt or equity offering, or any other exempt transaction or securities offering
- A report filed with the S.E.C., or any state securities commission, NASD, or any stock exchange or similar organization.

19. During the **past five years** has the applicant or any individual in the applicant firm acted in a decision-making capacity with respect to handling client funds? Yes No
If yes, provide the following:

Type of Client	Annual Amount of Funds Handled	Type of Services Provided	Sole Check Signing Authority
			<input type="checkbox"/> Yes <input type="checkbox"/> No
			<input type="checkbox"/> Yes <input type="checkbox"/> No

20. During the **past five years** has the applicant provided professional services to any client in which any firm member of the applicant or their spouse:
- a. Served as an officer, director, trustee, or partner Yes No
- b. Owned an equity or financial interest Yes No

If yes to either a or b, provide the following information:

Type of Business	Equity Percent	Capacity*	Services Rendered	Fees Earned	Disclosure**
	%				<input type="checkbox"/> Yes <input type="checkbox"/> No
	%				<input type="checkbox"/> Yes <input type="checkbox"/> No

*Capacity: O - Officer S - Shareholder P - Partner D - Director/Trustee X - Other (explain) _____

**Disclosure: Specify whether lack of independence is disclosed to each client.

21. During the **past five years** has the applicant or any firm member:
- a. Organized, arranged, or participated in the management of limited partnerships, Real Estate Investment, Trusts (REITS) tax shelters, or other investment ventures? Yes No
- b. Received commissions, fees (*other than fees for accounting services*), reciprocity, or revenue from the sale or promotion of investments (excluding annuities or mutual funds), or tax shelters? Yes No

RISK MANAGEMENT PROCEDURES

22. Within the **past five years** has the applicant undergone Peer Review or Quality Review? **Respond to this question only if the applicant performs audits of financial statements** Yes No
- If yes:*
- a. Date of last review _____
- b. Were results qualified? Yes No
- Attach a copy of the most recent report and include responses and corrections to any noted deficiencies.*
- If no:*
- a. Are all statements of condition, balance sheets, and reports personally signed by a partner, officer, or owner of the applicant firm? Yes No
- b. Are workpapers indexed to reflect what was done, when, and by whom? Yes No
- c. Does the applicant firm maintain a system to insure timely completion of reports, filings, and tax returns? Yes No
23. During the **past two years** have more than 50% of the applicant's professional staff completed four or more hours of Continuing Professional Education in addition to any state-required continuing education requirements? Yes No
24. Are engagement letters, outlining the nature and scope of the services provided, issued to all clients for whom the following engagements are performed? (*N/P - Engagement Not Performed*)
- a. Audit Yes No N/P
- b. Review Yes No N/P
- c. Compilation Yes No N/P
- d. Tax Preparation Yes No N/P
- e. Projections/Forecasts Yes No N/P
- f. Management Advisory Services Yes No N/P
- g. Financial Planning Yes No N/P
- h. Other (*explain*): _____

25. Does the applicant maintain a Diary or "tickler" system to ensure timely completion of reports, filings, and tax returns? Yes No
26. During the **past three years** has the applicant firm sued to collect fees?..... Yes No
If yes, provide the following information:

Services Rendered	Fee Amount	Suit Date	Outcome
	\$		
	\$		
	\$		

CLAIMS EXPERIENCE

27. Has the applicant, any predecessor in business, or any past or present member of the applicant firm ever:
- a. Had their state accounting license revoked? Yes No
 - b. Been subject to any investigation by any state board of accountancy or any accountancy society? Yes No
 - c. Been subject to any disciplinary action by any state board of accountancy or any accountancy society? Yes No
 - d. Been subject to any reprimand, criminal penalty or fine (*including a tax preparer's fine levied by the Internal Revenue Service*) related to the performance of professional accounting activities? Yes No
- If yes to any of the above, please provide full details on a separate sheet and attach to this application.*
28. Have any claims or suits involving accounting practice or any other professional services been made during the **past five years** against the applicant or a predecessor in business or any partner, officer, shareholder, or employed accountant? Yes No
*If yes, complete a separate **Claim or Incident Supplement** for each claim or suit.*
29. After inquiry of all officers, partners, and professional employees, is the applicant aware of any circumstances that may result in a claim being made against the firm, any predecessor in business or any partner, officer or professional employee of the firm? Yes No
If yes, complete a separate **Claim or Incident Supplement** for each potential claim or suit, AND REPORT ALL SUCH MATTERS TO THE CLAIMS DEPARTMENT OF THE APPROPRIATE PROFESSIONAL LIABILITY INSURANCE COMPANY BEFORE THE CLAIM REPORTING PERIOD EXPIRES.

INSURANCE INFORMATION

30. Is the applicant currently insured under a professional liability policy? Yes No
If yes, complete the following table:

Insurer	Policy Period	Limit of Liability	Deductible	Annual Premium	Retroactive Date or Prior Acts Date

IMPORTANT NOTE	Be sure to report all known claims, suits, or wrongful acts to your current insurer before the claims reporting period expires.
FRAUD WARNING NOTICE	If a state fraud warning notice applies, attach the signed Fraud Warning Notice List (Form 55306) to this application.

REQUIRED COMPLETION - READ AND SIGN

You, the undersigned, are the authorized representative of the prospective Named Insured and certify that reasonable inquiry has been made to obtain the answers to these questions. By signing, you certify that the answers and information that you provided in this application, and all supplements and attachments to this application, are true, correct, and complete to your best knowledge and belief. Signing this application won't constitute a binder or obligate St. Paul Fire and Marine Insurance Company to provide Accountants Professional Liability Protection, but it's agreed that this application will be the basis upon which a Policy may be issued.

Signature of principal or officer of applicant firm X	Date
---	------

Complete one form for each claim, suit, or incident.

Name of applicant or insured _____

Name of individual(s) at firm involved in the claim or incident _____

Name of claimant _____

This matter is currently a/an:
 Pending demand, claim, or suit Closed matter Incident

Name of insurer to whom this matter has been reported	Date reported to insurer
---	--------------------------

If this matter is a pending claim or suit, complete this section

Date of alleged error	Date of claim	Additional defendants, if any
Claimant's settlement demand \$	Defendant's offer for settlement \$	Insurer's loss reserve \$
Cost of defense paid to date \$	Is claim in suit \$	If claim is in suit, amount asked in summons \$

If this matter is closed, complete this section

Date of alleged error	Date of claim	Additional defendants, if any
Total paid indemnity \$	Total paid defense costs \$	Deductible \$

Indicate whether
 Matter closed without payment Court judgement Out of court settlement

If this matter is an incident only, complete this section

Date of alleged error _____

Description of claim, suit, or incident - Provide enough information to allow evaluation. Attach a separate sheet, if necessary. DO NOT attach a copy of the summons:

Alleged act, error, or omission upon which claimant bases claim:

Description of case and events:

Description of the type and extent of injury or damage allegedly sustained:

Description of Risk Management Procedures

Describe any remedial measures taken by the applicant or insured to avoid similar claims or incidents:

IMPORTANT: Claim Reporting Requirement

Completion of this supplement does not substitute for reporting this Claim, Demand, Suit, or Incident to the Claims Department of your insurer. You must report all such matters to the Claims Department of your insurer separately and before the claims reporting period provided under your current policy ends.

REQUIRED COMPLETION - READ AND SIGN

You, the undersigned, are the authorized representative of the prospective Named Insured and certify that reasonable inquiry has been made to obtain the answers to these questions. By signing, you certify that the answers and information that you provided in this supplement and attachments to this supplement, are true, correct, and complete to your best knowledge and belief.

Signature

X

Date

**NEW YORK APPLICATION AND INTRODUCTION PAGE ADDENDUM
CLAIMS-MADE DISCLOSURE AND NOTICE**

Please read the following claims-made disclosures and notices carefully:

- The insuring agreement, if issued, will be written on a claims-made basis.
- If this agreement includes a retroactive date, no coverage is provided for claims or suits arising out of wrongful acts committed prior to the retroactive date.
- The insuring agreement applies only to the following:
 - Covered claims or suits first made or brought while the agreement is in effect.
 - Covered wrongful acts first reported to us while the agreement is in effect.However, except for the limited reporting period, all coverage under the agreement ends if the agreement is canceled or not renewed and an Extended Reporting Period Endorsement is not purchased.
- The length of time for the limited reporting period is 60 days.
- The lengths of time that are available to you for an Extended Reporting Period Endorsement are 12 months, 24 months, 36 months, or an unlimited time period (unlimited time period not applicable to Miscellaneous Errors And Omissions Liability Protection - Claims-Made).
- If the length of time for the Extended Reporting Period Endorsement is less than an unlimited time period, potential coverage gaps may arise upon expiration of the extended reporting period.
- During the first several years of a claims-made relationship, claims-made rates are comparatively lower than occurrence rates, and you can expect substantial annual premium increases, independent of overall rate-level increases, until the claims-made relationship reaches maturity.
- The premium for the Extended Reporting Period Endorsement will be based on the rates and rules in effect at the time the most current policy period began. The premium charges for the available extended reporting period options are shown in the Coverage Summary, which is a part of the policy.

NOTICE: This policy contains an insuring agreement that includes defense expenses within the limit of coverage. Therefore, 100% of the limit of coverage, and any deductible that applies to defense expenses, may be used up with the payment of judgments, settlements, or defense expenses. Once the limit of coverage is used up, we will have no further obligation to pay any judgments, settlements, or defense expenses.

58852 Ed. 12-2001

FRAUD WARNING NOTICE LIST

This supplemental application notice is incorporated into and becomes part of your application to The St. Paul Companies, Inc. and its subsidiaries.

ARIZONA, ARKANSAS, CALIFORNIA, DISTRICT OF COLUMBIA, FLORIDA, KENTUCKY, LOUISIANA, MAINE, NEW JERSEY, NEW MEXICO, NEW YORK, PENNSYLVANIA AND VIRGINIA FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or another 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, and subjects the person to criminal and (NY: substantial) civil penalties. In the District of Columbia, Louisiana, Maine and Virginia, insurance benefits may also be denied.

COLORADO FRAUD WARNING: 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 policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

HAWAII FRAUD WARNING: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime of punishable by fines or imprisonment, or both.

NEW YORK AUTO FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or another person files an application for commercial insurance or a statement of claim for any commercial or personal insurance benefits containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, and any person who, in connection with such application or claim, 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.

OHIO FRAUD WARNING: Any person who, with intent to defraud or knowing that he/she 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 FRAUD 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.

TENNESSEE FRAUD WARNING: 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. If this is a Workers' Compensation policy, the following applies: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

UTAH WC FRAUD WARNING: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

Applicant's Signature _____ Date _____
Agent's Signature _____ Date _____