

PROFESSIONAL INDEMNITY INSURANCE FINANCIAL SERVICES

Supplementary Questionnaire

Name under which business is conducted, that will be the Insured in the insurance policy. Also referred to as 'Proposer', 'You' or 'Your' in this questionnaire:

Policy Number:

SECTION ONE: GENERAL

1. **FCA Authorisation/Regulation** (previously FSA)

Within the last 5 years have you:

- | | | |
|--|------------------------------|-----------------------------|
| a. received a regulatory visit for routine compliance monitoring purposes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| b. received any type of TCF audit or assessment from the regulator? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| c. been asked by the regulator to take part in any risk based monitoring? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| d. been asked by the regulator to undertake any form of past business review (including but not limited to Section 166 reviews)? | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

If Yes to any of the above, please supply a copy of the FCA or FSA Report/Assessment Letter together with any subsequent correspondence pertaining thereto.

2. **Risk Management**

Do you keep client records indefinitely? Yes No

If No, please explain how you would protect your position against potential claims:

3. Business Profile

Please advise the approximate split of your total Financial Services income during your last completed Financial Year by the following categories:

	Activity conducted within the last 10 years?	Total
a. Pension Sales & Advice (if any, please complete Section 2)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
b. Investment Sales & Advice (if any, please complete Section 3)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
c. Mortgage Sales & Advice (if any, please complete Section 4)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
d. General Insurance Sales & Advice (if any, please complete section 5)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
e. Life & Protection Products Sales & Advice (excluding health):	Group Yes <input type="checkbox"/> No <input type="checkbox"/>	%
	Individual Yes <input type="checkbox"/> No <input type="checkbox"/>	%
f. Health Insurance Sales & Advice:	Group Yes <input type="checkbox"/> No <input type="checkbox"/>	%
	Individual Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Have you re-brokered any CIC contracts or benefits? Yes <input type="checkbox"/> No <input type="checkbox"/>		
If Yes, is there always an audit trail detailing the reasons for the re-broke together with confirmation that each client is aware of any reduced CIC definitions in the replaced policy, and is it retained on file? Yes <input type="checkbox"/> No <input type="checkbox"/>		
g. Long Term Care:	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Please confirm that all advisers involved in LTC have passed the Long Term Care examination (CF8). Yes <input type="checkbox"/> No <input type="checkbox"/>		
h. IHT/Estate Planning	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
i. Other (please supply full details)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Total Financial Services Income		£ 100%

With regard to the business disclosed above, please advise the approximate percentage of this income that relates to Holistic Financial Planning/Wealth Management/Asset Management: %

4. During the last 5 years have you issued any direct offer or financial promotion to clients promoting a particular product or products? Yes No

If Yes, please provide full details below

5. Do you have, or have you ever had, any involvement with any syndicate, trust, portfolio, fund or investment as either a Trustee, Director or any other position of responsibility for which cover is required under this policy? Yes No

If Yes, please provide full details below

SECTION TWO: PENSIONS

For completion if income is disclosed under (a) of Business Profile

I. Please advise the approximate split of income by the following categories:

	Activity conducted within the last 10 years?	Personal (Individual) Advice	Corporate (Group) Advice	Total
a. Personal Pension Plans	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
b. Self-Invested Personal Pensions	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
c. Small Self-Administered Schemes	Yes <input type="checkbox"/> No <input type="checkbox"/>		%	%
d. Executive Pension Plans	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
e. Alternatively Secured Pensions	Yes <input type="checkbox"/> No <input type="checkbox"/>	%		%
f. Individual Pension Accounts	Yes <input type="checkbox"/> No <input type="checkbox"/>	%		%
g. Qualified Recognised Overseas Pension Schemes (QROPS)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
h. Defined Benefit Schemes	Yes <input type="checkbox"/> No <input type="checkbox"/>		%	%
i. Pension Fund Administration	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
j. Pension Fund Management	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
k. Pension Trustee Work	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
l. Annuities	Yes <input type="checkbox"/> No <input type="checkbox"/>	%		%
m. Income Drawdown/Unsecured Pension/Phased Retirement	Yes <input type="checkbox"/> No <input type="checkbox"/>	%		%
n. Pension Unlocking (other than in (m) above)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%		%
o. Pension Transfers				
i. from money purchase schemes	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
ii. from defined benefit schemes	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
p. Other	Yes <input type="checkbox"/> No <input type="checkbox"/>	%	%	%
Total				100%

IMPORTANT – Have any pensions ever been invested within investments of the types defined under items (g), (h) or (i) of the Section 3: Investment Questionnaire?

Yes No

If Yes, please provide full details on a separate sheet including dates of investment, product type and provider; amount invested, amount invested as a proportion of the client's overall pension portfolio and the current or final value of the investment.

2. Do you always recommend that no more than 25% of a client's overall pension portfolio is invested within a single fund?

Yes No

If No, in what circumstances would you recommend greater than 25% of a client's overall pension portfolio is invested within a single fund?

SECTION THREE: INVESTMENTS

For completion if income is disclosed under (b) of Business Profile

I. Please advise the approximate split of income by the following categories:

	Activity conducted within the last 10 years?	Total
a. Insurance/Investment Bonds		
i. UK (excluding Channel Islands and Isle of Man)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
ii. Offshore	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
b. Unit Trusts/ISAs		
i. UK (excluding Channel Islands and Isle of Man)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
ii. Offshore	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
c. Mortgage Linked Endowments	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
d. Regular Savings Products (including endowments not linked to mortgages)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
e. Structured Products (including Precipice Bonds) if now or within the last 10 years, please enter details in the Appendix	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
f. Private Client Portfolio Management (please state whether discretionary or not and supply a copy of the contract)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Investment Values: Average £ Largest £		
g. Unregulated Collective Investment Schemes	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
h. Investment vehicles designed/used specifically for tax mitigation reasons, e.g. (and not restricted to) Film Partnerships, EZT's, VCT's, Carbon Trading Partnerships, Mergers and Acquisitions, etc If any, please state which types of investment utilised.	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
i. Other investment vehicles including (and not restricted to) TEPs, viaticals/traded life policies, securities dealing, commodities dealing, investment in tangibles, Hedge Funds, Property Funds, Split Capital Investment Trusts, etc If any, please state which types of investment utilised.	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Total		100%

IMPORTANT – Have any investments been made within investments of the types defined under items (g), (h) or (i) above?

Yes No

If Yes, please provide full details on a separate sheet including dates of investment, product type and provider, amount invested, amount invested as a proportion of the client's overall investment portfolio (excluding pension investments) and the current or final value of the investment.

2. Have you ever promoted, recommended, advised upon or arranged an Offshore Bond product? State the product providers and offshore territories utilised:

3. Do you always recommend that no more than 25% of a client's overall investment portfolio (excluding pensions) should be invested within a single fund?

Yes No

If No, in what circumstances would you recommend greater than 25% of a client's overall investment portfolio (excluding pensions) is invested within a single fund?

4. Compromised Investment Products

Provide details below of any products (for example: Structured Products, SIPP Investments, Discounted Gift Trusts) where the bank, product provider; any other financial institution or fund/investment is: insolvent, has a known liquidity problem, has otherwise failed (for example Lehman Brothers, Kaupthing Singer and Friedlander, Keydata and Arch Cru Investments) or is under investigation by the Police, Serious Fraud Office, FCA, SEC or other regulatory authority in relation to allegations of fraud (for example Madoff).

Investment date	Client	Investment value	Provider	Product and issue/series	Percentage of total investment portfolio

SECTION FOUR: MORTGAGE BROKING

For completion if income is disclosed under (c) of Business Profile

1. Please advise the approximate split of the income by the following categories:

	Activity conducted within the last 10 years?	Total
a. Residential Mortgages (excluding b), c) and d) below		
i. Repayment mortgages	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
ii. Interest-only mortgages	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
b. Equity Release, Home Reversion etc	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
c. Sub Prime Mortgages	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
d. Self-certification Mortgages	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
e. Secured Loans	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
f. Commercial Mortgages (excluding Buy to Let)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
g. Buy to let	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Total		100%

2. Is all commercial advice/sales (other than Buy to Let) conducted in accordance with the NACFB regulations? Yes No

3. In respect of 1 above, please confirm:

i. the average mortgage loan amount	ii. the largest mortgage loan amount
l. a. i. £	l. a. i. £
l. a. ii. £	l. a. ii. £
l. b. £	l. b. £
l. c. £	l. c. £
l. d. £	l. d. £
l. e. £	l. e. £
l. f. £	l. f. £
l. g. £	l. g. £

4. a. If you have ever arranged, intend to arrange, or offer advice on equity release or Home Reversion type products, is it your standard procedure to deal only with providers that abide by the SHIP code? Yes No

If No, please provide details:

b. What is your total income for the last 12 months derived from such products? £

c. What is the anticipated income derived from such products for the next 12 months? £

d. Have you given/will you give advice on the release of funds from property and the subsequent reinvestment of the fund released, other than in respect of care home fee planning/long term care planning etc? Yes No

e. If Yes, do you advise on products that encourage the release of equity for the purpose of investment in a specific and pre-defined product of a higher risk nature than property? Yes No

f. Do you insist on/recommend (with a record) the involvement of a solicitor in the advice process? Yes No

g. Do you insist on/recommend (with a record) the involvement of family members/heirs in the advice process? Yes No

h. Do you always ensure that alternative means of raising capital are considered, and that the deliberations are recorded? Yes No

5. If you arrange, or have in the past arranged, self-certification mortgages:

a. Do you provide confirmation to the lender that an applicant's stated income is correct and the loan amount is affordable? Yes No

b. If Yes, is this always fully researched? (If not, please provide further details) Yes No

SECTION FIVE: GENERAL INSURANCE BROKING

For completion if income is disclosed under (d) of Business Profile

1. Please advise the approximate split of the income by the following categories:

	Activity conducted within the last 10 years?	Total
a. Commercial non-marine	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
b. General/Personal Lines Insurance (ex Motor, non-marine and PPI)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
c. PPI (Regular Premium)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
PPI (Single Premium)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
d. Motor - Commercial	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Motor - Private	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
e. Aviation (please detail on a separate sheet)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
f. Marine (please detail on separate sheet unless private pleasure craft)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
g. Reinsurance (please detail on a separate sheet)	Yes <input type="checkbox"/> No <input type="checkbox"/>	%
Total		100%

2. Binding Authorities

Do you hold any authority (other than for private motor, household and other similar cover noted or "coupon" type business), which has been granted by any Insurance Company, Lloyd's Underwriter or other Insurer or Reinsurer, where under such authority you have the power to bind the insurer without prior reference as to terms and/or cover?

Yes No

If Yes, the completion of a separate questionnaire will be required

APPENDIX

For completion if there is now or was within the last 10 years involvement with Structured Products

Investment Date	Maturity Date	Client	Investment Value	Provider	Product & Issue/Series	Income or Growth	Maturity Value or Current Value	Income Drawn	100% Capital Guaranteed? Yes/No	Cap on Potential Capital Loss (if any)										

IMPORTANT NOTICES

Please read the following carefully before you sign and date the Declaration and Undertaking.

IMPORTANT NOTICE CONCERNING YOUR DUTY TO MAKE A FAIR PRESENTATION OF THE RISK

Before the insurance policy takes effect the Insured have a duty to make a fair presentation of the risks to be insured under the insurance policy.

A *fair presentation of the risk* is one:

- which:
 - discloses to the Insurer every material circumstance which the Insured know of or ought to know of; or
 - gives the Insurer sufficient information to put the Insurer on notice that it will need to make further enquiries for the purpose of revealing those material circumstances,
- which makes that disclosure referred to above in a manner which is reasonably clear and accessible to the Insurer; and
- in which every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith.

A *material circumstance* is one that would influence the Insurer's decision as to whether or not to agree to insure the Insured and, if so, the terms of that insurance. If you are in any doubt as to whether a circumstance is material you should disclose it to the Insurer.

A copy of the proposal should be retained by you for your own records.

Fair Processing Notice

RSA will treat your personal information fairly and lawfully in accordance with the Data Protection Act 1998.

Declaration and Undertaking

I/We declare that every statement and particular contained within this questionnaire:

- which is a statement of fact, is substantially correct, and
- which is matter of expectation or belief, is made in good faith.

If any such facts, expectations and/or beliefs materially change before the insurance policy takes effect I/we undertake to provide details of all such changes to the Insurer in order to comply with my/our obligation to provide a fair presentation of the risk to be insured under the insurance policy.

For the purposes of making this proposal for insurance, I/we agree that the Intermediary (which I/we have appointed to advise in relation to this policy) is acting on my/our behalf and not as an agent of the Insurer.

Signature (Principal)

On behalf of *

(*insert name of Proposer)

Date