National Casualty Company

Madison, Wisconsin
Administrative Office:
8877 North Gainey Center Drive • Scottsdale, Arizona 85258
1-800-423-7675 • Fax (480) 483-6752

Application For A Claims Made And Reported
Accountants Professional Liability Insurance Policy

PLEASE TYPE OR PRINT IN INK AND RETURN WITH A SAMPLE OF YOUR LETTERHEAD.

Firm/Applicant Name ____________________ Business Phone ____________ Facsimile Number ____________

Principal Business Address ____________________ E-mail Address ____________________

City ________ County ________ State ____ Zip ____ Web site Address ____________________

Year Firm Established ____________________ Effective Date Requested ____________________

1. **List all professionals, including all Principals, CPAs and Other Professionals employed by your firm whose time is billed. Add an attachment, if necessary. Do not leave this table blank.**

Name	Date of Birth	Date Joined Firm	D/C *	FT/PT* *	CPA Yes	CPA No	Years in Prac-tice	Member of: AICPA	Member of: State Society
					☐	☐		☐	☐
					☐	☐		☐	☐
					☐	☐		☐	☐
					☐	☐		☐	☐
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					☐	☐		☐	☐

* **Designation Codes (D/C)**
P—Partner/Owner/Shareholder/Principal
I—Independent Contractor
E—CPA/Other Professional Employees

** **FT—Full-time Employee**
PT—Part-time Employee (must work fewer than 1,000 hours per year on behalf of the Applicant)

2. Number of support staff not included in Question 1.: ____________________

3. Number of CPAs at inception of your current policy: ____________________
   Number of Other Professionals at inception of your current policy: ____________________

4. Do you engage independent contractors to provide professional services? .... ☐ Yes ☐ No
   If YES:
   a. Are the independent contractors under a contract agreement? .... ☐ Yes ☐ No

b. Do you want coverage provided for them (If coverage is desired, they must be listed in Question 1.)? .... ☐ Yes ☐ No

c. In what area of practice do they provide professional services (Refer to Question 9.)? ____________

5. Does your firm share any employees with any other firm or entity? .... ☐ Yes ☐ No
If YES, please explain on a separate sheet.

6. Do you have any branch offices? .... ☐ Yes ☐ No
If YES, please explain on a separate sheet and provide the following: (a) Location of each additional or branch office; (b) Number of CPAs and Other Professionals at each location; (c) Indicate if branch offices are under the direction of and use the same internal procedures as the main office. (CPAs and Other Professionals at each branch office must be included in Question 1.)

7. **Structure of Firm:**
☐ Sole Proprietor ☐ Partnership ☐ Professional Association ☐ Professional Corporation
☐ Corporation ☐ LLC ☐ LLP ☐ Other (explain): ____________

8. Was the formation of the firm in its current structure preceded by any other Predecessor Firm? ☐ Yes ☐ No
If YES, on a separate sheet indicate the names and time frames that those entities conducted professional services. Predecessor Firm(s) means any individual, partnership or corporation engaged in professional services in whose financial assets and liabilities the applicant is the majority successor in interest. An assumption of fifty percent (50%) or greater of the firm's assets and liabilities shall be considered a majority successor interest. Predecessor Firm(s) also means any partnership or corporation engaged in professional services that has undergone dissolution and that more than fifty percent (50%) of the owners, partners or officers have joined the applicant as an owner, partner, officer, associate or employee.

9. **Areas of Practice:** In the table below, provide the percentage of the last fiscal year's gross annual billings derived from the following areas of practice:

Practice (Round to the nearest whole percent)	**%**	**Engagement Letters Used**	**Practice** (Round to the nearest whole percent)	**%**	**Engagement Letters Used**
*Public Company Audit		☐ Yes ☐ No	*Securities Activities		☐ Yes ☐ No
**Other (Non-Public) Audit		☐ Yes ☐ No	Forecasts/Projections		☐ Yes ☐ No
Other Attest/Assurance Services **(Describe the services provided on a separate sheet)**		☐ Yes ☐ No	Business Valuations		☐ Yes ☐ No
Review		☐ Yes ☐ No	Business Planning **(Describe the services provided on a separate sheet)**		☐ Yes ☐ No
Compilation (including disclosures)		☐ Yes ☐ No	Information Technology		☐ Yes ☐ No
Compilation (omit disclosures)		☐ Yes ☐ No			
Bookkeeping & Write-up		☐ Yes ☐ No	Design/Develop Computer Hardware or Software		☐ Yes ☐ No
Individual Tax		☐ Yes ☐ No	Install/Modify/Maintain Computer Hardware or Software		☐ Yes ☐ No
Business Tax		☐ Yes ☐ No			

Consulting Services **(Describe the services provided on a separate sheet)**		☐ Yes ☐ No	Recommend/Sell/Train on Computer Hardware or Software		☐ Yes ☐ No

***Complete the Accountants SEC/Public Client Supplemental Application.**

****Complete the Non-Public Audit Client Supplemental Application.**

Practice (Round to the nearest whole percent)	**%**	**Engagement Letters Used**	**Practice** (Round to the nearest whole percent)	**%**	**Engagement Letters Used**
Estate Tax		☐ Yes ☐ No	Personal Financial Planning & Investment Advisory Services: **(Describe the services provided on a separate sheet)**		☐ Yes ☐ No
Litigation Support		☐ Yes ☐ No			
Fiduciary Services: (show total % in column) Admin., Executor, ERISA Trustee .... ____% Bankruptcy, Trustee or Receiver ....____% Other Trustee work ....____%		☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No	Total must equal 100%		☐ Yes ☐ No

***Complete the Accountants SEC/Public Client Supplemental Application.**
****Complete the Non-Public Audit Client Supplemental Application.**

10. **Firms Total Gross Billings:** Last Fiscal Year: $________ Estimated Current Fiscal Year: $__________

11. a. Percentage of gross annual billings from largest client: ....________%
    Client industry? ______________________________
    Services provided for Client Firm? ______________________________
    b. Percentage of gross annual billings from second largest client: ....________%
    Client industry? ______________________________
    Services provided for Client Firm? ______________________________

12. Indicate the date of the applicant firm's last peer review: ....__________
    Was it a pass or unqualified/unmodified review?.. ☐ Yes ☐ No
    Note: If the results were Qualified, Modified or Adverse, pass with deficiencies or fail, provide a copy of the most recent report including the Letter of Comments, the firm's response to the Letter of Comments and the Committee Acceptance Letter. .... ☐ Have not had a peer review.

13. Within the last five years, has the firm, any member of the firm or any predecessor in business provided Audit or Review Services to financial institutions (defined as banks, savings and loans, building and loan associations, broker-dealers or insurance companies)?....................... ☐ Yes ☐ No
    If YES, you must complete the Financial Institutions Supplemental Application.

14. a. Within the last five years, has the applicant organized, arranged or participated in the management of any limited partnership, tax shelter or other investment venture?..................... ☐ Yes ☐ No

b. If YES, has the firm provided projections, forecasts or the accounting services to these entities or investors? ☐ Yes ☐ No

c. If YES to a. or b. above, please explain your answers on a separate sheet of paper.

15. Within the last five years has your firm or any predecessor firm controlled or dispersed client funds? ☐ Yes ☐ No

If YES:

a. List total amount of client funds controlled or disbursed on an annual basis: $__________

b. Is a countersignature required on all client checks issued by the firm? ☐ Yes ☐ No

If NO, please explain: ____________________

c. Are bank accounts for all clients reconciled by someone other than the person authorized to deposit or withdraw funds? ☐ Yes ☐ No

d. Number of firm members who disburse or control funds: __________

16. Do any members of the firm act as a business manager of any client? ☐ Yes ☐ No

If YES, please explain: ____________________

17. Within the last five years has any member of the firm or any predecessor firm invested in any business of a client? ☐ Yes ☐ No

If YES, please explain: ____________________

18. Within the last five years has any member of the firm or any predecessor firm invested in any non-public investment venture that a client has also invested in? ☐ Yes ☐ No

If YES, please explain: ____________________

19. In the past five years has any member of the firm or predecessor firm acted as a director or officer of any client? ☐ Yes ☐ No

If YES, please explain: ____________________

20. Do any members of the firm or any firm members' spouses hold an equity interest in any business enterprise for whom the firm also provides professional services, or in the past, has any member of the firm held an equity interest in any business enterprise for whom the firm also provided professional services? ☐ Yes ☐ No

If YES, please explain on a separate sheet, including the name of the entity, the percentage of equity interest, a description of services provided and the period of time services were performed.

21. In the past five years has any member of the firm or predecessor firm taken a financial loan from any client? ☐ Yes ☐ No

If YES, please explain and provide the dollar value of the loan and the name of the client: ____________________

22. Excluding activities as a trustee or receiver, have any of the Applicant's clients, for which the Applicant performed Audit or Review Services, been the subject of bankruptcy, insolvency or receivership proceedings within the past three years? ☐ Yes ☐ No

If YES, provide the following information for each client. Note: Please indicate the type of bankruptcy, whether services continue to be performed, whether services are done pursuant to court appointment and the type of business. Use additional sheets of paper if necessary:

Client's Annual Sales	Services Rendered by your Firm	Date Became a Client	Date of Bankruptcy, Insolvency, etc.	Projected Fees this Year	Was an Engagement Letter Used?	Was a Going Concern Letter Issued?
$				$	☐ Yes ☐ No	☐ Yes ☐ No
$				$	☐ Yes ☐ No	☐ Yes ☐ No
$				$	☐ Yes ☐ No	☐ Yes ☐ No

23. Does the Applicant maintain a diary or "tickler" system to ensure that tax filings are made on time?.. ☐ Yes ☐ No

24. Other than for tax services, during the past three years, has the Applicant sued to collect fees? ☐ Yes ☐ No

If YES, please provide the following information, using additional sheets of paper, if necessary:

Services Rendered	Fee Amount	Suit Date	Outcome	Still a client?
	$			☐ Yes ☐ No
	$			☐ Yes ☐ No

25. Within the last five years, have any Professional Services been performed for clients involved in entertainment or professional sports? .... ☐ Yes ☐ No

If YES, on a separate piece of paper, list the industry of each client, the approximate annual income of the client and describe the services you have or will perform for the client.

26. Within the last five years, has any current or past firm personnel (a) had his/her accounting license suspended or revoked; (b) been subject to any investigation, reprimand, disciplinary action, criminal penalty or fine; or (c) been indicted or convicted of any felony charge? .... ☐ Yes ☐ No

If YES, provide details on your letterhead.

27. Within the last five years, has any Claim(s) or suit(s) been made against the applicant firm or any current or former firm personnel or the Predecessor Firm? .... ☐ Yes ☐ No

If YES, complete a Claim/Potential Claim Supplemental Application.

28. Does the applicant firm, any firm personnel or the Predecessor Firm have any reasonable basis:

a. to believe that there has been a breach of a professional duty? .... ☐ Yes ☐ No

b. to believe that the applicant firm or any firm personnel is aware of any circumstances, incidents, situations or accidents during the past five years which may result in claims being made against your firm, the Predecessor Firm, or any firm personnel? .... ☐ Yes ☐ No

If YES, complete the Claim/Potential Claim Supplemental Application.

29. a. Provide the professional liability insurance history for the last three years: (If not applicable, check here ☐)

Insurance Company	Policy Period	Limit of Liability	Deductible	Defense Outside the Limits	Premium	Retroactive Date
		$	$	☐ Yes ☐ No	$	
		$	$	☐ Yes ☐ No	$	
		$	$	☐ Yes ☐ No	$	

b. Has your firm, or any Principal, Partner, Officer or Director of any predecessor firms, ever been declined for Professional Liability Insurance coverage or has any such coverage ever been canceled or non-renewed? .... ☐ Yes ☐ No

If YES, provide details: ______________________________

____

c. Has the applicant firm or the Predecessor Firm ever purchased an Extended Reporting Period? ☐ Yes ☐ No

If YES, applicable firm name: ______________________________

Effective date: ______________________ Length of Coverage: ____ months

Has the endorsement been renewed? .... ☐ Yes ☐ No

If YES, how many times? .... ________

30. Indicate desired limit of liability and deductible:

LIMIT OF LIABILITY (each claim/aggregate)

☐ $100,000/$200,000 ☐ $500,000/$500,000 ☐ $1,000,000/$2,000,000
☐ $100,000/$250,000 ☐ $500,000/$1,000,000 ☐ $2,000,000/$2,000,000
☐ $250,000/$250,000 ☐ $750,000/$750,000 ☐ $3,000,000/$3,000,000
☐ $250,000/$500,000 ☐ $1,000,000/$1,000,000 ☐ $4,000,000/$4,000,000
________________ ☐ $5,000,000/$5,000,000
☐ $__________

DEDUCTIBLE (each claim)

☐ $ 500 ☐ $15,000
☐ $ 1,000 ☐ $20,000
☐ $ 5,000 ☐ $25,000
☐ $10,000
☐ $________

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF HIS OR HER KNOWLEDGE, AND THAT NO MATERIAL OR RELEVANT FACTS HAVE BEEN SUPPRESSED OR MISSTATED AND AGREE THAT THE POLICY, IF ISSUED, WILL BE ISSUED ON THE RELIANCE OF SUCH REPRESENTATIONS.

Applicant acknowledges a continuing obligation to report to us or your agent as soon as practicable any material changes in the facts or statements above, and in each supplementary application, which applicant becomes aware after signing the application.

Completion of application or tendering of premium does not bind coverage. Application is subject to the company's guidelines. Applicant's acceptance of company's quotation is required prior to binding coverage and policy issuance. It is agreed that this application shall be the basis of the contract of insurance should a policy be issued and it will be attached to the policy.

NOTICE TO FLORIDA APPLICANTS: 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 in the third degree.

I/We hereby declare that the above statements and particulars are true and I/We agree that this application shall be the basis of the contract with the insurance company.

Applicant's Signature/Title: ______________________________ Date: ____________________

(Must be signed by an authorized Owner, Partner or Officer)

Print Applicant's Name: ____

Producer's Name: ____

Agent's Name: ________________________ Agent's License Number: ____________________

(Applicable to Florida agents only)