



Underwritten by The Hanover Insurance Company

CPAOnePro Risk Purchasing Group Application

CLAIMS-MADE WARNING FOR APPLICATION

THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE LIMIT OF LIABILITY CAN BE COMPLETELY EXHAUSTED BY CLAIMS EXPENSES AND CLAIMS EXPENSES WILL BE APPLIED AGAINST THE DEDUCTIBLE. WE WILL HAVE NO LIABILITY FOR CLAIMS EXPENSES OR THE AMOUNT OF ANY JUDGEMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Please fully answer all questions. Complete all sections, including the appropriate supplements. If space is inadequate to answer all questions in full, please provide details on a separate page. By completing and submitting this Application you are applying for both professional liability insurance and membership into the National Small Business PG, Inc. (a Risk Purchasing Group).

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.

Firm Details

1. Name of Firm _____

Address _____

City _____ State _____ County _____ Zip _____

Name of Contact _____ E-mail _____

Telephone _____ Fax _____ Date Firm Established _____

Website _____ Legal Entity Type _____

Practice Details

2. Have **you** merged with or acquired any firms in the past year?..... YES NO

3. Within the past year, have **you** provided any **Professional Services**:

a. To a publicly traded company?..... YES NO

b. In connection with securities offerings, registration or sale of securities? YES NO

c. To any outside entity where **you** were a director, officer, partner or manager? YES NO

d. To any outside entity where **you** or a spouse held an equity or financial interest greater than 10%? YES NO

e. In connection with any investment syndication or tax shelter, including investment partnerships designed for tax shelters?..... YES NO

- f. To a bank, insurer, or other financial institution? YES NO
A financial institution is defined as an insurance company or insurance company holding company or affiliate thereof, a bank, credit union, savings and loan, savings Association, building association or other banking institution, bank holding company or affiliate thereof
- g. In connection with business valuation services? YES NO
- h. Related to Information Technology? YES NO
- 4. Have **you** become registered with the Public Company Accounting Oversight Board (PCAOB)? YES NO

Risk Management Details

- 5. Have **you** failed a Peer or Quality Review in the past year?..... YES NO
- 6. Within the past year has any member of **your** firm had a professional license suspended or revoked?..... YES NO
- 7. Other than in connection with personal tax returns, have **you** sued to collect fees within the past year? YES NO

Claims and Insurance Details

- 8. After inquiry, within the past year have any claims or suits involving malpractice been made against **you**, a predecessor firm, a subsidiary or affiliate entity, any partner, stockholder and/or professional staff person? YES NO
- 9. Are **you**, after inquiry of stockholders, partners and employees, aware of any incident, circumstance, dispute, fee problem, or employee problem, which could result in a claim being made against the Firm, its predecessors, subsidiaries, affiliates or any partner, stockholder or employee? YES NO

***Please contact your agent if you have answered "Yes" to one or more of the questions above. Additional information may be required prior to binding.**

Incorporated Documents

- 10. Description of attached **application** incorporated by reference: _____
- 11. Date attached **application** was signed: _____

CPAOnePro

Cyber and Data Security Supplement

1. Do **you** have a formal procedure for destroying or archiving old client files? YES NO
2. Do **you** have a formal policy regarding the security of client files removed from the office? YES NO
3. Are all client files contained on laptops or portable media devices encrypted? YES NO
4. Do your laptops have installed tracking and data removal software?..... YES NO
5. Are all servers or network computers “firewall” protected against outside access? YES NO
6. Are all firewalls and firewall software current and regularly updated? YES NO
7. Do **you** log and monitor access to your network? YES NO
8. Do **you** have a formal procedure for the disposal of obsolete computers, faxes, scanners and/or hard drives? YES NO
9. How often is sensitive information backed up?
 Daily Weekly Monthly Other _____
10. Does the firm accept credit cards for services rendered? YES NO
 - a. If **Yes**, please state the approximate % of revenues from credit card transactions in the last 12 months _____
 - b. What steps are taken to prevent theft of card info?

11. Are all personnel advised of the obligations to secure client privacy? YES NO
12. Do **you** have a client notification system in place in the event of loss or theft of personal records? YES NO
13. Within the past 5 years have any client records in **your** custody or control been lost or stolen? YES NO
14. How frequently are passwords changed?
 Monthly Every 3 Months Every 6 Months Every 9 Months Other _____
15. Do **you** undertake background checks for all new hires? YES NO
16. Are passwords and network access immediately revoked for former personnel? YES NO

APPLICANT FRAUD NOTICE

Applicable in AL, AR, DC, LA, MD, NM, RI and WV

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. *Applies in MD Only.

Applicable in CO

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.

Applicable in FL and OK

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)*. *Applies in FL Only.

Applicable in KS

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 commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA

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* (not to exceed five thousand dollars and the stated value of the claim for each such violation)*.

*Applies in NY Only.

Applicable in ME, TN, VA and WA

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 and denial of insurance benefits. *Applies in ME Only.

Applicable in NJ

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

DECLARATIONS AND NOTICE TO APPLICANT

If you are aware of any incident, fact, circumstance, act or omission that could reasonably result in a professional liability claim against you or any insured listed in this application, you should immediately file a report with your current carrier.

This application forms a part of your policy, if issued.

The undersigned, acting on behalf of all Applicants, declares that the statements set forth in this Application are true and correct and that thorough efforts were made to obtain requested information from each and every Applicant proposed for this insurance to facilitate the proper and accurate completion of this Application.

The undersigned agrees that the information provided in this Application and any material submitted herewith are the representations of all the Applicants and are the basis for issuance of the insurance **policy** provided by **us**. 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 the Applicants discover or becomes aware of any significant change in the condition of the Applicant's Organization between the date of this Application and the **policy** inception date, which would render the Application inaccurate or incomplete, notice of such change will be reported in writing to **us** immediately;
- Any **policy** issued, will be in reliance upon the truthfulness of the information provided in this Application; provided, however, with respect to such information, no knowledge or information possessed by any Applicant shall be imputed to any other Applicants. If any person or persons knew as of the **policy** inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then coverage may be denied or canceled if such information was material to issuance of the **policy**. However, if the Chairperson of the Board of Directors, President, Chief Executive Officer, or Executive Director of the Applicant knew as of the **policy** inception date that such information contained in the Application(s) was untrue, inaccurate or incomplete, then coverage may be denied or canceled if such information was material to issuance of the **policy**;
- Statements in the Application, facts pertaining to or knowledge possessed by the individual signing the Application shall be imputed to the Applicant; and
- By completing and submitting this Application you are applying for both professional liability insurance and membership into the National Small Business PG, Inc. (a Risk Purchasing Group).
- The signing of this Application does not bind the undersigned or the company to issue insurance coverage

Except to such extent as may be provided otherwise in the policy, the policy for which **application** is being made is limited for ONLY THOSE CLAIMS FIRST MADE AGAINST **YOU** while the policy is in force.

Purpose & Effect Of "Application For Insurance & Purchasing Group Membership." By signing this "Application For Insurance & Purchasing Group Membership" ("Application"), Applicant agrees: (1) to become a Member of National Small Business PG, Inc. (hereinafter "PG"); (2) to participate in a program of insurance designed exclusively for the members of PG ("Members"); (3) to accept, abide by, and be bound by the "Terms & Conditions Of Insurance" posted at www.purchasinggroups.com; (4) to accept, abide by, and be bound by the "Membership Agreement – Terms & Conditions Of Membership" posted at www.purchasinggroups.com; (5) to pay all premiums (including audit and additional premiums, if applicable), fees (including broker and purchasing group membership fees), and state and federal taxes and surcharges (if applicable) when due; (6) that any additional materials or information supplied by Applicant or Applicant's insurance broker to the managing general underwriter for a given program of insurance (e.g. – including, but not limited to, supplementals, schedules, and ACORD applications) become a material part of the Application for insurance; (7) that this Application which It signs is the basis of the contract ["Policy" &/or "Evidence Of Insurance & Purchasing Group

Membership” (hereinafter “EOI”)], whether or not said Application is attached to the Policy &/or EOI; (8) that this Application is a material part of the Policy &/or EOI, whether or not it is attached to the Policy &/Or EOI; and, (9) that this Application is considered attached to the Policy &/or EOI for legal purposes, whether or not it is physically or electronically attached to the Policy &/or EOI.

Disclosure Regarding Shared Limits. Members do not share limits, and each Member is provided with its own Policy &/or EOI.

Disclosure Pursuant To Federal Law Regarding Purchasing Groups [U.S.C. 15 3901, Et Seq.] PG Is A “Purchasing Group,” as defined under federal law, formed to purchase liability insurance on a group basis for its Members to cover the similar or related liability exposure(s) to which the Members of PG are exposed by virtue of their related, similar, or common business or service. Members do not share limits and each Member is provided with its own Policy &/or EOI.

Disclosure Pursuant To Terrorism Risk Insurance Act Of 2002, Et Seq. By signing below, Applicant agrees that it has read and understands the “Disclosure Pursuant To The Terrorism Risk Insurance Act Of 2002, et seq.” which appears At www.purchasinggroups.com.

Disclosure Regarding Electronic Communications. By signing below, you are consenting to the use of electronic transactions and communications.

To Learn More. Please visit www.purchasinggroups.com, which contains more information about your purchasing group and purchasing groups, in general, as well as your insurance coverage, premiums, fees, taxes, the MGUs’ income, and your insurance broker’s income.

I agree that signing this form will permit us to send emails relating to **your** coverage to the party identified in Item 1 of this application, and their designees.

_____	_____	_____	_____
Signature of Applicant *	Date	Signature of Insurance Broker	Date
Print Name: _____		Print Name: _____	
Title: _____		Title: Insurance Broker	
		License: _____	

***Must be signed by Chief Executive Officer, President, Chief Financial Officer, Managing Partner or Owner. The completion of this form does not bind or guarantee coverage.**

Program Administrator: McGowan & Company, Inc.

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