

NAVIGATORS INSURANCE COMPANY

ACCOUNTANTS PROFESSIONAL LIABILITY APPLICATION

NOTICE: This is an application for a "Claims-made" policy. Coverage for prior acts and claims made after termination of this policy may be restricted. Please read the policy carefully.

Section 1 – General Information

Firm Name: _____

Contact Name: _____ E-Mail Address: _____

Street Address: _____

City: _____ County: _____ State: _____ Zip Code: _____

Website Address: _____ Date of Incorporation/Formation: ____/____/____

Inconsistencies between your Firm's letterhead and this application, including accountant's name, address, other offices, etc., should be explained on a separate sheet on your firm's letterhead

Entity Type:	☐ CORPORATION ☐ PARTNERSHIP	☐ SOLE PROPRIETORSHIP ☐ LLC ☐ LLP	☐ PC ☐ OTHER
Limits Requested:	☐ \$250,000/\$250,000 ☐ \$2,000,000/\$2,000,000 ☐ \$5,000,000/\$5,000,000	☐ \$500,000/\$500,000 ☐ \$3,000,000/\$3,000,000 ☐ OTHER	☐ \$1,000,000/\$1,000,000 ☐ \$4,000,000/\$4,000,000
Deductible Requested:	☐ \$1,000 ☐ \$10,000 ☐ \$50,000	☐ \$2,500 ☐ \$15,000 ☐ \$100,000	☐ \$5,000 ☐ \$25,000 ☐ OTHER

1. Please account for all full time and part-time personnel/staff:
A part time person is an individual who works 20 hours or less in a week. Two part-time individuals equate to one full-time person.

	CPA's	Non-CPA's	Total
Owners, Partners & Officers:			
Employed Accounting or Tax Professionals:			
Other Consulting Professionals (not included above):			
Administrative Staff:			
Total:			

Complete Supplement 1 - Professional Staff Supplement and supply a current sample of Firm letterhead.

2. Has the Firm changed names or assumed, by merger or acquisition, the liabilities of another accounting Firm or other business entity? ☐ Yes ☐ No
If yes, complete the following

Predecessor firms:

- List all firm name changes and the date of change.
- List all Predecessor firms and their dates of existence.

Predecessor firms mean any firm no longer in existence for which the applicant firm obtained a majority interest in such firm's assets and liabilities.

Firm Name	Date Established (mm/dd/yy)	Confirm the following: 1. Dissolved 2. Name Change 3. Continue to Exist	Date Dissolved (mm/dd/yy)	Percentage (%) of Assets / Liabilities Applicant Firm Assumed

3. Does the Firm share with another Firm:
- a. Office Space? ☐ Yes ☐ No
- b. Support Staff? ☐ Yes ☐ No
- c. Letterhead? ☐ Yes ☐ No
- d. Clients? ☐ Yes ☐ No

If yes to any of the foregoing, please provide a detailed narrative on the Supplement 2 - Supplemental Information Form.

4. Has the Firm or any owner, partner or officer rendered professional services or conducted business activities under a separate entity within the last five (5) years? ☐ Yes ☐ No
- If yes, please complete the Supplement 3 - Separate Entity Supplement if the Firm is seeking coverage for this entity(s).**

5. Does the Firm practice from additional locations? ☐ Yes ☐ No
- If yes, please indicate the three (3) largest branch offices by gross Billings:**

	Branch Office # 1	Branch Office # 2	Branch Office # 3
City and State:			
Billings:			

6. Has the staff size of the Firm changed +/- 25% during the past three years? ☐ Yes ☐ No
- If yes please provide a detailed narrative on Supplement 2 - Supplemental Information Form.**

7. Based on the Firm's fiscal year-end data, please provide the following gross revenue figures:

Next Fiscal Year (projected)	Current Fiscal Year (estimated)	Last Fiscal Year	Previous Fiscal Year
\$	\$	\$	\$

8. Please complete the following chart for your three largest clients as a percentage of gross annual revenue for the past 12 months:

Name	Industry	Services Provided for Client	Percent of your Revenue Derived from Client	Number of Years you have Represented

9. Please complete the following chart based upon the Firm's gross revenue for each category: *The total must equal 100%*

Type of Client	Percentage of Practice	Type of Client	Percentage of Practice
Individuals	%	Small Public Companies (<\$100M revenues)	%
Individuals – High Net Worth (>\$10M assets)	%	Large Public Companies (>\$100M revenues)	%
Small Private Companies (<\$100M revenues)	%	Trusts (>\$5M)	%
Large Private Companies (>\$100M revenues)	%	Other: (please specify): _____	%

Section 2 – Areas of Practice:

10. a. Does the firm have any professional staff involved in activities as a Registered Representative? ☐ Yes ☐ No
- b. Is coverage desired for these activities? ☐ Yes ☐ No
- If yes, please attach proof of current coverage**

11. a. Has the firm, predecessors, or affiliates within the past 5 years performed SEC work other than audit work for publicly traded companies? ☐ Yes ☐ No
- b. Has the firm, predecessors, or affiliates within the past 5 years performed services, or consented to the use of the firm's work product, in connection with public or private offerings of securities, real estate, or other investments? ☐ Yes ☐ No
- If yes to either a. or b. above, please complete Supplement 6 - Securities Supplement**

12. Within the past three years, has the firm provided:
- a. Professional services or received commissions, fees, reciprocity or revenue for referrals in connection with the sale or promotion of any investments or tax shelter, including investment partnerships designated for tax shelters? ☐ Yes ☐ No
- b. Recommendations as to the sale or purchase of any investments, including specific stocks, bonds or other securities for which the firm received compensation? ☐ Yes ☐ No
- c. Financial planning, asset management or investment advisory services? ☐ Yes ☐ No
- If yes, is the firm registered with the SEC as an investment advisor? ☐ Yes ☐ No**

If yes to either a., b. or c. above, please complete Supplement 5 - Financial Advisory Services Supplement.
If the firm is registered with the SEC as an investment advisor, also attach a copy of Form ADV, Part 2.

13. Within the past five years, has the firm provided professional Services to Financial Institutions? ☐ Yes ☐ No
- If yes, please complete the Supplement 8 - Financial Institution Supplement**

14. Please provide the percentage of gross annual billings for each of the following areas of practice in which the Firm has engaged during the past 12 months. Note the combined total areas of practice must equal 100%. **For each area of practice the Firm engages in that is referenced by an *, please complete the appropriate supplement available from your broker.** If the Other percentage is greater than 5%, please provide details.

Area of Practice	Current Year	Prior Year
Administrator, executor or ERISA Trustee	%	%
Audit: Non-Public	%	%
Audit: Public*	%	%
Bankruptcy Trustee or Receiver	%	%
Bookkeeping/Write-ups/Payroll Processing	%	%
Business Valuations	%	%
Compilations	%	%
Consulting: Business Investment Advice	%	%
Consulting: Litigation Support	%	%
Consulting: Other	%	%
Data Processing Services	%	%
Debenture Financing/Bonds	%	%
Enrolled Agents	%	%
Financial Advisory Services**	%	%
Forecasts and Projections	%	%
Forensic Accounting	%	%
Hardware/Software Consulting	%	%
Hardware/Software Sales	%	%
Life & Health Insurance Agent	%	%
Limited Partnerships and Tax Sheltered Syndication	%	%
Management Advisory Services	%	%
Mergers & Acquisitions	%	%
Registered Representatives	%	%
Reviews	%	%
Securities including Federal and State Securities***	%	%
Securities: Other***	%	%
Tax: Business	%	%
Tax: Estate	%	%
Tax: Individual	%	%
Trustee Services****	%	%
Other	%	%

* Supplement 4 – Public Audit Supplement

** Supplement 5 – Financial Advisory Services

*** Supplement 6 – Securities Supplement

**** Supplement 7 – Trustee Supplement

15. Complete the following with respect to total **audit fees** for the past year from all insured entities:

Client Industry	Estimated No. of Clients	Estimated percentage of total audit fees
Agribusiness – not including Grain Elevators		
Agribusiness – including Grain Elevators		
Automotive/Dealerships		

Banks		
Broker Dealers		
Construction		
Employee Benefits Plan		
Entertainment Services		
Government/Education		
Healthcare		
Insurance		
Investment Companies & Funds:		
Hedge Funds and funds of funds		
Investment Companies & Funds:		
Other		
Manufacturing		
Media		
Mining/Oil & Gas		
Not-for-Profit		
Real Estate		
Retail		
Service Providers		
Transportation		
Unions		
Warehousing/Distribution		
Other (please describe)		

16. Excluding activities as a receiver or trustee in bankruptcy, within the past three (3) years has the Firm rendered any audit, review or attest services for a client that subsequently declared or filed bankruptcy, defaulted on a debt obligation or become insolvent? ☐ Yes ☐ No

If yes, please complete the following chart:

Name of Client and Client Industry	Date of bankruptcy, Default or Insolvency	Services Performed & Dates when those services were performed by the Firm	Type of Audit Opinion	Going Concern Reference
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No
				☐ Yes ☐ No

Section 3 – Risk Management:

17. Client Communications:

- a. Engagement letters are updated:
- Annually for all engagements. ☐ Yes ☐ No
- Annually for attest engagements. ☐ Yes ☐ No
- As Engagement changes ☐ Yes ☐ No
- Not used ☐ Yes ☐ No

If used:

- Do they clearly define who is being represented? ☐ Yes ☐ No
- Do they define the specific services to be performed? ☐ Yes ☐ No
- Do they describe billing rate and procedures? ☐ Yes ☐ No
- Do they contain Alternative dispute Resolution clauses? ☐ Yes ☐ No

- b. Does the firm use declination or non-engagement letters on new matters that will not be undertaken? . . . ☐ Yes ☐ No

- c. Does the firm use termination or disengagement letters when completing or terminating representation? . . ☐ Yes ☐ No

18. Second partner review:

- Attest Services ☐ Yes ☐ No
- Tax Services. ☐ Yes ☐ No
- Other ☐ Yes ☐ No
- No second partner review of any services ☐ Yes ☐ No

19. If you are a sole practitioner providing audit services, have you made arrangements for another CPA to perform a cold review for those services? ☐ Yes ☐ No

20. In the past five years has any professional in the firm:

- a. Served as a Director, Officer, Trustee, partner or Employee or had an ownership interest in any entity? . . . ☐ Yes ☐ No

- b. Had or have financial interests or any outside interest in any entity? ☐ Yes ☐ No

If yes to any of the above, please complete Supplement 9 - Outside Interest Supplement.

- c. Acted as trustee for or exercised any form of fiduciary control over any client funds? ☐ Yes ☐ No

If yes to the above, please complete Supplement 7 -Trustee Supplement

21. Does the firm have a written system for screening and evaluating clients that includes background checks and assessing available resources to service clients:
- New Clients. ☐ Yes ☐ No
- Existing Clients. ☐ Yes ☐ No
- Both. ☐ Yes ☐ No
22. Does the firm have procedures in place for identifying potential or actual conflicts of interest? ☐ Yes ☐ No
- a. Are conflict checks performed before accepting any new client? ☐ Yes ☐ No
- b. How does the firm maintain its conflict of interest avoidance system? (Please check all applicable categories)
- ☐ Computer ☐ Index File ☐ Conflict Committee ☐ Oral/Memory ☐ Other
- c. How often is the conflict of interest system updated?
- ☐ Daily ☐ Weekly ☐ Other: _____
- d. If a conflict or potential conflict exists does the firm require written disclosure to all parties? ☐ Yes ☐ No
23. Does the firm have procedures in place that observes the independence rules for accountants that perform attest services? ☐ Yes ☐ No
24. Do you maintain a calendar control system to ensure timely completion of reports, filings and tax returns? ☐ Yes ☐ No
25. Has the firm undergone a peer or quality review? ☐ Yes ☐ No Unqualified? ☐ Yes ☐ No
- Date of Review: ____/____/____ (If qualified or modified, please forward a copy of report and details of corrective action)
26. In the past three years, how many times has the Firm sued in order to collect fee? _____
- If any fee suits, please complete table and questions a. and b. below:**

	Client No. 1	Client No. 2	Client No. 3
Name of Client:			
Professional Services:			
Date Suit Filed:			
Amount of Dispute:			
Has the SOL Run?			
Status:			
Date Suit Closed:			
Outcome:			

- a. For fee suits that are currently pending have steps been taken to avoid a possible counter suit? ☐ Yes ☐ No
- b. Have steps been taken to prevent fee suits in the future? (Explain steps below). ☐ Yes ☐ No
27. Are all client invoices maintained current within 90 days? (if no, explain % over 90 days below). ☐ Yes ☐ No

Section 4 –Coverage History:

28. Please provide the following information about the Firm's professional liability insurance for the previous five years:

Insurance Company	Policy Period	Limits/Deductibles	Premium	Retroactive Date

29. During the past five years, has any insurance carrier canceled or refused to renew the professional liability insurance policy covering the Firm or any of the Firm's owners, members or employees (regardless of what Firm he or she owned or was employed by at the time) for any reason other than the carrier's withdrawal from the market (not applicable in Missouri) ☐ Yes ☐ No
- If yes, please provide details, including the name of the carrier, the dates and the reason for this action.**

30. Does the current policy include a prior acts exclusion or retroactive date for the firm? ☐ Yes ☐ No
- If yes, provide the firm's Retroactive Date and a copy of the endorsement or the Declarations Page that documents this date:** ____/____/____
- Month Date Year

31. Has the firm ever purchased an Extended Reporting Period? ☐ Yes ☐ No
- If yes, please provide details.**

Section 5 – Impairment and Claim History:

32. Does any member of the Firm currently or previously suffer from an impairment that might hinder their professional ability to provide competent, courteous, timely accounting services? ☐ Yes ☐ No
If yes, please provide a detailed narrative.
33. In the past five years, has any member or employee of the Firm been the subject of a state board complaint, grievance or disciplinary action? ☐ Yes ☐ No
If yes, please complete Supplement 10 - Claim supplement for each matter.
34. In the past five years has any claim or notice of any claim or incident been made or suit brought against the Applicant firm, its predecessor(s) in business, or any of its present or former owners, partners, officers or employees in the Firm? ☐ Yes ☐ No
If yes, please complete Supplement 10 - Claim supplement for each matter.
35. Is the Applicant, after inquiry of their members, owners, officers and employees, currently aware of any incident, act or omission or fee dispute which has not already been mentioned in questions 33. or 34. above that may result in a claim or disciplinary action being brought against the Firm, its predecessor(s) in business, or any of its present or former owners, partners, officers or employees in the Firm? ☐ Yes ☐ No
If yes, please complete Supplement 10 - Claim supplement for each matter.

It is recommend that you report any incidents, acts or omissions to your current insurance carrier. Please note that any incident or omission about which you are currently aware, will not be covered by a subsequently issued claims made policy.

FRAUD WARNING: 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.

ARKANSAS, LOUISIANA AND WEST VIRGINIA FRAUD WARNING: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

COLORADO 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 benefits, and/or civil damages. In Colorado, any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

D.C. FRAUD WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

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

KENTUCKY FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

MAINE 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 may include imprisonment, fines or denial of insurance benefits.

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

MINNESOTA FRAUD WARNING: A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NEW JERSEY FRAUD WARNING: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

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

NEW YORK FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

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

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

OREGON FRAUD WARNING: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which may be a crime.

PENNSYLVANIA FRAUD WARNING: 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.

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.

VIRGINIA AND WASHINGTON 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.

VERMONT FRAUD WARNING: 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.

NOTICE TO APPLICANT – PLEASE READ CAREFULLY BEFORE SIGNING

THE APPLICANT AND FIRM ACCEPTS NOTICE THAT ANY POLICY ISSUED WILL APPLY ON A “CLAIMS-MADE” BASIS. The undersigned is authorized by and acting on behalf of the Applicant and represents that all statements and particulars herein are true, complete and accurate and that there has been no suppression or misstatements of fact and agrees that this application shall be the basis of coverage.

THE APPLICANT AND FIRM ACCEPTS NOTICE THAT THEY ARE REQUIRED TO PROVIDE WRITTEN NOTIFICATION TO THE COMPANY OF ANY CHANGES TO THIS APPLICATION THAT MAY HAPPEN BETWEEN THE SIGNATURE DATE BELOW AND ANY PROPOSED EFFECTIVE DATE. THE APPLICATION MUST BE SIGNED BY AN ACTIVE OWNER, PARTNER, PRINCIPAL, OFFICER, OR MEMBER OF THE APPLICANT.

Print Name

Title

Signature

Date

INCOMPLETE, UNSIGNED OR UNDATED APPLICATIONS WILL BE RETURNED FOR COMPLETION.

BROKER NAME:	
AGENCY NAME:	
TAXPAYER ID NO.:	PRODUCER LICENSE NO. AND STATE:
PRODUCER'S ADDRESS (No., Street, City, State, and Zip:)	