



ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION

This is an application for a "Claims Made" policy. If an insurance policy is subsequently issued, it will only apply to claims first made against the insured during the policy period.

All questions must be answered fully and truthfully. Misrepresentations on this application may provide a basis upon which to void the policy after issuance. CPA Mutual Insurance Company of America reserves any and all rights under law to void the policy based on such misrepresentations. Therefore, it is important that all questions are answered accurately and completely.

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

2. Principal business address: \_\_\_\_\_
Street County
City State Zip Code

a) Mailing address: \_\_\_\_\_
Street or P.O. Box City State Zip Code

b) Contact Person: \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_
e-mail: \_\_\_\_\_

c) On your firm's letterhead, provide address(es) of all other locations.

3. Desired effective date of insurance coverage: Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

4. Staff Size: a) As of the prior month-end closest to the date of this Application, number of full-time:
1) proprietor(s), partner(s), and owner(s): \_\_\_\_\_
2) number of CPAs [excluding those listed in (1) above]: \_\_\_\_\_
3) number of all other professional staff [excluding those listed in (1) and (2) above]: \_\_\_\_\_
4) number of all other administrative support staff [including leased employees]: \_\_\_\_\_
5) full-time independent contractors, leased employees, and other non-employed covered persons (full-time equivalent only): \_\_\_\_\_
b) Number of part-time equivalent (retired) partner(s), shareholder(s) and/or owner(s) who provide professional services on behalf of the firm: (Please complete the Supplemental Reporting Form, Page 7, to determine response.) \_\_\_\_\_
c) Number of part-time equivalent employees: (Please complete the Supplemental Reporting Form, Page 7, for independent contractors, leased, part-time, per diem employees.) \_\_\_\_\_

TOTAL STAFF (includes all locations): \_\_\_\_\_

5. a) Check LIMIT OF LIABILITY desired. (Limit applies to each claim and in the annual aggregate and is subject to applicable deductible)
\$250,000 \$500,000 \$1,000,000 \$2,000,000 \$3,000,000 \$4,000,000 \$5,000,000

DEDUCTIBLES (Per claim applies to both loss and expense):

Staff Size: 1-24 25-49 50+
Amount: \$5,000 or \$10,000 \$10,000 or \$25,000 \$25,000 or \$50,000 Other \_\_\_\_\_

(Optional deductibles and limits may be available.)

b) Does Applicant wish to pay premium on the installment basis? Yes No

c) Would you like an optional quote for Data Breach /Identity Theft Coverage (formerly Electronic Media)? Yes No
Please complete DATA BREACH/IDENTITY THEFT SUPPLEMENT on page 17. (Not available with the Limited Liability Policy)

Please return completed application to CPA Mutual's Servicing Office: CPA Mutual Management, Inc., 11801 Research Drive, Alachua, Florida 32615-6818 or fax to (386) 418-4004. For questions, call (800) 543-3029.

6. Applicant is: a)  Individual  Partnership  Corporation  Professional Corporation  
 Limited Liability Partnership  Other \_\_\_\_\_  
 b) If Applicant is a firm that includes individuals operating as Professional Corporations, please provide name of such Professional Corporations and indicate whether each has its own CPA license. (*Attach additional sheet.*) \_\_\_\_\_

7. Date Applicant's practice was established: \_\_\_\_\_

8. Has the name of the Applicant been changed or has the Applicant merged with or acquired control of any other practice unit during the past five (5) years?  Yes  No  
 (*If "Yes," please complete Supplemental Reporting Form, Page 8.*)

9. List each Proprietor, Partner and Shareholders, including Professional Corporations, if applicable.  
 (*Please attach additional sheet if necessary.*)

Name	Partner E-mail address	Years in Public Practice	State of CPA License
A.			
B.			
C.			

10. a) Is the Applicant or any partner/shareholder or officer of the Applicant a lawyer, appraiser, licensed insurance agent or broker, real estate broker, or licensed investment advisor?  Yes  No  
 If "Yes," state name and profession as well as name of professional liability insurer for this outside activity, limit of liability, and expiration date of policy. \_\_\_\_\_  
 b) For any proprietor, partner, or shareholder listed in Question Number 9, please specify any other occupation, including estimated time per week spent in such other occupation, engaged in by such individual(s). Also indicate if any income included in Question Number 14(a) is derived from such occupation: (*Please attach additional sheet if necessary.*)

Name	Occupation	Estimated Weekly Hours

11. Does Applicant provide investment counseling for a fee?  Yes  No  
 If "Yes," describe activity: \_\_\_\_\_

12. Does the Applicant delegate work to other accounting firm(s)?  Yes  No  
 If "Yes," please state the nature of work, to whom, and percentage of Applicant's cash receipts: \_\_\_\_\_

13. Does your firm perform any professional services for any client in which any of your firm's partners [or partners' spouse] or shareholder [or shareholders' spouse] own an equity or financial interest of more than 10 percent or serve as an officer, director, trustee or partner?  Yes  No  
 If "Yes," please give details, including the name of the client, percentage of equity or financial interest, the nature of the relationship, the amount of fees earned from the client during the past fiscal year, and the nature of services performed.  
 (*Please attach additional sheet if necessary.*) \_\_\_\_\_

14. a) State total billings of the Applicant during the last fiscal year (or estimate if first year): \$ \_\_\_\_\_  
 b) State total billings derived from Publicly Held clients during the last fiscal year: \$ \_\_\_\_\_  
 c) What percentage of (a) is (b)? \_\_\_\_\_ %

15. Please specify the percentage of billings in Question No. 14(a) received from each of the following types of engagements:

	<i>Last Fiscal Year</i>	<i>Estimated Current Year</i>
a) Audit and review engagements (excluding audits of financial institutions insurance companies and publicly held clients): <i>(Please complete Supplemental Reporting Form, Page 9.)</i>	_____ %	_____ %
b) Audits of financial institutions: <i>(Please complete Supplemental Reporting Form, Page 10.)</i>	_____ %	_____ %
c) Compilations:	_____ %	_____ %
d) Accounting services including bookkeeping and “write-up” services:	_____ %	_____ %
e) Tax Engagements:	_____ %	_____ %
f) Business and investment advice in general and including tax shelter syndication and tax shelter advice, business valuations, and projections:	_____ %	_____ %
g) Fees, commissions or other compensation from services provided to clients relating to investment advice and the management of client funds: <i>(Please complete Supplemental Reporting Form, Pages 11 &amp; 12.)</i>	_____ %	_____ %
h) Fiduciary engagements including handling of clients' funds and check-writing responsibility:	_____ %	_____ %
i) Publicly Held Client engagements (defined as reports on compilation, review, audit or financial statements or projections performed in connection with, but not limited to: 1. A registration statement filed with the SEC or State Securities Commission. 2. A private offering memorandum or any other exempt security offering. 3. A report filed with the SEC, any State Securities Commission, NASD, or any Stock Exchange or similar organization): <i>(Please complete Supplemental Reporting Form, Page 13.)</i>	_____ %	_____ %
j) Professional accounting services to insurance companies. (The term “insurance company” shall be any property/casualty, life, health, captive, risk retention group, risk purchasing group, or any other risk pooling mechanism.) Note: This does not include entities acting as insurance agencies or brokers: <i>(Please complete Supplemental Reporting Form, Page 14.)</i>	_____ %	_____ %
k) Fees, commissions, or other compensation from services provided to clients in the entertainment field including sports figures:	_____ %	_____ %
l) Management Advisory:	_____ %	_____ %
m) Data Processing:	_____ %	_____ %
n) All other (If more than 5%, list types of engagements included.):	_____ %	_____ %
<b>TOTAL:</b>	<b><u>100%</u></b>	<b><u>100%</u></b>

16. Please specify the total billings received from Applicant's two largest clients:

		<u>Last Fiscal Year</u>		<u>Current Fiscal Year (Estimated)</u>	
	Amount	Percentage of Total Billings Listed in 14(a)		Amount	Percentage
1) Largest	\$ _____	= _____ %	1) Largest	\$ _____	= _____ %
2) Second Largest	\$ _____	= _____ %	2) Second Largest	\$ _____	= _____ %

If the percentage of total billings above of “1) Largest” and “2) Second Largest” clients total 15% or greater, indicate the type(s) of industry, services provided (e.g., audit, tax, MAS, other), and the length of time these services have been provided for these two clients. \_\_\_\_\_

17. Business, money or investment management. (NOTE: This question does not include Applicant's activities

as trustee while acting under a written trust agreement, court-appointed position such as conservator or guardian, or written fiduciary appointment.)

- a) Does Applicant invest client's funds or act in a decision-making capacity with respect to client's funds?  Yes  No
- b) Does Applicant have power of attorney for any client other than with respect to tax returns?  Yes  No

If "Yes," describe services performed in items (a) and (b) above: \_\_\_\_\_

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18. Fiduciary Activities:

- a) Does Applicant act under any written trust agreement?  Yes  No
- b) Does Applicant act as a periodic trustee or fiduciary on any client's behalf but not under a written trust agreement?  Yes  No
- c) Does Applicant control receipt or disbursement of any part of client's funds? If "Yes,":
  - 1) what is the total of all funds handled? \$ \_\_\_\_\_  Yes  No
  - 2) does the firm have check-signing authority?  Yes  No
  - 3) what are the type(s) of services rendered? \_\_\_\_\_  
(Please supply details on separate sheet.)
- d) Does Applicant have internal audit procedures and/or cross checks of custodian?  Yes  No
- e) Are client's funds co-mingled with other funds?  Yes  No

If "Yes" to any of the above items, please explain below. \_\_\_\_\_

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19. Is Applicant bonded for handling client funds?  Yes  No

If "Yes," please specify the amount of the bond, the expiration date, and carrier. \_\_\_\_\_

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20. Does Applicant or any partner or shareholder or employee:

- a) Receive any commissions, fees, reciprocity, participation, or other compensation directly from the sellers or promoters of any investment or tax shelter, or indirectly through investors in any investment or tax shelter?  Yes  No
- b) Organize, arrange, or otherwise procure tax shelters, real estate investments or other investment ventures?  Yes  No
- c) Act as manager, general partner, or otherwise participate in the management of any investment partnership, limited partnership, tax shelter, or other investment syndicate or venture? If "Yes," do you:
  - 1) provide projections or forecasting services to such entities or their investors?  Yes  No
  - 2) provide other accounting services to these entities or to their investors?  Yes  No
- d) If "Yes" to (a), (b) or (c) above, do you:
  - 1) disclose potential conflicts of interest and the lack of independence to clients who are investors, limited partners, or who are otherwise participating in such ventures?  Yes  No
  - 2) prepare financial statements or other financial information for such ventures?  Yes  No
  - 3) participate in the preparation of offering materials, prospectuses or other sales literature?  Yes  No

If "Yes," please explain in detail (Please attach additional sheet if necessary.) \_\_\_\_\_

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21. On all engagements where the firm is associated with financial statements:

- a) Does the Applicant, as a general policy, require a written agreement (engagement letter) stipulating the nature and scope of the work to be performed?  Yes  No
- b) Does the Applicant maintain a system to insure the timely completion of engagements, reports, and returns?  Yes  No

22. Does Applicant, as a general policy, require a written agreement (engagement letter) for all tax returns?

Yes  No

23. List major clients and their annual sales that either are presently insolvent, are in default and under one or more credit agreements, or were the subject of a bankruptcy or insolvency proceeding during the past year. Also state the type of work performed by your firm for such client and the annual fees for the last fiscal year (*attach additional sheet if necessary*):

	Client	Annual Sales	Type of Work Performed by Your Firm	Gross Fee Income For Last Fiscal Year	Projected Gross Fee Income for the Current Year
A.					
B.					

24. Has the Applicant or any partner, shareholder, officer, or employee of the Applicant ever:
- a) Had his or her state accounting license suspended or revoked?  Yes  No
  - b) Been subject to any investigation by any state board of accountancy, AICPA, or state CPA society?  Yes  No
  - c) Been subject to disciplinary action by any state board of accountancy, AICPA, or state CPA society?  Yes  No
  - d) Been subject to any investigation by any federal, state, or local court, government agency, or regulatory body?  Yes  No
  - e) Been subject to reprimand or disciplinary action by any federal, state, or local court, government agency, or regulatory body?  Yes  No

If answer to (a), (b), (c), (d), or (e) is "Yes," explain (*Please add attachments if necessary*). \_\_\_\_\_

25. During the past three years, has the Applicant ever:
- a) Sued to collect fees?  Yes  No
  - b) Referred a receivable for collection?  Yes  No

If answer to (a) or (b) is "Yes," describe individually including name of client, fee amount, date of any suit, outcome or current status, and whether still a client. \_\_\_\_\_

26. To the best knowledge of the Applicant, have any incidents, claims, or suits involving Applicant's accounting practice or any other professional services been made during the past five (5) years against:
- a) The Applicant or a predecessor in business?  Yes  No
  - b) Any partner, officer or employed accountant, or a firm of which they were a member or employee?  Yes  No

***If "Yes," please complete Supplemental Reporting Form, Page 15, for each incident, claim, and/or suit.***

27. Having inquired of all officers, partners, shareholders, and employees, is the Applicant aware of any investigations, inquiries, or circumstances where the accounting profession's standards of performance were not complied with, or other circumstances which may result in a claim being made against Applicant, any predecessor in business, or any partner(s), officer(s), or employee(s)?  Yes  No

***If "Yes," please complete Supplemental Reporting Form, Page 15, for each incident, claim, and/or suit.***

No coverage will be provided in any policy issued as a result of this Application for any negligent act, error or omission occurring prior to the inception date of the policy which was either reported to a prior insurer or as to which Applicant and any insureds under the policy had a reasonable basis to believe that such negligent act, error, or omission was a breach of professional duty or might result in a claim. Therefore, any such negligent act, error, or omission described in response to this question should be reported to Applicant's current professional liability insurance carrier.

28. a) Has the Applicant and/or its predecessor(s) carried accountants' professional liability insurance during the past five (5) years?  Yes  No  
 If "Yes," please list prior insurance and forward copy of Policy Declaration page.

Insurance Company	Limits of Liability	Deductible	Annual Premium	Policy Period

- b) Does your current policy have a prior acts date exclusion?  Yes  No  
If "Yes," what is the prior acts exclusion date? \_\_\_\_\_
- c) Does your policy include coverage for additional named insureds?  Yes  No  
If "Yes," please complete Supplemental Reporting Form, Page 16, Separate Entity Worksheet.
- d) Is your current policy endorsed to limit or exclude coverage?  Yes  No  
If "Yes," attach a copy of the endorsement(s). If not available, explain what is excluded and the effective date of the exclusion. \_\_\_\_\_

29. Has the Applicant had any professional liability insurance application denied, policy canceled, or policy not renewed during the past five years?  Yes  No  
If "Yes," please explain: \_\_\_\_\_

30. Has the Applicant had a peer or on-site quality review under sponsorship of the AICPA, an association of CPA firms, state CPA society, or any other professional association, organization, or CPA firm?  Yes\*  No  
If "Yes":  
a) If applicable, indicate the date Applicant joined PCAOB. \_\_\_\_\_  
c) Indicate whether most recent peer or on-site quality review was:  Unmodified  Modified  Adverse or  Pass  Pass with deficiencies  Fail  
d) Was a letter of comments or deficiencies issued with the report?  Yes\*  No

\* **Note: If Yes, please attach a copy of your most recent peer or on-site quality review Report including any Letter of Comments or Deficiencies and Applicant's Letter of Response.**

I, \_\_\_\_\_, AUTHORIZED BY AND ACTING ON BEHALF OF THE APPLICANT AND ALL PERSONS OR CONCERNS SEEKING INSURANCE, HAVE READ AND UNDERSTOOD THIS APPLICATION. I DECLARE THAT, AFTER INQUIRY, ALL STATEMENTS MADE IN THIS APPLICATION ARE TRUE, COMPLETE, AND ACCURATE.

I UNDERSTAND THAT THESE STATEMENTS ARE MATERIAL TO THE ISSUANCE OF THE INSURANCE BEING APPLIED FOR AND DECLARE THAT THE APPLICANT HAS NOT OMITTED, SUPPRESSED, OR MISSTATED ANY FACTS. I UNDERSTAND THAT THIS APPLICATION FORMS THE BASIS OF ANY INSURANCE POLICY WHICH MAY BE ISSUED TO THE APPLICANT AND THAT IT SHOULD BE DEEMED INCORPORATED INTO AND BECOME A PART OF THE POLICY AS ISSUED.

I FURTHER UNDERSTAND THAT THE APPLICANT IS UNDER A CONTINUING DUTY TO ADVISE CPA MUTUAL INSURANCE COMPANY OF AMERICA RISK RETENTION GROUP OF ANY OCCURRENCE OR EVENT TAKING PLACE PRIOR TO THE ISSUANCE OF THE POLICY APPLIED FOR WHICH MAY RENDER INACCURATE, UNTRUE, OR INCOMPLETE ANY STATEMENTS MADE IN THIS APPLICATION AND DECLARE THAT ANY SUCH CHANGE WILL BE IMMEDIATELY REPORTED IN WRITING TO THE COMPANY. I ACKNOWLEDGE AND AGREE THAT THE APPLICANT'S SUBMISSION AND COMPANY'S RECEIPT OF SUCH WRITTEN REPORT PRIOR TO THE INCEPTION OF THE POLICY APPLIED FOR IS A CONDITION PRECEDENT TO COVERAGE. I FURTHER ACKNOWLEDGE THAT THE SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT TO PURCHASE THE INSURANCE APPLIED FOR.

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

\_\_\_\_\_  
Name of Proprietor, Partner, Shareholder, or Officer (Please type) Title

\_\_\_\_\_  
Date: Signature:

**Please return completed application to CPA Mutual's Servicing Office:  
CPA Mutual Management, Inc., 11801 Research Drive  
Alachua, Florida 32615-6818 or fax to (386)418-4004**

# SUPPLEMENTAL REPORTING FORM

## Calculation Worksheet Part-Time Equivalent Employees

### Question Number 4(b) and 4(c):

**By All Part Time  
Former Owners/  
Partners\***

**By All Part time  
Independent Contractors,  
Leased, Part-Time, Per Diem  
Employees\***

Total Hours Worked During  
Most Recently Completed 12 month  
Period nearest application date  
Divided by 2,080 hrs

\_\_\_\_\_ = \_\_\_\_\_ (b)  
2080 hrs

\_\_\_\_\_ = \_\_\_\_\_ (c)  
2080 hrs

Full-Time Equivalents (Round to  
Nearest Whole Number):

\_\_\_\_\_ (b)

\_\_\_\_\_ (c)

**4(b) + 4(c) Equals:**

\_\_\_\_\_

\* Not included as full-time owners or staff in Question 4(a) of application.

**Note:** Please list services provided by all Independent Contractors.

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**I understand information submitted hereon becomes a part of my Professional Liability Insurance Application with CPA Mutual Insurance Company of America Risk Retention Group and is subject to the same terms and conditions.**

## SUPPLEMENTAL REPORTING FORM Merger/Acquisition of Another Practice

### Question Number 8:

Please complete below if your firm had a name change or merged with or acquired control of any other practice unit during the past five (5) years.

1. Full name of Applicant: \_\_\_\_\_
2. Has Applicant's name changed during the past five (5) years?  Yes  No  
If "Yes," please provide the following:
  - a. Former name: \_\_\_\_\_
  - b. Date(s) of name change: \_\_\_\_\_
3. Has Applicant merged with or acquired control of any other practice during the past five (5) years?  Yes  No  
If "Yes," please provide the following:
  - a. Full name(s) of acquired or merged practice(s): \_\_\_\_\_  
\_\_\_\_\_
  - b. Date(s) of acquisition or merger: \_\_\_\_\_
  - c. Total number of individuals (owners and employees) added as a result of the merger or acquisition: \_\_\_\_\_
  - d. Name(s) of insurance carrier(s) and amounts of coverage of merged or acquired practice(s) for the last five (5) years:

Name of Merged or Acquired Practice(s)	Insurance Carrier	Limits of Liability	Dates of Policy

- e. Has the merged or acquired practice had any professional liability application denied, canceled, or not renewed during the past five (5) years?  Yes  No  
If "Yes," please explain: \_\_\_\_\_  
\_\_\_\_\_
- f. To the best knowledge of the Applicant, has the merged or acquired practice had any claims or suits during the past five (5) years?  Yes  No  
If "Yes," give full particulars, including claimant's name, date of claim, cause of claim, amount claimed, and current status or final disposition on attached sheet.
- g. Has merged or acquired firm had a peer or on-site quality review?  Yes  No  
Please attach a copy of the Report including any Letter of Comments and a copy of the firm's Letter of Response indicating the disposition on the review recommendations.  
Indicate, if applicable, date the merged or acquired firm first joined AICPA Division of Firms and which Division.  
Date: \_\_\_\_\_  PCP  SECPS
- h. Has the merged or acquired firm or any partner or owner thereof had its or his/her license suspended, revoked, or otherwise disciplined?  Yes  No

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## SUPPLEMENTAL REPORTING FORM Non Public Audit and Review Services

### Question Number 15(a):

Report number of audit clients and estimated annual fees from the following engagements:

Industry Type	Number of Audit Clients	Estimated Annual Fees	Number of Clients Insolvent or Bankrupt
Agriculture Cooperatives			
Broker/Dealers			
Employee Benefits Plans			
Factoring companies			
Garment Industry			
Government/Municipal			
Health Care Facilities			
Not-for-Profit			
Real Estate Development			
Tribal Entities			
Unions			
Warehousing/Distribution			
All Others			

1. Does the firm have any specialized audit niches?  Yes  No  
If "yes," please describe \_\_\_\_\_  
\_\_\_\_\_
  
2. Do all clients sign a standard engagement letter?  Yes  No
3. Have any clients been subject to investigation by State or Federal regulatory entities?  Yes  No
4. Does your firm's client acceptance and retention procedures relating to audit engagements require sign-off by a second partner or committee prior to starting a new engagement?  Yes  No  
  
If "no," are there procedures in place to monitor?  
Please describe. \_\_\_\_\_

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**SUPPLEMENTAL REPORTING FORM**  
**Audits/Director's Examinations for Depository Institutions**

**Question Number 15(b):**

Full Name of Applicant: \_\_\_\_\_

1. Does or has your firm or predecessor firm performed any audits and/or director's examinations for depository institutions (i.e., those insured by the FDIC or N.C.U.A.) in the past five (5) years?  Yes  No
  
2. Please complete the section below if the firm has performed audits and/or director's examinations for depository institutions (as defined above) within the past five (5) years.

Name and Location	Type of Institution	Funds Insured by FDIC, N.C.U.A. or Uninsured	Year and Type of Engagement	Equity/Asset Ratio as of Last Quarter	Accounting Fees From Engagements

**I understand the information submitted herein becomes a part of my Professional Liability Insurance Application with CPA Mutual Insurance Company of America Risk Retention Group and is subject to the same terms and conditions.**

## SUPPLEMENTAL REPORTING FORM Professional Investment Services

### Question Number 15(g):

1. Name of entity providing investment services (if different than Named Insured CPA Firm), and complete Supplemental Reporting Form, Page 16, Separate Entity Worksheet: \_\_\_\_\_

If ownership of above entity is not the same as Named Insured, do owners of CPA Firm own and control at least 51% of financial planning entity?  Yes  No

List all employed registered investment advisors or registered representatives of broker-dealer, including self:

Name of Employee Providing Investment Services	Professional Designation	NASD Licenses	Professional Society Membership

Name of Employee Serving as a Registered Representative	Professional Designation	NASD Licenses	Professional Society Membership

2. a. Total annual revenues earned from financial planning, RIA fee activities, commissions and/or product sales: \$ \_\_\_\_\_

State percent of revenues which are derived from the following managed accounts:

Listed Stocks _____	Commodities _____
Unlisted Stocks _____	Commodity Futures _____
Proprietary Partnerships _____	Mutual Funds _____
Listed Bonds _____	Other Limited or Limited Liability Partnerships _____
Unregistered Stocks or Bonds _____	Variable Annuities _____
Commercial Paper _____	Life Insurance _____
Options Contracts _____	Other (Please specify: _____)

- b. What percent are discretionary accounts: \_\_\_\_\_%
3. a. Do all clients sign a standard engagement letter?  Yes  No
- b. What percentage of client agreements contains arbitration clauses? \_\_\_\_\_%
- c. Is the arbitration clause mentioned in (b) above ever deleted from the client agreement?  Yes  No
- If "yes," what percentage of agreements is it deleted from? \_\_\_\_\_%
4. Are all persons (or Entity) involved in investment service practices registered with the SEC or other state regulatory agency?  Yes  No
- If "yes," please attach copy of initial registration form ADV, or describe Registered Representative contracts with broker-dealer and provide copies, as applicable.
- If previously submitted, please attach copy of any subsequent filings.
- If "no," are they covered under another RIA registration?  Yes  No
- Please describe. \_\_\_\_\_

**SUPPLEMENTAL REPORTING FORM (cont'd)**  
**Professional Investment Services**

**Question Number 15(g) (cont'd.):**

5. Are you covered under any other insurance policy for these services?  Yes  No  
If "yes," list amount of limit/deductible: Limit: \$ \_\_\_\_\_ Deductible: \$ \_\_\_\_\_  
Insurer: \_\_\_\_\_
6. Claims or Disciplinary Proceedings Against Applicant or Any Associated Professional:
- a. Any audit by SEC, NASD, State Securities Department, or Other Licensing or Regulatory Agency?  Yes  No  
If "Yes," please provide copy of any findings.
- b. Have any complaints been filed with any consumer agencies, applicants, broker-dealer, the SEC, NASD, IRS, State Securities, Insurance Departments or any other Regulatory Agency?  Yes  No  
If "Yes," please provide details: \_\_\_\_\_
- c. Involved in or aware of any fee disputes?  Yes  No  
If "Yes," please list: \_\_\_\_\_
7. Do all persons making specific recommendations have an appropriate professional designation or obtain adequate CPE hours in investment advice programs?  Yes  No  
If "No," please list those persons: \_\_\_\_\_
8. Do all insureds comply with PFP § 100-500 which require the following:
- |   |                              |                             |
|---|------------------------------|-----------------------------|
| Define engagement objectives                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Planning specific procedures relative to the engagement   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Develop a basis for recommendations                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Communicating recommendations to the client               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Identify the task for taking action or planning decisions | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
- In addition, financial planning engagements may include:
- |  |                              |                             |
|--|------------------------------|-----------------------------|
| Assisting the client to take action on planning decisions            | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Monitoring the client's progress                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Update recommendations and help the client revise planning decisions | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
9. Any other financial services offered?  Yes  No  
If "Yes," please describe: \_\_\_\_\_

By acceptance of the Professional Investment Services Application, the Insured further warrants as follows:

- (1) that the persons listed on this Application are duly licensed as Registered Representatives of a duly licensed and properly authorized Broker-Dealer, or, if listed as registered investment advisors, are properly registered as investment advisors with all federal, state, and local authorities which require such registration;
- (2) that the Insured will timely notify the Company in the event that any persons listed on this Application has any license withdrawn, suspended, revoked, or terminated for any reason;
- (3) that the Company shall have the right, at its option, with respect to any breach of this warranty, to deny coverage, to terminate Professional Investment Services Coverage retroactive to the previous anniversary date of the policy and to refund the premium applicable thereto, or to terminate said coverage retroactive to the date of the breach of the warranty and refund the premium applicable thereto.

**I understand information submitted herein becomes a part of my Professional Liability Insurance Application with CPA Mutual Insurance Company of America Risk Retention Group and is subject to the same terms and conditions.**

## SUPPLEMENTAL REPORTING FORM Publicly Held Client Engagements

Please complete only if you answered "Yes" to Question 15(i):

Full Name of Applicant: \_\_\_\_\_

List the names of all accountants planning, directing, reviewing, or reporting on securities practice:

Names	Years of Specialty

1. List all Publicly Held Clients: (If more space is required, attach a separate sheet.)

Client Name	Trading symbol	Industry	Description of services	Opinion Rendered	Number months as client *

\* If less than 12 months, please provide name of prior audit firm and type of audit opinion issued. \_\_\_\_\_

Any Disagreements with the predecessor auditor in the year prior to change which were disclosed in SEC filings? \_\_\_\_\_

2. For each client listed above, please complete the following table with either a "yes" or "no" with respect to the most recent audit year.

Client Name	Significant Uncertainties or contingencies?	Are you aware of the possibility that financial statements have been restated or may be?	Subject to regulatory inquiry or investigation regarding financial statement disclosures?	Unpaid fees or fee disputes?

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**SUPPLEMENTAL REPORTING FORM  
Insurance Companies**

**Please complete only if you answered “Yes” to Question 15(j):**

Full Name of Applicant: \_\_\_\_\_

1. List the names of all accountants engaged in providing professional services to an insurance company:

Names	Years in this Specialty

2. Gross income derived from services provided to insurance companies:

Year	Name of Company	Type of Company	Services Provided	A.M. Best Rating*

\*If not available, please explain: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

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**SUPPLEMENTAL REPORTING FORM**  
**Claims, Incidents, and/or Suits Involving**  
**Accounting Practice or Any Other Professional Services**

(No coverage will be provided in any policy issued as a result of this application for any negligent act, error, or omission occurring prior to the inception date of the policy which was either reported to prior insurer or as to which Applicant and any insureds under the policy had a reasonable basis to believe that such negligent act, error, or omission was a breach of professional duty or might result in a claim. Therefore, any such negligent act, error, or omission described in response to this question should be reported to the Applicant's current professional liability insurance carrier.)

**Question Number 26:**

Please complete *one* form for *each* claim or incident. If space is insufficient to answer any question completely, attach separate sheet.

1. Full name of Applicant: \_\_\_\_\_

2. Full name of Claimant: \_\_\_\_\_

3. Indicate whether:  claim/suit or  incident

4. Date of alleged error: \_\_\_\_\_

5. Date claim reported: \_\_\_\_\_

6. Additional defendants: \_\_\_\_\_

7. If closed, indicate total paid including expenses: \$ \_\_\_\_\_

8. If pending:

Claimant's settlement demand	\$ _____
Defendant's offer for settlement	\$ _____
Insured's loss reserve	\$ _____
Deductible	\$ _____
If suit filed, amount asked in complaint	\$ _____

9. Name of insurer: \_\_\_\_\_

10. Description of claim:

a) Alleged act, error, or omission upon which claimant bases claim: \_\_\_\_\_

\_\_\_\_\_

b) Description of events leading to claim: \_\_\_\_\_

\_\_\_\_\_

c) Was engagement letter used?  Yes  No

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**SUPPLEMENTAL REPORTING FORM  
Separate Entity Worksheet**

**Question Number 28(c):**

1) Name of firm: \_\_\_\_\_

Location: \_\_\_\_\_

2) Full legal name of separate entity: \_\_\_\_\_

\_\_\_\_\_

3) Date entity began practice: \_\_\_\_\_ Estimated annual fees: \_\_\_\_\_

4) Reason for the establishment of separate entity: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

5) List all services provided by this entity and percentage of total revenues:

Services

Percentage of Total Revenues

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

100%

6) Ownership of separate entity:

Is this entity's ownership the same as insured?

Yes

No

If "No", provide complete ownership information below:

Percentage of Ownership

\_\_\_\_\_

\_\_\_\_\_

7) Number of employees if not included in Question No. 4., Staff Size, Page 1 of the Application: \_\_\_\_\_

Please provide total number of hours worked and type of work performed for each entity.

For Insured

For Separate Entity

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**I understand information submitted herein becomes a part of my Professional Liability Insurance Application with CPA Mutual Insurance Company of America Risk Retention Group and is subject to the same terms and conditions.**

**SUPPLEMENTAL REPORTING FORM  
Data Breach and Identity Theft Checklist**

**Question Number 5. (c):**

Circle One

- |   |     |    |
|---|-----|----|
| 1. Do <b>you</b> have a physical backup system (tape or disk) for electronic client files?                | YES | NO |
| 2. Do <b>you</b> have a formal procedure for destroying or archiving old client files?                    | YES | NO |
| 3. Do you have a formal policy regarding the security of client files removed from the office?            | YES | NO |
| 4. Are all partners and staff advised of your formal policy regarding data security?                      | YES | NO |
| 5. Do <b>you</b> use laptops or portable media devices to transport or remotely work on client files?     | YES | NO |
| 6. Are all client files contained on laptops or portable media devices encrypted?                         | YES | NO |
| 7. Are all servers or network computers "firewall" protected against outside access?                      | YES | NO |
| 8. Do <b>you</b> have a formal procedure for the disposal of obsolete computers or hard drives?           | YES | NO |
| 9. Are all partners and staff advised of the obligations to secure client privacy?                        | YES | NO |
| 10. Do <b>you</b> have a client notification system in the event of loss or theft of personal records?    | YES | NO |
| 11. Are passwords changed frequently?   | YES | NO |
| 12. Do <b>you</b> undertake security background checks for new employees?                                 | YES | NO |
| 13. Are passwords and network access immediately revoked for terminated employees?                        | YES | NO |
| 14. Is access to <b>your</b> computer network restricted to IT personnel only?                            | YES | NO |
| 15. Do <b>you</b> monitor and log access to <b>your</b> computer network?                                 | YES | NO |
| 16. Do you use firewall software on <b>your</b> computer network?   | YES | NO |
| 17. Are all firewalls and firewall software current and regularly updated?                                | YES | NO |
| 18. In the past five years have any client records in <b>your</b> custody or control been lost or stolen? | YES | NO |

Describe \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**I understand information submitted herein becomes a part of my Professional Liability Insurance Application with CPA Mutual Insurance Company of America Risk Retention Group and is subject to the same terms and conditions.**