

# Solicitors Professional Indemnity Application Form



## Your duty of disclosure

You must tell us all information you know (or could reasonably be expected to know) which would influence the judgement of a prudent underwriter whether or not to accept your application, and if it is accepted, on what terms and at what cost.

### Examples of information you may need to disclose include:

- ▶ anything that increases the risk of an insurance claim;
- ▶ any criminal convictions in the last 7 years or where imprisoned;
- ▶ if another insurer has cancelled or refused to renew insurance, or has imposed special terms.

### Examples of information you do not need to disclose include:

- ▶ anything that reduces the risk of an insurance claim;
- ▶ anything we say you do not need to tell us about;
- ▶ anything that is common knowledge;
- ▶ anything you have already told us, or that we should be expected to know in the ordinary course of our business.

**These examples are a guide only. Please ask if you are not sure whether you need to tell us about something. All information will be treated confidentially.**

## 1. Applicant details

1.1 Name of applicant including trading names, names of subsidiaries and any parties required to be insured: \_\_\_\_\_

\_\_\_\_\_

1.2 Postal address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1.3 Email address: \_\_\_\_\_

1.4 Website: \_\_\_\_\_

1.5 Contact person: \_\_\_\_\_ Fax no: \_\_\_\_\_

1.6 Has the name of the applicant detailed in Question 1.1 been changed, or merged or amalgamated? Yes  No

Please detail changes in chronological order:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1.7 Particulars of all partners, directors or principals:

| Name of partner, director or principal | Age | Qualifications | Years practising as partner, director or principal |               | Name of previous firm |
|--|-----|----------------|--|---------------|-----------------------|
|  |     |                | Current firm                                       | Previous firm |                       |
|  |     |                |  |               |                       |
|  |     |                |  |               |                       |
|  |     |                |  |               |                       |
|  |     |                |  |               |                       |
|  |     |                |  |               |                       |



# Solicitors Professional Indemnity / Application form

1.8 Total number of:

|                           |                                   |  |
|---------------------------|-----------------------------------|--|
| (a)                       | Partners, directors or principals |  |
| (b)                       | Solicitors and consultants        |  |
| (c)                       | Legal executives                  |  |
| (d)                       | Other                             |  |
| <b>Total of all staff</b> |                                   |  |

1.9 Other than as answered in question 1.1, does the firm wish to cover any partner, director or principal for past liabilities of firms they were previously partners, directors or principals in?

Yes  No

If 'yes', please provide the following details:

| Name of Partner, Director or Principal | Name of firm | No. of years employed there | No. of partners/directors/principals in firm |
|--|--------------|-----------------------------|--|
|  |              |                             |  |
|  |              |                             |  |
|  |              |                             |  |
|  |              |                             |  |

1.10 Has any claim been made against any partner, director or principal noted in 1.9 above?

Yes  No

(a) Is/are the previous firm(s) still trading?

Yes  No

If 'no', when did it (they) cease trading \_\_\_\_\_

(b) Has separate run-off insurance been arranged for the firm(s)

Yes  No

## 2. Business details

2.1 Please provide the percentage of gross fees by the following professional activities:

| Type of professional activities | Percentage of gross fees |
|---------------------------------|--------------------------|
| Conveyancing                    |                          |
| Commercial Law                  |                          |
| Criminal Law                    |                          |
| Employment Law                  |                          |
| Family/Matrimonial Law          |                          |
| Litigation                      |                          |
| Estates/Trust                   |                          |
| Other – please specify below    |                          |
| <b>Total</b>                    | <b>100%</b>              |

Other professional activities:

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2.2 Does the firm require cover for real estate activities as outlined in the Lawyers and Conveyancers Act 2006?

Yes  No

Please provide detail of the activities the firm currently undertakes or plans to undertake.

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# Solicitors Professional Indemnity / Application form

2.3 For Sole Practitioners:

What arrangements are in place during your temporary absence while away on business, leave, sick, etc.?

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2.4 Does any one client (or group of companies) account for more than 20% of your income?

If so, in respect of each such client, state the approximate percentage of your income derived from that client or group of companies. Also explain your relationship with that client and the nature of the work you perform for them.

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## 3. Fee income

3.1 (a) Gross professional fees for the last 12 months.

|                |             |
|----------------|-------------|
| New Zealand \$ | Overseas \$ |
|----------------|-------------|

(b) Estimated gross professional fees for the next 12 months.

|                |             |
|----------------|-------------|
| New Zealand \$ | Overseas \$ |
|----------------|-------------|

(c) Does the firm give any advice other than on New Zealand law? Yes  No

*If 'yes', please provide the following details:*

What advice or services are provided? \_\_\_\_\_

What jurisdictions are advised on? \_\_\_\_\_

What proportion of the firm's total fees are earned from each jurisdiction? \_\_\_\_\_ %

## 4. Nominee company

4.1 Do you require Nominee company cover? Yes  No   
Please note this cover is an optional extension and is subject to additional premium.

*If 'yes', please provide the following information:*

(a) Does the firm operate a Solicitor's Nominee Company or lend money on behalf of clients? Yes  No

(b) What is the total amount of monies invested at the time of completing this proposal? \$ \_\_\_\_\_

(c) How many mortgages or other loans are in default (either interest or principal) at the time of completing this proposal? \_\_\_\_\_

(d) Total value of mortgages on properties in default: \$ \_\_\_\_\_

(e) What action is being taken by the firm in regards to these defaults? \_\_\_\_\_

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## Solicitors Professional Indemnity / Application form

- (f) What was the result of the last nominee company audit? (provide a copy of the letter to management regarding internal control weaknesses and the firm's responses to these) \_\_\_\_\_
- \_\_\_\_\_
- (g) What was the result of the last Law Society audit? (provide a copy of the letter to management regarding internal control weaknesses and the firm's responses to these) \_\_\_\_\_

### 5. Individual appointments

- 5.1 Do you require Individual appointments cover?  
Please note this cover is an optional extension and is subject to additional premium. Yes  No   
*If 'yes', please provide the following information:*
- 5.2 In respect of trusteeship appointments, please provide the following details:
- (a) What is the total number of trusteeship appointments held by the partners, directors, principals, employees or corporate trustee companies? \_\_\_\_\_
- (b) If the firm uses a corporate trust company please advise the name:  
\_\_\_\_\_
- 5.3 In respect of directorship appointments, what is the total number of directorship appointments held by the partners, principals, directors or employees of the firm? \_\_\_\_\_

### 6. Partner dishonesty

- 6.1 Do you require Partner dishonesty cover? Please note this cover is an optional extension and is subject to additional premium. Yes  No

### 7. Risk management details

- 7.1 Does the firm have a system for controlling conflicts of interest? Yes  No   
*If 'yes', please provide details of the control methods used and how these potential conflicts are handled:*  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.2 Does the firm's risk management procedures include the below?
- (a) letters of engagement detailing the firm's scope of services Yes  No
- (b) letter of non engagement / disengagement Yes  No
- (c) diary system with daily backup Yes  No
- (d) letters giving legal advice for a client signed by partners, directors or principals Yes  No
- (e) does the firm have written procedures in respect of managing trust appointments? Yes  No
- Are these procedures adhered to? Yes  No

*If you answered 'no' to any of the above questions in 6.2 please provide details as to why your firm does not undertake risk management procedures:*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

# Solicitors Professional Indemnity / Application form

7.3 Are employees allowed to set up a funds transfer without secondary authorisation or sign cheques on their signature alone for the firm's trust account? Yes  No

If 'yes':

(a) up to what amount are the employees allowed to execute the above? \_\_\_\_\_

(b) what is the approximate annual value of fund transfers? \_\_\_\_\_

(c) can payment instructions be made to any account which has not been pre-agreed? Yes  No

(d) is the financial institution required to authenticate the instruction before payment is released? Yes  No

(e) provide details of the methods used to secure fund transfers (for example passwords, code words, encryption) \_\_\_\_\_

(f) does the firm always obtain satisfactory references when engaging employees? Yes  No

## 8. Insurance history

8.1 Have you ever been refused this type of insurance or had similar insurance cancelled, or had an application or renewal declined or had special terms imposed? Yes  No

If 'yes', please provide details: \_\_\_\_\_

8.2 Do you currently hold Solicitors Professional Indemnity Insurance? Yes  No

If 'yes', please provide details:

Name of insurer: \_\_\_\_\_ Expiry date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

|                     |    |
|---------------------|----|
| Limit of indemnity: | \$ |
| Excess:             | \$ |
| Premium:            | \$ |

## 9. Claims history

9.1 Has any partner, principal, director or employee ever been the subject of disciplinary proceedings for professional misconduct? Yes  No

If 'yes', please provide details: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## Solicitors Professional Indemnity / Application form

9.2 Have any claims ever been made against you, your predecessors in business, or any present or former partner, principal, director or employee of the business? Yes  No

If a current loss summary is available from your present and past insurers please attach a copy.

If 'yes', please provide the following details in respect to each matter:

| Date matter notified | Name of insurer (if any) | Brief details of each matter | Amount paid or estimate of potential liability | Is matter finished or outstanding? |
|----------------------|--------------------------|------------------------------|--|------------------------------------|
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |
|                      |                          |                              |  |                                    |

9.3 Have there been any claims made against the firm or have any circumstances occurred which would have resulted in a claim arising from trusteeship or directorship appointments? Yes  No

If 'yes', please provide details:

| Name of firm and principal | Claimant | Nature of problem | Amount paid and/or Outstanding |
|----------------------------|----------|-------------------|--------------------------------|
|                            |          |                   |                                |
|                            |          |                   |                                |

9.4 Are you, or any partner, principal, director or employee, after enquiry, aware of any claims or circumstances which might result in claims against you or your predecessors in business or any present or former partner, principal, director or employee of the business? Yes  No

If 'yes', please provide details in respect to each matter:

| Name of claimant or potential claimant | Brief description of claim/circumstances | Estimate of potential liability |
|--|--|---------------------------------|
|  |  |                                 |
|  |  |                                 |
|  |  |                                 |
|  |  |                                 |
|  |  |                                 |
|  |  |                                 |
|  |  |                                 |

### 10. Limits required

|                              |    |    |    |
|------------------------------|----|----|----|
| Limit of indemnity required: | \$ | \$ | \$ |
| Level of excess required:    | \$ | \$ | \$ |

**11. Declaration**

I/We hereby declare that:

- (a) All information provided, in this application and any attachments, is true and complete in every respect and that no material facts remain undisclosed.
- (b) I/We understand that NZI requires this information in order to evaluate this application and that the Privacy Act 1993 entitles me/us to have access to, and request the correction of, any information retained.
- (c) NZI is authorised to disclose information to its advisers, reinsurers, other insurers and parties with a financial interest in the subject matter of this application.
- (d) NZI is authorised to check details against the Insurance Claims Register and to place information on the Insurance Claims Register which other insurers can access.
- (e) NZI is authorised to obtain from other parties any information which may be relevant to the acceptance of this risk.
- (f) The signing of this application does not bind either party to complete the contract and that no cover will be in force until confirmed by NZI.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Signature: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

It is important the signatory/signatories to this application is/are fully aware of the scope of this insurance so that all questions can be answered. If you are not sure whether you need to tell us about something, please contact your insurance broker as non-disclosure may affect the outcome of any claim or lead to the policy being voided.

