

## ACCOUNTANTS & CONSULTANTS PROFESSIONAL LIABILITY INSURANCE RENEWAL APPLICATION

### CLAIMS MADE AND REPORTED COVERAGE – PLEASE READ ALL POLICY PROVISIONS

**NOTICE: EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR COVERED ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST YOU WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO US NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THIS POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST YOU AFTER THE TERMINATION OF THIS POLICY UNLESS, AND IN SUCH EVENT ONLY TO THE EXTENT, AN EXTENDED REPORTING PERIOD OPTION APPLIES.**

Please fully answer all questions in ink. Complete all sections, including the appropriate supplements. If space is inadequate to answer all questions in full, please provide details on a supplemental sheet.

*Throughout this application, the words “you” and “your” refer to the applicant herein and any subsidiary, partner, officer, director, member, covered independent contractor or employee of the applicant. The words “we”, “us”, and “our” refer to the insurance company to which this application is made.*

**PLEASE ENSURE THAT THE APPROPRIATE SUPPLEMENTS ARE COMPLETED AND ATTACHED.**

1. Name of Applicant: \_\_\_\_\_  
(attach a copy of the applicant entity’s current letterhead)
  - a. Contact: \_\_\_\_\_ Email: \_\_\_\_\_
  - b. Mailing Address: \_\_\_\_\_
  - c. Telephone: \_\_\_\_\_ URL: http://\_\_\_\_\_
  - d. Individual  Corporation  Partnership  LLC/LLP  Other  \_\_\_\_\_

2. List any subsidiary, predecessor, acquired, or merged firms for which coverage is requested:

a.

| Name of Firm | Date of Formation or Transaction | # of Professional Staff that Joined Applicant | % of Firm Annual Billings Assigned to Applicant |
|--------------|----------------------------------|---|---|
|              |                                  |   |   |
|              |                                  |   |   |
|              |                                  |   |   |

3. **Your** total gross revenues in the last filed tax return, excluding recovered expenses:
  - a. \$ \_\_\_\_\_ for the period ending: month \_\_\_\_\_ year \_\_\_\_\_
4. **Your** estimated gross revenues for the current fiscal year
  - a. \$ \_\_\_\_\_
5. How many of **your** professional staff completed loss control education in the past 1 year \_\_\_\_\_
  - a. Please provide certificates of completed loss control classes

6. Please list all professionally qualified staff or staff with a four-year degree in accounting or related services and/or whose time is billable to clients (continue on a supplemental sheet if necessary):

a.

| <u>Name</u> | <u>Date of Hire</u> | <u>Designation:</u><br><u>(O, E, or C) [1]</u> | <u>Avg. # of Hours</u><br><u>for Part Time</u><br><u>Staff</u> | <u>Professional</u><br><u>Designations</u><br><u>and Licenses</u><br><u>Held</u> |
|-------------|---------------------|--|--|--|
|             |                     |  |  |  |
|             |                     |  |  |  |
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|             |                     |  |  |  |
|             |                     |  |  |  |
|             |                     |  |  |  |
|             |                     |  |  |  |

[1] O = owners, officers, directors, partners, principals, shareholders, or members  
 C = Certified Public Accountants  
 E = all other professional employees

b. Is coverage desired for any of the following activities:

- i. Life Insurance Agents Yes  No 
  - 1. Number of professional staff involved: \_\_\_\_\_
- ii. Real Estate Agents Yes  No 
  - 1. Number of professional staff involved: \_\_\_\_\_
- iii. Registered Representatives Yes  No 
  - 1. Number of professional staff involved: \_\_\_\_\_

c. Attach a copy of the current declarations page for any specific professional liability coverage for these activities.

7. Have **you** undergone a peer or quality review? Yes  No

- a. Date of review:                      Month \_\_\_\_\_                      Year \_\_\_\_\_
  - i. Unqualified? Yes  No
- b. Date of next review:                      Month \_\_\_\_\_                      Year \_\_\_\_\_
- c. If qualified or modified, attach a copy of the report and details of corrective action

8. Are all statements of financial condition, balance sheets, and reports signed by **your** owners, officers, partners, principals, shareholders, or members? Yes  No

9. Are all work papers indexed to reflect what was done, when, and by whom? Yes  No

10. Do **you** have a formal policy for destruction of documents? Yes  No

11. Do **you** maintain a firm practice management system to ensure timely completion of reports, filings, and tax returns? Yes  No

12. Are engagement letters that specifically define the scope and timeframe of representation used in all instances? Yes  No

a. If not, please explain why and in what instances engagement letters are not utilized

i. \_\_\_\_\_

13. Are disengagement letters that specifically define the scope and timeframe of representation used in all instances? Yes  No

a. If not, please explain why and in what instances disengagement letters are not utilized

i. \_\_\_\_\_

14. Are nonengagement letters that specifically advise potential clients that **you** will not be providing professional services to them used in all instances? Yes  No

a. If not, please explain why and in what instances nonengagement letters are not utilized

i. \_\_\_\_\_

15. Do engagement letters contain alternative dispute resolution or mediation clauses?

a. Yes  No

16. Please list the percentages of income received from the following activities for the last fiscal year:

| Activity                                      | %          | Engagement Letter Used [Y/N] |
|---|------------|------------------------------|
| Audit – Publicly Traded Entities [1] [4]      |            |                              |
| Audit – Not for Profit [1]                    |            |                              |
| Audit (Investment Professionals/Products) [1] |            |                              |
| Audit (all other) [1] [4]                     |            |                              |
| Agreed Upon Procedures [2]                    |            |                              |
| Benefit Administrator/Administration          |            |                              |
| Bookkeeping                                   |            |                              |
| Compilation                                   |            |                              |
| ERISA/Pension Plans/TPA                       |            |                              |
| Escrow Services/Escrow Agent                  |            |                              |
| Information Technology                        |            |                              |
| Management Advisory Services [3]              |            |                              |
| Personal Financial Planning                   |            |                              |
| Review [4]                                    |            |                              |
| SEC/Sarbanes Oxley Services [4]               |            |                              |
| Taxation [4] [5]                              |            |                              |
| Trustee Services [6]                          |            |                              |
| Valuation Services [7]                        |            |                              |
| Other Services [4] [8]                        |            |                              |
| <b>TOTAL</b>                                  | <b>100</b> |                              |

- [1] Complete the **Audit Supplement**
- [2] Please describe: \_\_\_\_\_
- [3] Please describe: \_\_\_\_\_
- [4] Complete the **Securities Supplement**
- [5] Complete the **Tax Supplement**
- [6] Complete the **Trustee Services Supplement**
- [7] Complete the **Valuation Supplement**; delineate what % is Business Valuation
- [8] Please describe: \_\_\_\_\_

17. Complete if any percentage of **your** practice includes non-SEC Audit engagements N/A

| <u>Business</u>    | <u>%</u> | - | <u>Business Type</u>        | <u>%</u> |
|--------------------|----------|---|-----------------------------|----------|
| ERISA/Pension Plan |          | - | Construction                |          |
| Government         |          | - | Financial Institutions [10] |          |
| Non-Profit         |          | - | Government/School District  |          |
| Private Companies  |          | - | Hospital/Medical            |          |
| Other [9]          |          | - | Manufacturing               |          |
|                    |          | - | Non-Profit                  |          |
|                    |          | - | Retail                      |          |
|                    |          | - | Service                     |          |
|                    |          | - | Other [11]                  |          |

- [9] Please describe: \_\_\_\_\_
- [10] Please describe: \_\_\_\_\_
- [11] Complete the **Financial Institutions Supplement**

18. Do **you** have an employee dishonesty insurance policy or bond that covers theft of client funds?  
 a. Yes  No

19. In the past year, has any professional staff had a professional license suspended or revoked?  
 a. Yes  No   
 i. If "YES", please attach details, including documents evidencing the outcome

20. Within the past year, have any claims, incidents, or circumstances been notified to an insurance company or have any legal actions been brought against **you** alleging a failure to perform Professional Services?  
 a. Yes  No   
 i. If "YES", complete a **Claim Supplement** for each claim, incident, or circumstance

21. After inquiry, do any of **you** for which coverage is requested, have knowledge of any act, error, omission, fee dispute, client bankruptcy, incident, or other circumstance, including the receipt of a subpoena, that is or could be the basis for a claim under this proposed insurance policy?  
 a. Yes  No   
 i. If "YES", complete a **Claim Supplement** for each claim, incident, or circumstance

22. Within the past year, other than in connection with clients’ personal tax returns, have **you** sued any clients to collect fees? Yes  No

a. If “YES”, provide information below for each client

| <u>Client</u> | <u>Fee Amount (\$)</u> | <u>Date of Suit</u> | <u>Services Rendered</u> | <u>Status</u> |
|---------------|------------------------|---------------------|--------------------------|---------------|
|               |                        |                     |                          |               |
|               |                        |                     |                          |               |
|               |                        |                     |                          |               |

23. Within the past year, have any of **you**:

a. Performed any new services or engaged in any new assignments as a trustee (other than Life insurance or non-funded Trusts)? Yes  No

i. If “YES”, please describe in the appropriate supplement

b. Performed any new services or engaged in any new assignments as an executor or administrator of an estate? Yes  No

i. If “YES”, please describe in the appropriate supplement

c. Performed any new services or engaged in any new assignments where **you** have discretionary authority to manage, pay bills, or invest client funds? Yes  No

i. If “YES”, please describe in the appropriate supplement

d. Performed any new services to or engaged in any new assignments for Special Purpose Acquisition Companies (SPACs)? Yes  No

i. If “YES”, please describe on a supplemental sheet

e. Provided any **professional services** to, acted as a director or officer for, or served on an internal committee of a financial institution [8]? Yes  No

i. If “YES”, please complete the **Financial Institutions Supplement**

1. [8] “Financial Institution” means an insurance company or insurance company holding company or affiliate thereof, a bank, a credit union, a savings and loan, a savings Association, a building association, or any other banking institution, bank holding company, or affiliate thereof.

24. Within the past year, other than in connection with activities as a receiver or trustee in bankruptcy, have **you** performed attest services for any of **your** business clients, that after the rendering of such services, have declared or filed for bankruptcy, defaulted on a bond issue, or failed as a business?

a. Yes  No

i. If “YES”, please describe on a supplemental sheet

25. Within the past year, have any of **you** provided services other than personal tax returns to a client while acting as an officer, director, partner, or manager of such client, or have any of **you** or a spouse had or currently have an equity or financial interest in a client that is greater than 10%?

- a. Yes  No
- i. If "YES", provide information below for each client

| <u>Client</u> | <u>Equity % Held</u> | <u>Fees Earned (\$)</u> | <u>Position</u> | <u>Services</u> | <u>Disclosure of Conflict (Y/N)</u> |
|---------------|----------------------|-------------------------|-----------------|-----------------|-------------------------------------|
|               |                      |                         |                 |                 |                                     |
|               |                      |                         |                 |                 |                                     |
|               |                      |                         |                 |                 |                                     |

26. Within the past year, have **you** provided (if Yes to the below, complete the **Securities Supplement**):

- a. Professional Services to a Publicly Traded Company? Yes  No
- b. Professional Services in connection with securities offerings or the registration or sale of securities? Yes  No
- c. Forecasts, projections, etc. to sellers or promoters of investments for inclusion in a prospectus or other securities sales literature? Yes  No

27. Are **you** registered with the Public Company Accounting Oversight Board? Yes  No

28. Within the past year, have **you** provided (if Yes to the below, provide details on a separate sheet):

- a. Professional Services in connection with any investment syndication or tax shelter, including investment partnerships designed for tax shelters? Yes  No
- b. Professional Services as a Registered Representative or Registered Investment Adviser or Broker Dealer of securities? Yes  No

29. Within the past year, have **you** provided (if Yes to the below, complete the **Regulatory and SEC Investigation Supplement**):

- a. Professional Services to clients that are or were the subject of an investigation by the Securities and Exchange Commission (SEC) or other similar state or federal regulatory agency? Yes  No

30. Within the past year, have **you** provided (if Yes to the below, complete the **Sub-Prime Mortgage Supplement**):

- a. Professional Services to clients that have been active in sub-prime mortgage lending or in loans to sub-prime borrowers? Yes  No

31. Do any of **your** Financial Institution clients appear on the list of failed banks maintained by the Federal Deposit Insurance Company ([www.fdic.gov](http://www.fdic.gov))? N/A  Yes  No

- a. If "YES", please provide full details on a supplemental sheet

32. For consideration of additional risk management premium credits, please provide the following details about the risk reduction and loss prevention techniques **you** currently utilize:

- a. Engagement letters are updated:
  - i. Annually for *all* engagements Yes  No
  - ii. Annually for attest engagements Yes  No
  - iii. As engagement changes Yes  No
  - iv. Evergreen Yes  No
  - v. Other (please explain) \_\_\_\_\_
  
- b. Client screening procedures (please describe):
  - i. New clients Yes  No
  - ii. Existing clients Yes  No
  - iii. Both new and existing clients Yes  No
  - iv. Other (please explain) \_\_\_\_\_
  
- c. A second person/partner reviews:
  - i. Attest services Yes  No
  - ii. Tax services Yes  No
  - iii. All services Yes  No
  - iv. Other (please explain) \_\_\_\_\_
  
- d. Use a practice checklist (as approved by AICPA, PPC, or other): Yes  No
  
- e. Use tax documentation automation software: Yes  No 
  - i. Please describe \_\_\_\_\_
  
- f. Other risk management procedures (please describe):
  - i. \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_

33. Limits of Liability requested (per claim and aggregate): \_\_\_\_\_

- a. Separate limit for Defense Expenses: Yes  No

34. Deductible requested (per claim and aggregate): \_\_\_\_\_

- a. Deductible applicable to Damages only: Yes  No

**REPRESENTATION:** You represent and warrant that the information and statements contained in this application are true, complete, and accurate and **you** agree that this application and all supplements and attachments hereto shall become the basis of any coverage and a part of any policy that may be issued to **you** by **us** in reliance upon said information and statements.

**NOTICE:** You understand and accept that any policy issued by us will provide coverage on a **CLAIMS MADE AND REPORTED** basis. To avoid loss of coverage, it is imperative that all known claims, incidents, and/or circumstances that could give rise to a professional liability claim against you be reported to your current insurer within the time period specified in your current policy(ies).

**NOTICE:** The execution of this application does not bind you to purchase any coverage offered, nor does the receipt and/or review of this application bind us to offer any coverage or issue any policy.

### APPLICANT FRAUD WARNINGS

**NOTICE TO ALABAMA 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 restitution, fines, and confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS 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 CALIFORNIA APPLICANTS: FOR YOUR PROTECTION CALIFORNIA LAW REQUIRES THE FOLLOWING TO APPEAR ON THIS FORM:** Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**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 containing any false, incomplete, or misleading information is guilty of a felony of the third degree.



**NOTICE TO KANSAS APPLICANTS:** A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

**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 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 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 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 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, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO PENNSYLVANIA APPLICANTS:** All Commercial Insurance, Except As Provided for Automobile Insurance: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties. Automobile Insurance: Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.

**NOTICE TO PUERTO RICO APPLICANTS:** Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**NOTICE TO RHODE ISLAND 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 TENNESSEE APPLICANTS:** All Commercial Insurance, Except As Provided for Workers' Compensation: 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. Workers' Compensation: It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO UTAH APPLICANTS:** Workers' Compensation: Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.

**NOTICE TO 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 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 include imprisonment, fines and denial of insurance benefits.

**NOTICE TO WEST VIRGINIA 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 ALL OTHER STATES:** Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison.

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**You** agree that signing this application will permit Worldwide Facilities, LLC, as managers for CPAGold™, or its agents, to send emails relating to **your** coverage to the party identified in Question 1. of this application and its designees.

**You** agree that signing this application does not bind **you** or **us** to complete the insurance.

Signature of Applicant: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_ Firm: \_\_\_\_\_