



# ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION

## ASPEN AMERICAN INSURANCE COMPANY

(A stock insurance company)

Administrative Offices: 590 Madison Avenue, 7th Floor, New York, NY 10022

- Please answer each question completely.
- Please type or print clearly in ink.
- Please attach a copy of the firm's current letterhead (all letterheads used by the firm, if different for branch offices).
- This application must be signed by a partner, principal, owner, director, or officer of the firm.
- Please ensure that all appropriate supplements are completed and attached.

### A. GENERAL INFORMATION

1. Name of Applicant: \_\_\_\_\_

Form of Business:     Individual                                     LLC/LLP  
                                  Partnership                                     Other: \_\_\_\_\_  
                                  Corporation

Principal Business Address – **Street Addresses Only – No P.O. Boxes:**

\_\_\_\_\_  
\_\_\_\_\_

Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_

Telephone # ( \_\_\_\_ ) \_\_\_\_\_                                    Fax # ( \_\_\_\_ ) \_\_\_\_\_

Primary Contact and Title: Mr. / Ms. \_\_\_\_\_

E-mail address: \_\_\_\_\_                                    Firm Website: \_\_\_\_\_

### B. COVERAGE

2. Desired effective date of coverage: \_\_\_\_\_

Desired Limits of Liability: Per Claim / Aggregate

<input type="checkbox"/> \$100,000/\$200,000	<input type="checkbox"/> \$1,000,000/\$2,000,000
<input type="checkbox"/> \$250,000/\$250,000	<input type="checkbox"/> \$2,000,000/\$2,000,000
<input type="checkbox"/> \$250,000/\$500,000	<input type="checkbox"/> \$2,000,000/\$4,000,000
<input type="checkbox"/> \$500,000/\$500,000	<input type="checkbox"/> \$3,000,000/\$3,000,000
<input type="checkbox"/> \$500,000/\$1,000,000	<input type="checkbox"/> \$3,000,000/\$6,000,000
<input type="checkbox"/> \$1,000,000/\$1,000,000	<input type="checkbox"/> Other \$ _____ / \$ _____

Desired Deductible:  Each Claim Deductible OR  Aggregate Deductible  
 Loss & Expense Deductible OR  Loss Only Deductible

- \$1,000     \$5,000     \$25,000     Other \_\_\_\_\_  
 \$2,000     \$7,500     \$35,000  
 \$2,500     \$10,000     \$50,000  
 \$3,000     \$15,000     \$75,000  
 \$4,000     \$20,000     \$100,000     No deductible

Defense Costs:

Reduce the limits of liability OR  Separate claims expense limit

### C. FINANCIAL

3. Total gross revenues for the applicant firm:

	Year	Revenues
Past Fiscal Year		\$
Current Fiscal Year		\$

### D. FIRM HISTORY

4. Month/Year Firm Established: \_\_\_\_\_

5. List all predecessor, acquired, or merged firms for the last five (5) years:

Name of firm	Date of formation, acquisition, or merger	# of professional staff at the date of dissolution	# of professional staff that joined Applicant	% of billings assigned to the Applicant	Prior Acts Coverage	ERP Purchased or Coverage Desired

6. Does your firm or any owners, partners or officers render services or conduct any business activities under a separate entity name?  Yes  No

*If Yes, please complete the Separate Entity Supplemental Application.*

7. Does the firm maintain any branch offices?  Yes  No

*If Yes, please complete the Multiple or Shared space Supplemental Application.*

**E. STAFFING**

8. Please indicate the number of firm personnel including any active owners/principles as follows:

<b>Staff Type</b>	<b>Full Time</b>	<b>Part Time *</b>
CPAs		
Degreed Accountants		
Other Professionals with Billed Time		
Administrative/Support Staff		
Non-employee Consulting Professionals or Independent Contractors providing Professional Services on your behalf **		
Other (describe):		

\*Part time is less than 1000 hours per year

9. Please list the firm's current owners, partners, or stockholders:

Name	CPA	Ownership %	Years at Firm	Years in Industry	Professional Designations
	<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				

\*Add on a separate sheet if additional space is needed.

**F. AREA OF PRACTICE**

10. Please indicate the percentage of gross billable dollars for the last fiscal year, from the following activities. If this is a newly established firm, please provide estimates. **Total must equal 100%.**

	%	Engagement Letters?		%	Engagement Letters?
<b>ACCOUNTING</b>			<b>CONSULTING</b>		
<b>Audit: Publicly Held*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	Management Advisory Services (describe below)		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Audit: Non Public*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	Benefits/ERISA		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Audit: Government*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	Litigation support/forensic		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Audit: Nonprofit*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Information Technology*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Audit: Benefit Plan*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Financial Planning*</b>		<input type="checkbox"/> Yes <input type="checkbox"/> No
Reviews		<input type="checkbox"/> Yes <input type="checkbox"/> No	Mergers & Acquisitions (describe below)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations		<input type="checkbox"/> Yes <input type="checkbox"/> No	Projections/Forecasts		<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping		<input type="checkbox"/> Yes <input type="checkbox"/> No	Valuations		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Assurance Services		<input type="checkbox"/> Yes <input type="checkbox"/> No	Consulting-Other (describe below)		<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>TAX</b>			<b>OTHER</b>		
Taxation: Individual		<input type="checkbox"/> Yes <input type="checkbox"/> No	Trustee Services		<input type="checkbox"/> Yes <input type="checkbox"/> No
Taxation: Corporate		<input type="checkbox"/> Yes <input type="checkbox"/> No	Agreed upon procedures		<input type="checkbox"/> Yes <input type="checkbox"/> No
Taxation: Estate		<input type="checkbox"/> Yes <input type="checkbox"/> No	Other Services (describe below)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Tax Planning		<input type="checkbox"/> Yes <input type="checkbox"/> No	<b>Total</b>	<b>100%</b>	

**\*Note: If your firm provides a percentage amount of any of these areas of practice, please complete the appropriate supplemental application.**

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- a. Do your firm's engagement letters contain a mediation clause?  Yes  No
  - b. Are declination/non-engagement letters used on matters declined by your firm?  Yes  No
11. Within the past three (3) years, has your firm provided any services in connection with the issuance of the registration or sale of any public security or offering?  Yes  No
- If Yes, please complete the Securities Supplemental Application.**
12. Within the past five (5) years has any of the professional staff of your firm rendered audit, attest, or review services for a business client that subsequently defaulted on a debt obligation, declared or filed for bankruptcy, or became insolvent?  Yes  No
- If Yes, please complete the Client Insolvency Supplement.**
13. Within the past three (3) years has any of the professional staff of your firm provided any services as an administrator, executor, or trustee of an estate?  Yes  No

**If Yes, please complete the Trust and Estate Supplemental Application.**

14. Within the past three (3) years, other than reviewing collateral, has your firm provided any professional services to a bank, savings and loan, savings association, credit union, building association, or other banking institution, bank holding company, or affiliated institution?

Yes  No

**If Yes, please complete the Financial Institutions Supplemental Application.**

15. Within the past three (3) years, has any current or past member of the firm provided any services:

a) as an officer, director or board member of a client/non-client?  Yes  No

b) to a client in which they or a spouse have an equity or financial interest?  Yes  No

**If Yes, please complete the Outside Interest Supplemental Application.**

16. Within the past five (5) years, has any member of the applicant firm provided any non-accounting services to any client of the firm?  Yes  No

Non-Accounting Services Rendered	Total Time Rendering Services	E&O Coverage? If Yes, please provide the Declarations page of current policy.

## G. RISK MANAGEMENT AND QUALITY CONTROL

17. Does the firm maintain the following:

Written policies and procedures manual  Yes  No

Written quality control document  Yes  No

Written policy regarding screening and evaluating new clients  Yes  No

A system to ensure the timely completion of reports, filings, and tax returns  Yes  No

**If Yes, please describe the system below:**

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18. Are all work papers properly documented to reflect the professional services that were performed, when, and by whom?  Yes  No

19. Are all balance sheets, statements of financial condition, and reports signed by a partner, principal, owner, director, or officer of the firm?  Yes  No

20. Have members of your professional staff completed continuing professional education in accordance with applicable state regulation in the last three (3) years?  Yes  No

**If No, please explain on a separate sheet of paper.**

21. Are business ventures permitted with clients of the firm?  Yes  No

**If Yes, on a separate sheet of paper please provide the following information for each specific venture: name of client; fees billed to client; services rendered; nature of investment; and amount of investment.**

22. Within the past five (5) years has your firm sued to collect fees?  Yes  No

**If Yes, on a separate sheet of paper please provide the following information for each such suit for fees: name of client; date of suit; services rendered; fee amount; and status.**

23. Does the firm delegate, sub-contract, and/or have any split fee arrangements?  Yes  No

**If Yes, please describe:**

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24. Has the firm had a peer review performed in the last 3 years?  Yes  No

a. Was the peer review rated Pass?  Yes  No

b. Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**If 24.a. is No, please provide the opinion and related comment documents**

25. Has the firm had PCAOB review performed?  Yes  No

a. Did the review have criticisms?  Yes  No

b. Date \_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

**If Yes, please provide the opinion and related comment documents**

## H. CLAIMS AND DISCIPLINARY ACTION

26. Within the past five (5) years have any claims been made or legal actions been brought against your firm?  Yes  No

27. Having inquired of all partners, principals, owners, directors, officers, and employed accountants, are there any circumstances which may result in a claim being made against the firm, its predecessors, or any current or past partner, principal, owner, director, officer, or employed accountant of the firm?  Yes  No

28. Has any member of the professional staff of the firm ever been the subject of a complaint or disciplinary action or reprimand by: any state board of accountancy (or equivalent); the Securities and Exchange Commission or the Internal Revenue Service; any governmental regulatory or tax authority; any federal, state, or local court; or any national or state accounting society?  Yes  No

**If Yes to 26, 27, or 28 above, please complete the Claims Supplemental Application for each claim or circumstance.**

## I. PRIOR INSURANCE

29. Has your firm or previous firm(s) carry accountants professional liability insurance during the past five (5) years?  Yes  No

Policy Period	Insurance Company	Limits of Liability	Deductible	Premium
____/____/____ to ____/____/____				\$
____/____/____ to ____/____/____				\$
____/____/____ to ____/____/____				\$
____/____/____ to ____/____/____				\$
____/____/____ to ____/____/____				\$

**\*Please attach a copy of your firm's most recent declaration page.**

30. Does your current policy have, or is any accountant in the firm subject to, a prior acts exclusion?  
 Yes  No

***If Yes, please provide copy of endorsement.***

31. Within the past five years, has any professional liability insurer declined, canceled, or non-renewed insurance of the firm, its affiliates, or any of its personnel?  
 Yes  No

***If Yes, please provide details on a separate sheet of paper.*** [This question is not applicable to Missouri residents.]

32. Has the firm or any accountant in the firm purchased an endorsement to extend the claims reporting period (i.e., extended reporting endorsement, ERP, or tail coverage) under a prior insurance policy?  Yes  No

**If Yes, please complete the following:**

Named Insured on ERP	Effective Date	Length of Reporting Period

## J. ADDITIONAL LIMITS REQUEST FOR SPECIFIED INSURANCE COVERAGE

**Employment Practices Liability Coverage:** *Standard Policy includes a \$25,000 Defense Only limit.*

Increase Limit and expand coverage to cover defense and indemnity losses.  
Select from the following options:

- \$100,000  No increased limits

**For additional limits, complete the Employment Practices supplement**

**Employee Dishonesty Coverage:**

Select from the following limits:

- \$100,000  \$250,000  No increased limits

**If requesting coverage, complete the Fiduciary Services supplement**

**Nonprofit Directorship Defense Cost Coverage:**

*Standard Policy includes a \$15,000 per claim/ \$30,000 Aggregate limit*

Select from the following increased limits:

- \$100,000  No increased limits

**For additional limits, complete the Nonprofit Directorship Supplement**

### **+Notice to Applicant – Please Read Carefully**

THE APPLICANT REPRESENTS THAT THE ABOVE STATEMENTS AND FACTS ARE TRUE AND THAT NO MATERIAL FACTS HAVE BEEN SUPPRESSED OR MISSTATED.

Applicant acknowledges a continuing obligation to report to the Insurer as soon as practicable any material changes in the facts and statements above, and in each supplemental application, of which applicant becomes aware after signing the application.

NOTE: In applying for coverage, applicant agrees that covered losses must be defended by an Insurer lawyer and that the deductible applies to damages and claims expenses, investigation costs and legal fees. If applicant elects to handle a claim without involving the Insurer, then the policy may not afford coverage for such claim.

COMPLETION OF THIS FORM DOES NOT BIND COVERAGE. APPLICANT'S ACCEPTANCE OF INSURER'S QUOTATION IS REQUIRED PRIOR TO BINDING COVERAGE AND POLICY ISSUANCE. IT IS AGREED THAT THIS FORM SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND THAT IT WILL BE ATTACHED TO THE POLICY.

Applicant hereby authorizes the release of claim information from any prior issuer to the Insurer .



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

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**Notice:**

Failure to report:

1. Any claim made against you during your current policy term; or
2. Any facts, circumstances, or events that may give rise to a claim to your current insurance company BEFORE policy expiration may create a lack of coverage.

**NOTICE TO APPLICANTS OF ALL STATES EXCEPT COLORADO, DISTRICT OF COLUMBIA, FLORIDA, KANSAS, KENTUCKY, LOUISIANA, MAINE, NEW JERSEY, NEW MEXICO, NEW YORK, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, PUERTO RICO, TENNESSEE, VERMONT, VIRGINIA, WASHINGTON:** 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 material 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 subjects the person to criminal and civil penalties and denial of insurance benefits.

**NOTICE TO COLORADO APPLICANTS:** 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 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.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** 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.

**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 of the third degree.

**NOTICE TO KANSAS APPLICANTS:** 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, or a claim for payment or other benefit pursuant to an insurance policy 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 crime and subjects the person to criminal and civil penalties and denial of insurance benefits.

**NOTICE TO KENTUCKY APPLICANTS:** 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.

**NOTICE TO LOUISIANA APPLICANTS:** 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.

**NOTICE TO MAINE AND WASHINGTON APPLICANTS:** 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 a denial of insurance benefits.

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

**NOTICE TO MINNESOTA APPLICANTS:** A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

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

**NOTICE TO NEW MEXICO APPLICANTS:** 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.

**NOTICE TO NEW YORK APPLICANTS:** 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 is subject to a civil penalty not to exceed \$5,000.00 and the stated value of the claim for each such violation.

**NOTICE TO OHIO APPLICANTS:** Any person who, with 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.

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

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud or solicit another to defraud an insurer: (1) by submitting an application, or (2) by filing a claim containing a false statement as to any material fact, may be violating state law.

**NOTICE TO PENNSYLVANIA APPLICANTS:** 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 material 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 subjects the person to criminal and civil penalties.

**NOTICE TO PUERTO RICO APPLICANTS:** The Entity understands that according to the Insurance Code of Puerto Rico (Article 27.320): "Any person who knowingly and with the intention to defraud that present false information in an insurance request or, that present, make or help to make a fraudulent claim for the payment of a loss or another benefit, it will present more than a claim by a same damage or loss, will incur in a serious crime and could be convicted and sanctioned, by each violation with a pain of no smaller fine of five thousand (\$5,000) dollars, nor greater of ten thousand (\$10,000) dollars or imprisonment by a fixed term of three (3) years, or, both pains. If there are aggravating circumstances, the pain fixes established could be increased until a maximum of five (5) years; to mediate extenuating circumstances, it could be reduced until a minimum of two (2).

**NOTICE TO TENNESSEE AND VIRGINIA APPLICANTS:** 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.

**NOTICE TO VERMONT APPLICANTS:** 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.

I UNDERSTAND THAT THE SIGNING AND DELIVERY OF THIS APPLICATION DOES NOT BIND ME TO COMPLETE THE INSURANCE, NOR THE INSURER TO ISSUE A POLICY: BUT EACH ANSWER GIVEN IN THIS APPLICATION IS A STATEMENT OF FACT THAT BECOMES A PART OF THE POLICY SHOULD A POLICY BE ISSUED. BY SIGNING THIS APPLICATION I ACKNOWLEDGE THAT I AM AWARE THAT IF AT ANY TIME IT IS DISCOVERED ANY OF THE STATEMENTS OF FACT CONTAINED IN THIS APPLICATION ARE CONCEALED OR FALSELY STATED, THE POLICY MAY BE MODIFIED, RESCINDED, OR DECLARED VOID FROM ITS INCEPTION AND IN ACCORDANCE WITH ANY APPLICABLE STATE LAWS.

\_\_\_\_\_  
Applicant Signature (**Must be signed and dated in ink by a Partner, Principal, Owner, Director, or Officer of the Firm**).

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date (Month-Day-Year)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Firm

**NOTICE TO MARYLAND APPLICANTS:** IN THE EVENT OF ANY MATERIAL CHANGE, THE INSURER HAS THE ABILITY TO CANCEL A BINDER OR POLICY, OR RECALCULATE THE PREMIUM FROM THE EFFECTIVE DATE OF THE POLICY, DURING THE FOURTY-FIVE (45) DAY UNDERWRITING PERIOD, IN ACCORDANCE WITH MARYLAND INSURANCE ARTICLE §12-106.

This application is in compliance with Section 626.752, Florida Statutes. A copy has been furnished to the applicant or insured and coverage is: [ ] Bound Effective (time) (date); [ ] Not Bound.

**BROKER'S SIGNATURE:**

Florida requires that we have the Name and Address of your (Applicant's) Authorized Agent or Broker.

**Signature** of Authorized Agent or Broker: \_\_\_\_\_

**Name** of Authorized Agent Broker: \_\_\_\_\_

**Address:** \_\_\_\_\_

**License Identification Number:** \_\_\_\_\_