



**PHILADELPHIA**  
INSURANCE COMPANIES

Return to: Katzman Insurance Services Inc.  
P.O. Box 1786, Berlin, MD 21811  
Tel: 800-967-5252, Fax: 410-208-1062

**e-mail: jack@katzmanins.com**

Name of Insurance Company to which **Application** is made (herein called the "Insurer")

## ACCOUNTANTS PROFESSIONAL LIABILITY INSURANCE APPLICATION

NOTICE: This professional liability coverage is provided on a claims-made basis; therefore, only claims which are first made against you, and reported to the Company, during the policy term, any subsequent renewal of this policy or any extended reporting period are covered, subject to policy provisions.

**Please attach a sample of your letterhead to this application.**

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

1a. Applicant Firm's Tax ID Number: \_\_\_\_\_

2. The Applicant Firm is a(n):  Individual  Partnership  Professional Association  
 Professional Corporation  LLC or LLP  Other \_\_\_\_\_

3. Is the Applicant Firm engaged in the practice of accountancy?  Yes  No  
If no, please contact your agent before proceeding.

4. Applicant Firm's principal location:

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

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

5. Applicant Firm's mailing address:

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

City : \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

6. When was the Applicant Firm established? \_\_\_\_\_ (Month/Day/Year)

7. If the Applicant Firm has been established less than six (6) years, please list:  Not Applicable

A. Name of the Predecessor Firm: \_\_\_\_\_ Date Formed: \_\_\_\_\_

Percent owned by the current members of the Applicant firm: \_\_\_\_\_%

What is the current status of the Firm :  Dissolved  Changed the firm name  Continues to exist

B. Name of the Predecessor Firm: \_\_\_\_\_ Date Formed: \_\_\_\_\_

Percent owned by the current members of the Applicant firm: \_\_\_\_\_%

What is the current status of the Firm :  Dissolved  Changed the Firm Name  Continues to exist

**To enter more information, please use the separate page attached to the application**

8. Does your firm practice from additional offices?  Yes  No **If yes, please attach a copy of the letterhead for each satellite office.**

9. Please list the Applicant Firm's staff breakdown:

Number of full time equivalent CPA's: \_\_\_\_\_

Number of full time equivalent non CPA Accounting Professionals: \_\_\_\_\_

Number of full time equivalent support staff: \_\_\_\_\_

9a. Most recently ended fiscal year's revenue: \$ \_\_\_\_\_

Current fiscal year's projected revenue: \$ \_\_\_\_\_

Total number of clients served in the past twelve (12) months: \_\_\_\_\_

10. Has any member of the Applicant Firm or any Predecessor Firm been the subject of a complaint, disciplinary action or reprimand by any state board, the SEC, I.R.S., governmental regulatory or tax authorities, or any accounting society?  Yes  No **If yes, please use the separate page attached to the application to provide an explanation.**

11. Does the Applicant Firm share office space with professionals/firms other than those listed in question eight(8)?  Yes  No **If no, skip to question 12**

11a. If the Applicant Firm shares an office with other professionals does your firm separate files, employ separate support staff and present itself as an independent practice to the public?  Yes  No

11b. The name of the professionals/firm with whom the Applicant Firm shares an office is:

12. Area of Practice: Please identify the Applicant Firm's areas of practice with the number representing the percentage of gross income derived from that area during the past year. **The total of these must be one hundred (100) percent and represent all areas of practice.**

Area of Practice	%	Engagement Letters Used
Public Company Audit *		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Audit *		<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
Review		<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilation		<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping		<input type="checkbox"/> Yes <input type="checkbox"/> No
Individual Tax		<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Tax		<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
Estate Tax		<input type="checkbox"/> Yes <input type="checkbox"/> No
Fiduciary Services		<input type="checkbox"/> Yes <input type="checkbox"/> No
Litigation Support		<input type="checkbox"/> Yes <input type="checkbox"/> No
Securities Activities **		<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts/Projections		<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
Personal Financial Planning and Investment Advisory Services (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No
Other (Describe the services provided on a separate sheet)		<input type="checkbox"/> Yes <input type="checkbox"/> No

\* If any percentage is indicated, complete the Audit Engagements Supplement form No. 2

\*\* If any percentage is indicated, complete the SEC Information Supplement form No. 3

13. Have any individuals in the Applicant Firm, or any Predecessor Firm, in the past two (2) years provided these services to any financial institution client:

a. Regulatory, securities, or compliance services?  Yes  No **If yes, complete SEC Information Supplement No. 3**

b. Services for an institution in which an Applicant member held an equity or management interest?  Yes  No

c. Whose deposits are not insured by a government agency such as the FDIC or NCUA?  Yes  No

d. Which was either in its formative stage, or which has at any point since been insolvent?  Yes  No

e. For which they were an officer, director, or general counsel?  Yes  No

**If any part(s) of question 13 are answered yes, complete Financial Institution Supplement form No. 4**

14. How many suits for collection of fees have been filed by the Applicant Firm or Predecessor Firms during the past two (2) years? \_\_\_\_\_ How many of these suits have been resolved successfully? \_\_\_\_\_

Dollar amount of fee suits last year \$ \_\_\_\_\_

Dollar amount of suits for the previous year \$ \_\_\_\_\_

15. Has the Applicant Firm, or any Predecessor Firm ever conducted SEC services or audits for any publicly held companies?  Yes  No **If yes, please complete the Public Company Audit Supplement No. 5.**

15a. Has the Applicant Firm or any Predecessor Firm received equity or any other non-monetary compensation for the rendering of accounting services?  Yes  No **If yes, was this only on tax engagements?**  Yes  No

15b. Has the Applicant Firm arranged, coordinated or managed any investment venture?  Yes  No **If yes, please use the separate page attached to the application to provide an explanation.**

16. Within the past six (6) years have any of the Applicant Firm's accountants served as a director, officer, or an employee of any client; owned an equity interest in any client; or does any client represent more than twenty-five (25) percent of the Applicant Firm's revenues?  Yes  No **If yes, please provide the following for each:**

Name of Client: \_\_\_\_\_

Nature of business: \_\_\_\_\_

Services provided: \_\_\_\_\_

% of Firm's revenue derived from the client: \_\_\_% Equity interest \_\_\_% Dollar Value of Interest\$ \_\_\_\_\_

Person holding a position for this client: \_\_\_\_\_ Title: \_\_\_\_\_

Name of Client: \_\_\_\_\_

Nature of business: \_\_\_\_\_

Services provided: \_\_\_\_\_

% of Firm's revenue derived from the client: \_\_\_% Equity interest \_\_\_% Dollar Value of Interest\$ \_\_\_\_\_

Person holding a position for this client: \_\_\_\_\_ Title: \_\_\_\_\_

**To enter more information, please use the separate page attached to the application**

17. Does any member of the Applicant Firm hold any professional license other than for accountancy?  
 Yes  No

Name of Individual: \_\_\_\_\_ Profession: \_\_\_\_\_

Annual income derived from profession: \$ \_\_\_\_\_ Insurance Carrier: \_\_\_\_\_

**To enter more information, please use the separate page attached to the application**

18. Within the past 3 years, has the Applicant Firm or Predecessor Firm or any affiliated entity thereof rendered audit or attest services for a business client, for which either the client or a parent of the client subsequently declared or filed bankruptcy, defaulted on a debt obligation, or became insolvent?  Yes  No **If yes, please complete the following:**

Name of Client: \_\_\_\_\_ Client industry: \_\_\_\_\_

Type of services rendered: \_\_\_\_\_

Dates of your service: \_\_\_\_\_ Going concern reference:  Yes  No

Date of bankruptcy, insolvency or default: \_\_\_\_\_

**To enter more information, please use the separate page attached to the application**

19. During the past six (6) years, has any insurer of the Applicant Firm, Predecessor Firm or Prior Firm canceled or refused to renew professional liability insurance for any reason other than the carrier's withdrawal from the market?  Yes  No **If yes, please provide details:**

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20. In the past three (3) years, has the Applicant Firm undergone any peer or quality review sponsored for the AICPA or any state society of CPA's?  Yes  No **If yes, the results were:**  
 Unqualified  Qualified, Modified or Adverse

21. After inquiry, are any individuals of the Applicant Firm aware of any professional liability claims made against them, the Applicant Firm or a Predecessor Firm in the past six (6) years, including those which may have been made against them while with a Prior Firm?  Yes  No **If yes, complete the Accountants Professional Claim Supplement form No. 1 for each incident.**

21a. After inquiry, are any individuals of the Applicant Firm aware of any actual or alleged act, error, omission, incident or circumstance, which might reasonably result in a claim against them, the Applicant Firm or against any members of a Predecessor Firm in the past six (6) years?  Yes  No **If yes, complete the Accountants Professional Claim Supplement form No. 1 for each incident.**

21b. Please advise the total number of events which are applicable under 21. or 21a.: \_\_\_\_\_

**For all incidents listed in questions 21. or 21a., a separate Claim Supplement form No. 1 must be completed.**

22. Please provide the following information for the Applicant Firm's/Predecessor Firm's most recent professional liability policy:

Insurer: \_\_\_\_\_ Policy effective date: \_\_\_\_\_ Policy expiration date: \_\_\_\_\_

Per Claim Limit: \$ \_\_\_\_\_ Aggregate Limit: \$ \_\_\_\_\_

Deductible \$ \_\_\_\_\_ Premium: \$ \_\_\_\_\_

22a. Does the Applicant Firm's current policy have a retro-active date?  Yes  No  
**If yes, what is the date?** \_\_\_\_\_

23. Please note that the coverage will be offered only at the company's election. Coverage terms offered are also subject to determination by the **Insurer**. Please indicate the limit and deductible for which you wish to receive a quotation:

**Limits**

- |  |  |  |
|--|--|--|
| <input type="checkbox"/> \$100,000/\$300,000   | <input type="checkbox"/> \$1,000,000/\$1,000,000 | <input type="checkbox"/> \$3,000,000/\$3,000,000 |
| <input type="checkbox"/> \$250,000/\$500,000   | <input type="checkbox"/> \$1,000,000/\$2,000,000 | <input type="checkbox"/> \$4,000,000/\$4,000,000 |
| <input type="checkbox"/> \$500,000/\$500,000   | <input type="checkbox"/> \$2,000,000/\$4,000,000 | <input type="checkbox"/> Other: \$ _____         |
| <input type="checkbox"/> \$500,000/\$1,000,000 |  | \$ _____   |

**Deductibles**

- |                                  |                                   |  |
|----------------------------------|-----------------------------------|--|
| <input type="checkbox"/> \$1,000 | <input type="checkbox"/> \$5,000  | <input type="checkbox"/> \$20,000        |
| <input type="checkbox"/> \$2,000 | <input type="checkbox"/> \$7,500  | <input type="checkbox"/> \$25,000        |
| <input type="checkbox"/> \$2,500 | <input type="checkbox"/> \$10,000 | <input type="checkbox"/> Other: \$ _____ |
| <input type="checkbox"/> \$3,000 | <input type="checkbox"/> \$15,000 |  |

**REPRESENTATIONS:** I/We affirm that the information contained here and in any addendum is true to the best of my/our knowledge and that it shall be the basis of the policy of insurance and deemed incorporated therein, should the Company evidence its acceptance of this application by issuance of a policy. I/We hereby authorize the release of claim information from any prior insurer to the Company or its representatives.

**NOTICE TO 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 MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL 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 SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

**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 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 MINNESOTA AND OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE 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 NEBRASKA AND OKLAHOMA APPLICANTS:** 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:** 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.

**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 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 MAINE 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 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 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 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 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 TENNESSEE 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**

- 1. Any claim or incident:
  - a) reported on question 21, or 21a; or
  - b) of which any member of the applicant firm has knowledge prior to policy inception will not be afforded coverage under any policy which may subsequently be issued by and of the Philadelphia Insurance Companies.
  
- 2. Failure to report to your current insurance company any:
  - a) claim made against you during your current policy term; or
  - b) fact, circumstance or event of which your accountants are aware, which may give rise to a claim BEFORE policy expiration, may create a lack of coverage.

\_\_\_\_\_  
Name (Please Print)

\_\_\_\_\_  
Title (Must be Partner or Officer)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Agent Name: \_\_\_\_\_ Agency Number: \_\_\_\_\_

## ADDITIONAL INFORMATION

**This page may be used to provide additional information to any question on this application. Please identify the question number to which you are referring.**

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Signature

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Date