The Liability Company.

LIABILITY MATTERS

Professional Indemnity for Accounting Professionals Proposal Form

For use by accountants, auditors, tax practitioners and other accounting professionals in private practice.

Please answer every question in full. Where a question does not apply, mark it "N/A". If the space provided is not enough, please continue on a separate sheet and attach it to this form.

The policy will only respond to claims first made against you and notified to the Insurers during the policy period. The po not provide cover for:

- Events that occurred prior to the retroactive date of the policy (if specified).
- Claims made after the expiry of the policy period even though the Wrongful Act giving rise to a claim may have occurred during the policy period.
- Claims notified or arising out of facts or circumstances notified under any previous policy or noted on the current proposal form.
- Claims made, threatened or intimated prior to the commencement of the policy period.
- Facts or circumstances in your knowledge prior to the policy period, which you know had the potential to give rise to a claim under the policy.

Disclosure

You must disclose to the Insurer all information which is material to it in deciding whether to issue insurance cover to you, including any facts or conduct which might lead to a claim being made against you. Failing to do so could affect your rights to indemnity.

If you do not understand any part of this document, please contact your broker before you sign it. You will be bound by the answers which are given, and by the information provided by you in the proposal form. It is in your interest to make sure that all information is properly understood. If you are in any doubt, discuss the issue with your broker or disclose the information to the Insurers.

Attachments

Before you return this form, have you included the following (please indicate yes or no):

Standard client contract / mandate agreement	○ **Yes**	○ **No**
Company brochure / additional information	○ **Yes**	○ **No**
Claims information (if relevant)	○ **Yes**	○ **No**

The Liability Company (Pty) Ltd
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Authorised FSP 50828

Our Risk Carriers
Underwritten by Old Mutual Insure Limited (FSP 12), a licensed financial services provider and non-life insurer.

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OLDMUTUAL INSURE

1. Client Information

Name of the Business / Practice

Physical address

Postal code

Company / Close Corporation Registration Number

VAT Registration Number

Phone number

Email address

Website address

2. Address and Contact Details

If the Business/Practice operates from more than one branch, please list the additional branch(es) below or attach a separate schedule.

3. Legal Constitution

- ☐ Sole Proprietor
- ☐ Partnership
- ☐ Close Corporation
- ☐ Private Company (Pty) Ltd
- ☐ Other

Name of Director / Partner / Principal in charge

4. Dates of Commencement of Business

As initially established

As currently constituted

Has the name of the Business/Practice changed in the last 5 years? ○ **Yes** ○ **No**

If yes, please provide previous name(s)

5. Directors, Partners and Principals

Please list all Directors, Partners and Principals. Attach CVs if the Business/Practice is new to The Liability Company.

Name	Qualification	Year Qualified	Years as Principal

6. Connections or Associations

Is the Business/Practice controlled, owned, or associated with any other company or firm? ○ **Yes** ○ **No**

If yes, please provide details, and confirm whether that company/firm also requires cover

7. Staff Complement

Please provide the total number of staff in the following categories.

Principals / Partners / Directors

Professional Staff

Non-Professional Staff

Total Number of Staff

8. Business Activities

Please provide a full description of the Business/Practice's activities.

Please provide a percentage breakdown of income by activity (total must equal 100%).

Audit and Assurance Services		
Statutory audits – public / listed companies		%
Statutory audits – private companies and close corporations		%
Audits of retirement funds, medical schemes or collective investment schemes		%
Independent reviews and other assurance engagements		%
Accounting and Bookkeeping Services		
Accounting and bookkeeping services		%
Taxation Services		
Tax compliance and administration		%
Tax advisory and consulting		%
Estates, Trusts and Insolvency		
Deceased estates, executorships and trusteeships		%
Business rescue, liquidations and insolvency administration		%
Forensic and Investigation Services		
Forensic accounting and investigation services		%
Management and Financial Consulting		
Valuations, mergers and acquisitions		%
General financial / management consulting		%
Company Secretarial and Payroll		
Company secretarial and share registration		%
Payroll administration		%
Other		
Other (please specify):		%
Other (please specify):		%
Total		**100%**

9. International Exposure

Does the Business/Practice currently carry out, or plan to carry out, any work outside South Africa? ○ Yes ○ No

If yes, please list the relevant countries or jurisdictions

Does the Business/Practice have any office registered or based outside South Africa? ○ Yes ○ No

Are services provided to clients based in North America, or in any other jurisdiction whose laws would govern the engagement? ○ Yes ○ No

If yes, what percentage of fee income relates to that work?

Is advice ever given on the law of a foreign jurisdiction? ○ Yes ○ No

10. Fee Income

Please set out gross professional fee income (excluding VAT and disbursements) for the past three years.

Financial Year	Domestic Fees (R)	Sub-Consulted Fees (R)	International Fees (R)

Please use the three rows above for the prior financial year end, the current financial year end, and the next financial year end (estimated), noting the relevant year-end date in the first column.

11. Contracts and Risk Controls

Are client engagements governed by a written contract or engagement letter?	○ Yes	○ No
Does that contract limit the Business/Practice's liability (e.g. by quantum or time)?	○ Yes	○ No
Approximately what share of the Business/Practice's work is sub-consulted to others?		
Are sub-consultants engaged under a written contract, and required to hold adequate professional indemnity insurance?	○ Yes	○ No
Is there a person or function dedicated to risk management within the Business/Practice?	○ Yes	○ No
Does the Business/Practice have a documented quality management system or peer review process?	○ Yes	○ No
Does the Business/Practice have any inter-firm or joint venture arrangement with another practice?	○ Yes	○ No

If yes to any of the above, please provide details

12. Trust Account Controls

Does the Business/Practice operate a trust or money market account on behalf of clients? ○ Yes ○ No

If yes, what is the average value of trust funds held at any one time (all banks)?

What are the Business/Practice's transfer / cheque limits?
Names and positions of signatories authorised to release payments

Are the Business/Practice's books audited by a qualified external accountant or auditor, and are those audits unqualified? ○ Yes ○ No

Is there a documented verification process for client instructions to change banking or payment details? ○ Yes ○ No
Note: claims relating to fraudulent payment instructions may be prejudiced if no such process exists, or is not followed.

13. Previous Insurance

Is the Business/Practice currently insured? ○ Yes ○ No

Name of current insurer

Current Limit of Indemnity (R)

Expiry date of current policy

Retroactive date of current policy

Note: if the Business/Practice has not been insured before, or has had a gap in cover, retroactive cover is not available.

14. Claims History

Have any claims, incidents or circumstances alleging professional negligence been brought against the Business/Practice or any present or past Principal in the last 5 years? ○ **Yes** ○ **No**

If yes, have such matters been notified to the current insurers? ○ **Yes** ○ **No**
If yes, please provide full details

15. Full Inquiry Details

Are any Principals or employees, after having made a full enquiry, aware of any circumstances which may give rise to a claim against the Business/Practice or its predecessors? ○ **Yes** ○ **No**
If yes, please provide full details

16. Use of Artificial Intelligence

Does the Business/Practice use generative AI or machine learning tools in the course of its work? ○ Yes ○ No

If yes, please answer the following:

What tools are used, and for which tasks?

Who within the Business/Practice is authorised to use these tools?

What controls exist to monitor how these tools are used?

Roughly what proportion of output depends on these tools?

Before relying on AI-generated output, how is it checked for accuracy and reliability?

Who is responsible for the final decision to use that output in client work?

17. Limit of Indemnity Required

Please set out the limit(s) of indemnity for which a quotation is requested below. You may list more than one option if you would like these compared.

Option	Limit of Indemnity (R)	Deductible / Excess (R)

Do you require retroactive cover for past liabilities? ○ Yes ○ No

If yes, for what period

18. Public Liability

Does the Business/Practice require Public Liability cover as well? ○ Yes ○ No

If yes, please indicate the Limit of Indemnity required (R)

19. Extensions

Do you require any of the following extensions?

- ☐ Public Liability
- ☐ Liability following Employee Dishonesty
- ☐ Fee Recovery
- ☐ Joint Venture / Consortium Agreements
- ☐ Wrongful Arrest
- ☐ Defamation
- ☐ Loss of Documents
- ☐ Claims Preparation Costs
- ☐ Statutory Defence Costs
- ☐ Unintentional Breach of Confidentiality

If any extensions are required, are you aware of any past or current claims, or circumstances which may lead to a claim, in respect of any extension requested (whether insured or not)? ○ **Yes** ○ **No**

If yes, please provide full details

20. Privacy Notice

The Liability Company processes personal information you provide in this form in order to assess this proposal, arrange cover, and administer any resulting policy, in line with the Protection of Personal Information Act (POPIA). This may involve sharing relevant details with insurers, reinsurers, industry bodies, and service providers who assist us in these functions, or with regulators where we are legally required to do so. We apply appropriate safeguards to protect the information you share with us. By signing this proposal form, you consent to your personal information being processed and shared in this manner.

21. Declaration

I/We declare that the statements and particulars in this proposal are true and that I/We have not misstated or suppressed any material facts. I/We agree that this proposal, together with any other information supplied by me/us, shall form the basis of any contract of insurance effected thereon. I/We undertake to inform the Insurers of any material alteration to these facts occurring before, during, or after completion of the contract of insurance.

Signed at		Dated	
Full name			
Position held			
Signature			

22. Cooling Off Rights

You enjoy a period of 14 (fourteen) days ("cooling-off period") from receipt of the Policy document following the inception date of the insurance agreement (if taken), or from the effective date of any variation thereof, during which you may rescind the agreement, provided that you have not claimed any benefit, are not in receipt of a claim made against you, and have not reported any claim to the Insurer. In such event the insurance agreement is annulled and you will be entitled to a refund of premium paid.

The Insurer will give effect thereto and return premiums due to you, less an administration charge, within 30 (thirty) days of the annulment.

Additional notes (if required)