

National Casualty Company

Home Office: Madison, Wisconsin
 Administrative Office: 8877 North Gainey Center Drive • Scottsdale, Arizona 85258
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Application For An Accountants Professional Liability Insurance Policy (Claims-Made Basis)

THIS IS FOR A CLAIMS MADE INSURANCE POLICY.

NOTICE TO THE INSURED

THIS IS A CLAIMS-MADE POLICY. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER, EXCEPT FOR THE EXTENDED REPORTING PERIOD, THERE IS NO COVERAGE FOR CLAIMS REPORTED AFTER TERMINATION OF COVERAGE. DURING THE FIRST SEVERAL YEARS OF THE CLAIMS-MADE RELATIONSHIP, CLAIMS-MADE RATES ARE COMPARATIVELY LOWER THAN OCCURRENCE RATES, AND AN INSURED CAN EXPECT SUBSTANTIAL ANNUAL PREMIUM INCREASES, INDEPENDENT OF OVERALL RATE LEVEL INCREASES, UNTIL THE CLAIMS-MADE RELATIONSHIP REACHES MATURITY.

THE DEDUCTIBLE AMOUNT SHOWN IN THE POLICY WOULD BE APPLIED TO DAMAGES FOR EACH WRONGFUL ACT BUT WOULD NOT BE APPLIED TO CLAIM EXPENSE.

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		Years in Practice	Member of:	
					Yes	No		AICPA	State Society
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
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					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

* 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		<input type="checkbox"/> Yes <input type="checkbox"/> No	*Securities Activities		<input type="checkbox"/> Yes <input type="checkbox"/> No	
**Other (Non-Public) Audit		<input type="checkbox"/> Yes <input type="checkbox"/> No	Forecasts/Projections		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other Attest/Assurance Services (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No	Business Valuations		<input type="checkbox"/> Yes <input type="checkbox"/> No	
			Business Planning (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Review		<input type="checkbox"/> Yes <input type="checkbox"/> No	Information Technology		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Compilation (including disclosures)		<input type="checkbox"/> Yes <input type="checkbox"/> No	Design/Develop Computer Hardware or Software		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Compilation (omit disclosures)		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping & Write-up		<input type="checkbox"/> Yes <input type="checkbox"/> No	Install/Modify/Maintain Computer Hardware or Software		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Individual Tax		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Tax		<input type="checkbox"/> Yes <input type="checkbox"/> No	Recommend/Sell/Train on Computer Hardware or Software		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Consulting Services (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No
Estate Tax		<input type="checkbox"/> Yes <input type="checkbox"/> No	Personal Financial Planning and Investment Advisory Services: (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No	
Litigation Support		<input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Yes <input type="checkbox"/> No
Fiduciary Services: (show total % in column)			Total must equal 100%			
Admin., Executor, ERISA Trustee _____%		<input type="checkbox"/> Yes <input type="checkbox"/> No				
Bankruptcy, Trustee or Receiver _____%		<input type="checkbox"/> Yes <input type="checkbox"/> No				
Other Trustee work _____%		<input type="checkbox"/> Yes <input type="checkbox"/> 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, has 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?
\$					<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

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?
	\$			<input type="checkbox"/> Yes <input type="checkbox"/> No
	\$			<input type="checkbox"/> Yes <input type="checkbox"/> 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
				<input type="checkbox"/> Yes <input type="checkbox"/> No		
				<input type="checkbox"/> Yes <input type="checkbox"/> No		
				<input type="checkbox"/> Yes <input type="checkbox"/> 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? (Not applicable to Missouri applicants.) 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) | | | | DEDUCTIBLE (each claim) | |
| <input type="checkbox"/> \$100,000/\$200,000 | <input type="checkbox"/> \$500,000/\$500,000 | <input type="checkbox"/> \$1,000,000/\$2,000,000 | <input type="checkbox"/> \$ 500 | <input type="checkbox"/> \$15,000 | |
| <input type="checkbox"/> \$100,000/\$250,000 | <input type="checkbox"/> \$500,000/\$1,000,000 | <input type="checkbox"/> \$2,000,000/\$2,000,000 | <input type="checkbox"/> \$ 1,000 | <input type="checkbox"/> \$20,000 | |
| <input type="checkbox"/> \$250,000/\$250,000 | <input type="checkbox"/> \$750,000/\$750,000 | <input type="checkbox"/> \$3,000,000/\$3,000,000 | <input type="checkbox"/> \$ 5,000 | <input type="checkbox"/> \$25,000 | |
| <input type="checkbox"/> \$250,000/\$500,000 | <input type="checkbox"/> \$1,000,000/\$1,000,000 | <input type="checkbox"/> \$4,000,000/\$4,000,000 | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> \$50,000 | |
| | | <input type="checkbox"/> \$5,000,000/\$5,000,000 | | <input type="checkbox"/> \$ _____ | |
| | | <input type="checkbox"/> \$ _____ | | | |

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.

FRAUD WARNING:

NOTICE TO NEW YORK APPLICANTS: Any person who knowingly and with the 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 purposes of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and shall be subjects to civil penalty not to exceed five thousand dollars and the stated value of the claim for the violation.

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: _____ Title: _____

Producer: _____

Iowa Licensed Agent (If applicable): _____