



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 INSUREDS 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 \_\_\_\_\_

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

| Name of Firm | Date of Formation or Transaction | # of Professional Staff Added | % of Firm Billings Assigned to You | ERP* Purchased? |
|--------------|----------------------------------|-------------------------------|------------------------------------|-----------------|
|              |                                  |                               |                                    |                 |
|              |                                  |                               |                                    |                 |

\*Extended Reporting Period Endorsement (aka "Tail")

3. Based on the Firms fiscal year-end data, provide the following gross revenue figures:

| Next Fiscal Year (projected) | Current Fiscal Year (estimated) | Last Fiscal Year (reported) | Prior Fiscal Year (reported) |
|------------------------------|---------------------------------|-----------------------------|------------------------------|
| \$                           | \$                              | \$                          | \$                           |

\*Please provide details for any changes >25% from prior year

4. Firm Staff (include contract and per diem employees who work 500 or more hours per year):

|  | CPAs | Non-CPAs | Total |
|--|------|----------|-------|
| <b>Owners, Partners, Officers</b>                          |      |          |       |
| <b>All Other Accounting or Tax Professionals</b>           |      |          |       |
| <b>Other Consulting Professionals (not included above)</b> |      |          |       |
| <b>Administrative Staff</b>                                |      |          |       |
| <b>Total</b>   |      |          |       |

**Practice Details**

5. Approximately what percentage of the Firm’s revenue is derived from the areas listed below?

*Please indicate whether or not engagement letters are used for each service area listed below.*

| Service Area   | % of Revenue | Engagement Letter Used                                   |
|--|--------------|--|
| Administrator or ERISA Trustee                                     | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Audit: Non-Profit  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Audit: Other   | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Audit: Public  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Bookkeeping / Write-ups / Payroll Processing                       | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Business Valuations *  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Compilations   | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Consulting (litigation support /business investment advice / other | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Forensic Accounting  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Hardware Software Consulting / Sales                               | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Management Advisory Services                                       | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Personal Financial Planning *                                      | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Reviews  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Securities *   | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Tax: Business  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Tax: Individual  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Tax: Other   | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Trustee Services / Executor *                                      | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Other  | %            | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>TOTAL ADDS TO 100%:</b>   | <b>100 %</b> |  |

\* Please complete the corresponding supplement

6. Within the past 5 years have **you** provided attest services to any privately held entity with annual revenues greater than \$50 million? *If Yes, provide details* .....  YES  NO

7. Do **you** or have **you** in the past 5 years provided any attest services to Financial Institutions? *If Yes, complete the Financial Institutions Services Supplement* .....  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.*

8. Do any of **your** Financial Institution clients appear on the list of failed banks maintained by the Federal Deposit Insurance Company? .....  NA  YES  NO
9. Within the past 5 years have **you** provided **professional services** to any outside entity where **you** were a director, officer, partner or manager? *If Yes, complete the following*.....  YES  NO

| Client | Position | Professional Services | Conflict Disclosed? |
|--------|----------|-----------------------|---------------------|
|        |          |                       |                     |
|        |          |                       |                     |
|        |          |                       |                     |

10. Within the past 5 years have **you** provided **professional services** to any outside entity in which **you** or a spouse held an equity or financial interest greater than 10%? *If Yes, complete the following* .....  YES  NO

| Client | Equity % | Professional Services | Conflict Disclosed? |
|--------|----------|-----------------------|---------------------|
|        |          |                       |                     |
|        |          |                       |                     |
|        |          |                       |                     |

11. Within the past 5 years have **you** provided:
- 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 securities sales literature? .....  YES  NO
  - d. Are **you** registered with the Public Company Accounting Oversight Board (PCAOB)? ..  YES  NO

***\*If YES to any part of Question 11 please complete the Securities Supplement***

12. Within the past 5 years have **you** provided **professional services** to any clients under investigation by the SEC or any other state or federal regulatory organization? *If Yes, provide details*.....  YES  NO

13. Within the past 5 years have **you** provided attest services to any clients that have filed for bankruptcy or defaulted on a bond? *If Yes, provide details*.....  YES  NO

14. Within the past 5 years have **you** provided:
- a. **Professional services** in connection to or for tax shelters or investment partnerships designed for tax shelters?.....  YES  NO
  - b. **Professional services** to any entertainment or sports personality where the annual fee is greater than \$75,000? .....  YES  NO
  - c. **Professional services** as a trustee other than Life Insurance or non-funded .....  YES  NO
  - d. **Professional services** as an executor or administrator of an estate? .....  YES  NO
  - e. **Professional services** with discretionary authority to manage, pay bills or invest clients' funds?.....  YES  NO

***\*If Yes to any part of question 14 please complete the Trustee / Non-Trustee Supplement***

## Risk Management Details

15. How many of **your** professional staff have completed loss control education in the past 3 years? \_\_\_\_\_

**\*Please provide details, including dates and attendees and/or certificates**

16. Have **you** undergone a Peer or Quality Review in the past 3 years?.....  YES  NO

If **Yes**, was the review Unqualified? .....  YES  NO

**\*If Modified please provide a copy of the comment letter and response**

17. Do **you** have an Employee Dishonesty policy or bond which covers theft of client funds? .....  YES  NO

18. Within the past 5 years has any member of **your** firm had a professional license suspended or revoked? **If Yes, provide details**.....  YES  NO

19. Are all statements of financial condition, balance sheets, and reports signed by an owner, officer, partner, principal, shareholder, member, or managing member of the firm? .....  YES  NO

20. Are all work papers indexed to reflect what was done, when, and by whom? .....  YES  NO

21. Do **you** maintain a system to ensure timely completion of reports, filings and tax returns? .....  YES  NO

22. Do **you** have a formal policy for the destruction of documents? .....  YES  NO

23. Do engagement letters contain an Alternative Dispute Resolution or Mediation Clause? .....  YES  NO

24. How often are engagement letters updated?

- |   |  |
|---|--|
| <input type="checkbox"/> a. Annually for all engagements    | <input type="checkbox"/> d. As engagement changes    |
| <input type="checkbox"/> b. Annually for attest engagements | <input type="checkbox"/> e. Other (please describe): |
| <input type="checkbox"/> c. Evergreen                       |  |

25. Services that require a second person/partner review:

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> a. Attest services | <input type="checkbox"/> b. Tax services | <input type="checkbox"/> c. All services |
|---|--|--|

26. Client screening procedures are in place for:

- |   |  |                                  |
|---|--|----------------------------------|
| <input type="checkbox"/> a. New clients | <input type="checkbox"/> b. Existing clients | <input type="checkbox"/> c. Both |
|---|--|----------------------------------|

27. Do **you** use a checklist (as approved by AICPA, PPC, etc.)? .....  YES  NO

28. Please describe any other risk management procedures **you** use:

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29. Other than in connection with personal tax returns, have **you** sued to collect fees within the past 3 years? **If Yes, complete the following**.....  YES  NO

| Date of Suit | Fee Amount | Client | Services Provides | Suit Status |
|--------------|------------|--------|-------------------|-------------|
|              |            |        |                   |             |
|              |            |        |                   |             |

## Claims Details

30. After inquiry, 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:
- a. During the past (5) years? .....  YES  NO
- b. Anytime and remains open? .....  YES  NO
31. 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

**\*If Yes to 30 or 31 please complete the Claims Supplement**

## Insurance Details

32. Either attach a copy of **your** current policy declarations page and all endorsements, **or** provide details of **your** Professional Liability insurance history for the last 5 years:

| Insurance Carrier | Policy Period | Limits | Deductible | Premium |
|-------------------|---------------|--------|------------|---------|
|                   |               |        |            |         |
|                   |               |        |            |         |
|                   |               |        |            |         |
|                   |               |        |            |         |
|                   |               |        |            |         |

33. What is the retroactive date /prior acts date on **your** current policy? (mm/dd/yyyy) \_\_\_\_\_
34. Have **you** ever purchased an **Extended Reporting Period Endorsement**? .....  YES  NO  
 If **Yes**, please indicate the expiration date of the **ERP** (or note "Unlimited") ..... \_\_\_\_\_
35. What is the requested effective date of coverage? ..... \_\_\_\_\_

36. Limits of Liability and Deductible requested:

| Limit of Liability<br>(per claim/annual aggregate):                                       |
|---|
| Separate Limit for Claims Expenses? <input type="checkbox"/> Y <input type="checkbox"/> N |
|   |
| Each Claim: \$  |
| Aggregate: \$   |

| Deductible<br>(per claim/annual aggregate):                                 |
|---|
| Loss Only Deductible? <input type="checkbox"/> Y <input type="checkbox"/> N |
|   |
| Each claim: \$  |
| Aggregate: \$   |

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## 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

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## Personal Financial Planning Services Supplement

**Not Applicable**

1. Do **you** maintain a separate business entity to provide Financial Planning Services? .....  YES  NO
- a. If **Yes**, please provide the entity name: \_\_\_\_\_
- b. If **Yes**, does it have the same ownership as the accounting firm? .....  YES  NO
- i. If **No** please explain: \_\_\_\_\_

2. Do **you** secure separate Errors & Omissions coverage with **your** Broker/Dealer? .....  YES  NO

3. Do **you** desire coverage for these services? .....  YES  NO

4. Are **you** a Registered Representative / Account Executive for a Broker/Dealer? *If Yes, complete the following* .....  YES  NO

| Name of Firm Member | Name of Broker/Dealer |
|---------------------|-----------------------|
|                     |                       |
|                     |                       |

5. Are **you** registered as an Investment Advisor? .....  YES  NO

6. Do **you** have any professional qualifications specific to Financial Planning? *If Yes, complete the following* .....  YES  NO

| Name of Firm Member | Qualification |
|---------------------|---------------|
|                     |               |
|                     |               |

7. Detail of revenues generated from Financial Planning and Investment Advisory services:

|   | Actual Last Year | Est. Current Year |
|---|------------------|-------------------|
| Fee based asset management including wrap-up fees | \$ _____         | \$ _____          |
| Commissions and/or contingency fees               | \$ _____         | \$ _____          |
| Hourly fees and/or retainers                      | \$ _____         | \$ _____          |
| Other compensation, referral fees or reciprocity* | \$ _____         | \$ _____          |

**\*Please describe:**

8. Please indicate which services are provided:

- a. Preparation of written financial plans .....  YES  NO
- b. Recommendation of individual stocks, bonds, mutual funds or other investments.....  YES  NO
- c. Placement of insurance coverage or annuities .....  YES  NO
- d. Other financial planning or investment advice *If Yes, provide details* .....  YES  NO

9. Value of total funds under asset/portfolio management: \$ \_\_\_\_\_ # of clients \_\_\_\_\_

10. Do **you** require signed contracts wording to be used for all clients where you have discretionary asset management authority?.....  YES  NO

- a. If **Yes**, do the contracts contain Alternative Dispute Resolution wording or clauses? ..  YES  NO
- b. If **NO** to either of the above, please explain: \_\_\_\_\_

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## Trustee Services and Non-Trustee Asset Management Services Supplement

Trustee Services  Not Applicable

1. Fee arrangement for Trust is determined by:  
 Trust Agreement       Direct Billing to Trust       Other: \_\_\_\_\_
2. Does the Trustee engage in any of the following activities:
  - a. Use of Trust funds to invest in entities in which the Trustee, **you**, or a related individual have an interest or management role? *If Yes, provide details*.....  YES  NO
  - b. Employment (other than **professional services**) by the Trust of **you** or **your** Employees? *If Yes, provide details*.....  YES  NO
  - c. Use of Trust funds as loans to the Trustee, **you**, or **your** Employees? *If Yes, provide details* .....  YES  NO
  - d. Delegate any of **your Professional Services** to outside entities? *If Yes, provide details*  YES  NO
3. Please answer the following questions with regards to Discretionary Authority:
  - a. Do **you** have discretionary authority to make individual securities investments on behalf of the Trust? *If Yes, provide details*.....  YES  NO
  - b. Do **you** employ the services of a professional money manager or investment adviser? *If No, provide details*.....  YES  NO
4. Are revenues for Trust services included in the total gross revenues stated in Question 3 in the main **application**? *If No, provide details*.....  YES  NO

Non-Trustee Asset Management Services  Not Applicable

1. Do **you**:
  - a. Use a dual signature control procedure on disbursement of funds? .....  YES  NO
  - b. Ensure all client bank accounts are reconciled by someone other than the firm personnel authorized to deposit or withdraw from the client's account? *If No, provide details*....  YES  NO
  - c. Receive compensation based on any method other than hourly fees? *If Yes, provide details*.....  YES  NO
2. Do **you** have an Employee Dishonesty policy that covers theft of client funds? .....  YES  NO

**Please provide details in the space provided below or indicate if separate addendum attached**

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## Securities Services Supplement

**Not Applicable**

1. Within the last 5 years have **you** provided services to publicly traded clients? .....  YES  NO

**If Yes, please provide the following information for each public client:**

- a. Name of client \_\_\_\_\_
- b. Nature of client's business \_\_\_\_\_
- c. CIK# \_\_\_\_\_
- d. Years as client \_\_\_\_\_
- e. Services provided to the client (please check all that apply):  
 Audit/Review     Audit/Review & Tax     Tax Only     All Other (see #3 below)
- f. Last fees billed \_\_\_\_\_
- g. Were SEC reports prepared? .....  YES  NO
- h. Was a qualified opinion issued? .....  YES  NO
- i. Have **you** restated any quarterly or annual financial statement for any publicly traded client? .....  YES  NO

2. Please complete the following regarding services performed by **you** within the past 5 years in relation to Non-Attest/Tax Securities engagements:

| Name of Client | Services Provided <sup>[1]</sup> | Type of Issue <sup>[2]</sup> | Year Became Client | Dates of Service | Written Opinion?  |
|----------------|----------------------------------|------------------------------|--------------------|------------------|---|
|                |                                  |                              |                    |                  | <input type="checkbox"/> YES<br><input type="checkbox"/> NO |
|                |                                  |                              |                    |                  | <input type="checkbox"/> YES<br><input type="checkbox"/> NO |
|                |                                  |                              |                    |                  | <input type="checkbox"/> YES<br><input type="checkbox"/> NO |
|                |                                  |                              |                    |                  | <input type="checkbox"/> YES<br><input type="checkbox"/> NO |

[1] Indicate: **A** (Projection or Forecast)    **B** (Management Advisory Services)    **C** (Other, please describe)

[2] Indicate: **PR** (Private Placement)    **PUI** (Public Initial Placement)    **LTP** (Limited Partnerships)  
**SY** (Syndication)    **PUS** (Public Secondary Placement)    **B** (Bond, Private)

3. Experience of the Firm's Professional Staff engaged in securities/public audit-related matters:

| Name | Securities Billable Hours (Current 12 Months) | Securities Billable Hours (Previous 12 Months) | Years of Securities Experience |
|------|---|--|--------------------------------|
|      |   |  |                                |
|      |   |  |                                |
|      |   |  |                                |

4. Do **you** have current membership in Firms Securities Practice Section of the AICPA? .....  YES  NO
5. Do **you** have current membership in Public Company Practice Section of the AICPA? .....  YES  NO
6. How many hours do **you** require **your** securities accountants to participate in continuing education courses on current securities developments? ..... \_\_\_\_\_
7. Do **you** have a procedure for keeping current on SEC No Action Letters, advisories and rulings?  YES  NO
8. Do **you** have a written procedure for new client identification intended to assure that there will be no conflict of interest with respect to matters to be undertaken by **you**? .....  YES  NO
9. Is there a written policy requiring yearly reviews of existing clients for potential conflicts? .....  YES  NO
10. Do **you** have a written procedure for evaluating a new client seeking securities advice relevant to a proposed transaction or offering to determine the client's financial strength, its management expertise, its reputation, the nature of its business and its history of opinion shopping or changing attorneys and accountants? .....  YES  NO
11. Do **you** have a written procedure requiring that at least one accountant, who is not working on the transaction in question, review and approve all written materials to be furnished in the transaction? .....  YES  NO
12. Do **you** have a written policy that prohibits **your** firm members from participating in the securities selling process (for example, not participating in marketing meetings or calls involving prospective investors?) .....  YES  NO
13. Do **you** have a written policy governing trade and investing in client securities by firm members? *If Yes, please answer the following* .....  YES  NO
  - a. Does this policy establish rules that distinguish between trading and investing by Securities employees, and trading and investing by non-securities employees? .....  YES  NO
  - b. Does this policy prohibit firm members with an investment in a client from working on a securities transaction for such client? .....  YES  NO
14. Do **you** have a written policy prohibiting any firm member who is a director, officer or general partner of a securities client or limited partnership from working on a securities transaction for such client? .....  YES  NO
15. Do **you** have a written policy prohibiting any contingency payment arrangement or any arrangements where a securities client pays for the applicant's services with client securities?  YES  NO
16. Do **you** have any written procedure that is intended to prevent the improper use of material inside information or the tipping of such information by its firm members? .....  YES  NO
17. Do **you** have a written policy requiring Executive or Management Committee review prior to any firm member serving as director, officer or general partner of a securities client? .....  YES  NO
18. Do **you** use a written disclaimer or warning on all forecasts and projections? *If No, provide details* .....  YES  NO
19. Are assumptions disclosed on all forecasts and projections? *If No, provide details* .....  YES  NO
20. During the past 5 years have **you** been the subject of any investigations by the SEC, or been terminated by a securities client, or had a dispute with a client necessitating disclosure to securities regulators? *If Yes, provide details* .....  YES  NO
21. During the past five years have **you** been named as a party to any legal action under the SEC Acts of 1933 or 1934 or state statute relating to the issuance, offering or sale of securities? *If Yes, provide details* .....  YES  NO

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## Financial Institution Services Supplement

\* Please answer the following for all engagements.

\*\* Please attach a listing of all Financial Institution attest clients to this supplement.

**Not Applicable**

1. Do **you** have a written policy prohibiting any personnel providing **professional services** to financial institutions from:

- a. Holding stock or other financial interests greater than 5%? .....  YES  NO
- b. Acting as a director or officer? .....  YES  NO
- c. Holding loans greater than \$500,000? .....  YES  NO

*If No to any part of Question 1, please explain:*

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2. Within the past 5 years have **you** provided **professional services** to any financial institution that was sold due to insolvency? *If Yes, please explain*.....  YES  NO

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3. Within the past 5 years have you provided professional services to any financial institution that was taken over by the FDIC? *If Yes, please explain*.....  YES  NO

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## Business Valuation Supplement

**Not Applicable**

1. Please provide details on the Business Valuation Services rendered in the past fiscal year:

| Type of Valuation Performed                     | # of Valuations | Valuation Fees |
|---|-----------------|----------------|
| Conservation Easements                          |                 | \$             |
| Divorce Assets                                  |                 | \$             |
| Donated Property/IRS Valuation                  |                 | \$             |
| Financial Institutions                          |                 | \$             |
| Forensic Accounting                             |                 | \$             |
| Fraud Deterrent                                 |                 | \$             |
| Intellectual Property Valuation                 |                 | \$             |
| Investment Companies                            |                 | \$             |
| Litigation Support (not listed elsewhere)       |                 | \$             |
| M&A Valuation Consulting                        |                 | \$             |
| Manufacturing                                   |                 | \$             |
| Natural Resources                               |                 | \$             |
| Personal Property Appraisal                     |                 | \$             |
| Privately Held Companies (not listed elsewhere) |                 | \$             |
| Publicly-Traded Companies                       |                 | \$             |
| Real Estate or Real Estate Investment Trusts    |                 | \$             |
| Software Companies                              |                 | \$             |
| Trust/Estate Assets                             |                 | \$             |

2. Within the past 5 years have **you** provided a valuation service used in a public securities offering? *If Yes, please provide details*.....  YES  NO

\_\_\_\_\_

\_\_\_\_\_

3. How many of **your** personnel are members of the National Association of Certified Valuation Analysts? \_\_\_\_\_

4. Please provide the number of **your** personnel who hold each of the following designations:

- a. Certified Valuation Analyst ..... \_\_\_\_\_
- b. Accredited Valuation Analyst ..... \_\_\_\_\_
- c. Certified Forensic Financial Analyst and/or Certified Fraud Deterrence Analyst ..... \_\_\_\_\_

5. Describe the Continuing Education requirements for **your** personnel who offer valuation services:

\_\_\_\_\_

\_\_\_\_\_

6. Are all personnel in compliance with the Continuing Education requirements describe above?  YES  NO

7. Please provide a sample copy of engagement letter used when providing Business Valuation services.

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## Claim/Incident/Subpoena Supplement

*This supplement should be completed for each claim, incident, suit, or subpoena the applicant firm is aware of after inquiry of all partners, officers, owners, members, and employees. Please ensure that all questions are answered completely.*

**Not Applicable**

1. Name of Claimant/Client Name (Subpoena): \_\_\_\_\_

2. Indicate type:       Claim       Incident       Subpoena

3. Date of services rendered: \_\_\_\_\_

4. Type of services rendered: \_\_\_\_\_

5. Date **you** became aware of claim/incident/subpoena: \_\_\_\_\_

6. Date reported to **your** insurer: \_\_\_\_\_

7. Status of claim:       Closed       Open       No activity since

8. If closed, please indicate: Date closed \_\_\_\_\_ Settlement \_\_\_\_\_ Legal Expenses \_\_\_\_\_

9. Was an engagement letter used?       Yes       No

10. Please provide a current loss run\*

\*If you reported the claim to us we will attach the loss run.

11. Please provide a description of the claim/incident/subpoena and steps taken by **you** to avoid or mitigate the possibility of a similar claim/incident/subpoena occurring in the future:

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## 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

### 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.

**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](http://www.purchasinggroups.com); (4) to accept, abide by, and be bound by the “Membership Agreement – Terms & Conditions Of Membership” posted at [www.purchasinggroups.com](http://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](http://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](http://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.

(Version v2017.06.19)