

New Business Application

Underwritten by The Hanover Insurance Company

NOTICE: THIS APPLICATION IS FOR A CLAIMS-MADE AND REPORTED POLICY. SUBJECT TO ITS TERMS, THIS POLICY WILL APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY. PLEASE READ THE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

INSTRUCTIONS

Whenever used in this Application, the term **Firm** shall mean the **Named Insured** proposed for insurance, and **You** or **Your(s)** shall mean the persons and entities proposed for insurance unless otherwise stated.

A. CONTACT INFORMATION

- Full Legal Name of **Firm** (include all **Firm** names, franchise affiliations, trading names and DBAs under which the **Firm** operates): _____
Firm is a: Sole Proprietor Partnership Corporation LLC LLP Other: _____
- Primary Mailing and Physical Address of **Firm** including contact information:
Mailing Address: _____
City: _____ County: _____ State: _____ Zip Code: _____
Physical Address (if different): _____
*If the **Firm** has other locations or shares office space, complete the Multiple Location Supplement.*
Primary **Firm** contact name: _____
Title: _____ Phone #: _____
Email: _____
Website: _____

B. GENERAL BUSINESS INFORMATION

- Firm** Established Date: _____
- Provide the names of any state, national, international, or professional society organization memberships?

- Does the **Firm**, any **Firm** member, **Predecessor Firm**, or **Affiliated Firm** provide **Professional Services** or conduct business activities under a separate entity? Yes No
If "Yes," complete the Separate Entity Supplement.
- Firm** Staff (including contract and per diem employees):

	CPAs	Non-CPAs	Total
Owners, Partners, Officers			
All Other Accounting, Consulting or Tax Professionals			
Non-employees or independent contractors, providing professional services on Your behalf			
Administrative Staff			
Total			

7. Provide the Firm's fiscal 12 month gross revenue figures:

Last Fiscal Year	Current Fiscal Year (estimated)	Next Fiscal Year (projected)
\$	\$	\$

8. Percentage of revenue from the Firm's largest clients (including related entities):

	Largest:	Second Largest:
Percentage of Revenue:	_____ %	_____ %
Client Name:	_____	_____
Client Industry:	_____	_____
Services rendered by Firm:	_____	_____

For those clients representing more than 40% of the Firm's revenue, describe how the Firm maintains its independence as an unaffiliated third party?

9. Indicate the percentage of revenue derived from the practice areas below and usage of Engagement Letters:

Service Area	% of Revenue	Engagement Letter Used	Service Area	% of Revenue	Engagement Letter Used
Agreed Upon Procedures	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	IT – Software or Hardware Sales	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Non-Public	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	IT - Other	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Other	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Management Advisory	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Audit: Public	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Mergers & Acquisitions	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Bookkeeping / Write-ups / Payroll	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Notary Public	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Business Valuations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Peer Review	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Reviews	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Consulting – Business Investment Advice / Planning	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax - Business	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Consulting – Other (describe*): _____	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax - Estate	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Enrolled Agent	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax - Individual	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Planning / Investment Advisory	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Trustee / Executor / Receiver	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forecasts and Projections	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Other (describe*): _____	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Forensic Accounting /Litigation Support	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	TOTAL (100%)	%	

* If additional space is needed, provide details on Question 42.

Within the past 5 years has the Firm, any Firm member, Predecessor Firm, or Affiliated Firm:

10. Provided services other than tax to any entity where there is ownership or equity interest or any of **You** served as an officer/director or exercised any form of managerial control? Yes No
If "Yes," complete the Outside Interest Supplement.
11. Acted as trustee, co-trustee, executor, receiver, administrator or personal representative to a trust or estate with more than \$500,000 in assets? Yes No
If "Yes," complete the Trustee & Estate Supplement.
12. Controlled or distributed client funds? Yes No
If "Yes," complete Funds Controlled Supplement.

13. a. Provided financial planning, asset management, or investment advisory services? Yes No
 b. Received commissions, referral fees reciprocity or other inducements arising from the sale, promotion or recommendation of securities (including as a Broker/Dealer or Registered Representative), insurance products (including Life/Health), real estate or other investments? Yes No
If "Yes," complete the Financial Planning and Investment Advisory Services Supplement.
14. Provided information technology services except data entry/processing, software sales or training? Yes No
If "Yes," complete the Information Technology Supplement.
15. Provided services, or consented to the use of the **Firm's** work product, in connection with public or private offerings of securities, real estate, or any other investments? Yes No
If "Yes," complete the Public & Private Offerings Supplement.
16. a. Provided audit, review, attestation or consulting services to publicly traded companies, their subsidiaries or their employee benefit plans? Yes No
 b. Submitted bids, are in the process of bidding or plan to bid on any new engagements to provide audit, review, attestation or consulting services for a publicly traded company, its subsidiaries or its employee benefit plans? Yes No
If "Yes," complete the Public Company Supplement.
17. a. Managed, invested with clients, organized, promoted, solicited on behalf of, or procured participants for, investment ventures? Yes No
 b. Provided services for tax shelters, or investment partnerships designed for tax shelters? Yes No
If "Yes," complete the Investment Venture Supplement.
18. Provided services to Financial Institutions, including but not limited to: Banks, Credit Unions, Thrifts, Insurance Companies, Investment and Mortgage Banks? Yes No
If "Yes," complete the Financial Institution Supplement.
19. a. Provided any attest services to any private company with annual sales of \$250 million or more? Yes No
 b. Provided services to any entertainment or sports personality where the annual fee is greater than 10% of the **Firm's** revenues? Yes No
If "Yes," provide details regarding client and services rendered:
-
20. Provide services to entities under the guidelines of ERISA? Yes No
*If **You** answered "Yes":*
- a. Does the **Firm** provide actuarial services, plan design or qualifying plans or their amendments? Yes No
 b. Does the **Firm** or affiliate act as a fiduciary or advisor, or recommend investments or mutual funds to which the **Firm** provides other accounting services or acts as a director or officer? Yes No
If "Yes," provide details in Question 42.

21. Served as the “partnership representative” under the partnership audit regime (BBA) for any partnership client for which **You** sign the partnership return (Form 1065)? Yes No

If “Yes,” provide details in Question 42.

22. Within the past three (3) years has the **Firm** or **Firm** affiliates provided attest services for a client that subsequently declared or filed bankruptcy, defaulted on a debt obligation, or became insolvent? Yes No

If “Yes,” provide:

Name of Client	Type of Services & Dates	Type of Audit Opinion	Current Firm Client?	Date of Bankruptcy, Insolvency, or Default
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	
			<input type="checkbox"/> Yes <input type="checkbox"/> No	

If additional space is needed, provide details on Question 42.

C. RISK MANAGEMENT

23. Does the **Firm** require Engagement Letters on an annual basis, and for any change in services, from all clients? Yes No

If “No,” explain what procedures are in place to prevent misunderstandings regarding the identity of the client, scope of work and fees.

24. Does the **Firm** have a formal system for screening and evaluating clients? Yes No

If “No,” describe how the suitability of potential clients are evaluated.

25. Does **Firm** have disengagement procedures for terminating client relationships? Yes No

If “No,” please explain:

26. Are declination letters sent when the **Firm** declines a client relationship? Yes No

If “No,” please explain:

27. Does the **Firm** have a written internal quality control document? Yes No

If “No,” describe how the suitability of potential clients are evaluated.

28. Does the **Firm** have an automated system in place to track tax filing and other critical deadlines? Yes No

If “No,” explain how deadlines are tracked:

29. In the past 3 years has the **Firm** or its affiliates threatened to sue or sued to collect fees, including small claims court? Yes No

If “Yes,” provide a list of all outstanding amounts owed, date of suit, services rendered, current status, whether still a client and if an Engagement Letter was used in Question 42.

30. Have any of **You** completed formal risk management education in the past 3 years? Yes No
If "Yes," provide certificate of completion or name of course and provider in Question 42.
 Number of **Firm** participants: _____ Date: _____
31. Does the **Firm** review marketing materials and websites for accuracy on an annual basis?
If "No," explain in Question 42.
32. Date of most recent completed peer review: _____ Not Required
 Indicate **Your** peer review result:
 Pass Pass with deficiencies Fail
*If **You** answered, "Pass with Deficiencies or Fail", provide a copy of the peer review and **Your Firm's** response.*

D. CLAIMS INFORMATION

After inquiry of all owners, partners, officers, stockholders, and employees of the **Firm** and any **Predecessor Firms** or **Affiliated Firms**:

33. Has any professional liability **Claim** or **Suit** been made against the **Firm**, any **Predecessor Firm**, **Affiliated Firm** or any of the **Firm's** current or former professional staff?
 a. During the past (5) years? Yes No
 b. Anytime and remains open? Yes No
34. Are any of **You** aware of any incidents, circumstances, disputes, fee problems, or employee problems, that could possibly result in a **Claim** or **Suit** against the **Firm** or any **Predecessor Firm**, **Affiliated Firm**, or any of the **Firm's** current or former professional staff? Yes No
*If **You** answered "Yes," to 32 or 33. above, complete the Claim/Incident Supplement and provide a 5 year loss run if applicable.*
35. Within the past 5 years have any of **You**:
 a. Been the subject of any regulatory or disciplinary investigation or inquiry (both formal and informal) or been suspended from practice? Yes No
 b. Been charged or found guilty of, or indicated on a criminal charge? Yes No
36. **(Question Not Applicable In Missouri)** Has any professional liability insurance for the **Firm**, a **Predecessor Firm**, an **Affiliated Firm**, or a partner, stockholder, or employee of the **Firm**, ever been declined, canceled, or non-renewed? Yes No
*If **You** answered "Yes" to Question 34 or 35 provide details in Question 42 below as well as supporting documentation.*

E. CURRENT INSURANCE INFORMATION

37. Provide the following information regarding the **Firm's** most recent insurance policies. If no coverage is currently in-force indicate with a N/A.

Insurance Carrier	Expiration Date	Limit of Liability	Deductible	Premium
		\$ _____ / \$ _____	\$ _____	\$ _____
		\$ _____ / \$ _____	\$ _____	\$ _____
		\$ _____ / \$ _____	\$ _____	\$ _____
Retroactive Date:	(This is the date the Firm first purchased claims made coverage that has been continuously in-force without interruption.)			

F. REQUESTED COVERAGE

38. Desired Effective Date: _____
39. Limit of Liability: _____
40. Deductible: _____ Per Claim Aggregate
41. Claim Expenses: Claim expenses reduce limits of liability
 Claim expenses paid in addition to limit of liability

G. ADDITIONAL INFORMATION

Use this section to provide additional information to any question on this application and identify the question number to which **You** are referring.

42.

H. DECLARATIONS AND NOTICE

The undersigned, acting on behalf of the **Firm**, represents that the statements set forth in this Application are true and correct and that thorough efforts were made to obtain requested information from all of **You** to facilitate the proper and accurate completion of this Application.

The undersigned agree that the information provided in this Application and any material submitted herewith are the representations of all of **You** and that they are material and are the basis for issuance of the insurance **Policy** provided by **Us**. The undersigned further agree that the Application and any material submitted herewith shall be considered attached to and a part of the **Policy**. Any material submitted with the Application shall be maintained on file (either electronically or paper) with **Us**.

It is further agreed that:

- If any of **You** discover or become aware of any material change which would render the Application inaccurate or incomplete between the date of this application and the **Policy** inception date, notice of such change will be reported in writing to **Us** as soon as practicable;
- Any **Policy** issued will be in reliance upon the truthfulness of the information provided in this Application.
- The signing of this Application does not bind the **Firm** to purchase insurance.

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

NOTICE TO ARIZONA AND MISSOURI APPLICANTS: Claim Expenses are Inside the Policy Limits. All claim expenses shall first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay for damages.

NOTICE TO ARKANSAS, LOUISIANA AND 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 CALIFORNIA APPLICANTS: For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent 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 or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

NOTICE TO HAWAII APPLICANTS: For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

NOTICE TO IDAHO 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 KANSAS APPLICANTS: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. 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, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or 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 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.

NOTICE TO MAINE, TENNESSEE, VIRGINIA, 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 include imprisonment, fines and 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 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 MICHIGAN APPLICANTS: Any person who knowingly and with intent to defraud an insurance company or another 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 act, which is a crime and subjects the person to criminal and civil penalties.

NOTICE TO NEW JERSEY APPLICANTS: Any person who knowingly includes any false or misleading information on an application for an insurance policy or files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

NOTICE TO NEW HAMPSHIRE 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.

NOTICE TO NEW MEXICO AND 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 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 OREGON APPLICANTS: Any person who knowingly and with intent to defraud or solicit another to defraud any insurance company: (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 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 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.

This Application must be signed by a representative of the Applicant acting as the authorized representative of the person(s) and entity(ies) proposed for this insurance.

Date **Signature/Title**

(mm/dd/yyyy)

(Chief Executive Officer, President, Chief Financial Officer, Managing Partner or Owner)

Agent's Signature: _____

A POLICY CANNOT BE ISSUED UNLESS THE "APPLICATION" IS PROPERLY SIGNED AND DATED.