

Bookkeeper, Tax Preparer and Small CPA Firm 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

1. 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: _____

2. 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

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

5. **Firm** Staff (including contract and per diem employees):

	Total
Owners and Professional Employees	
Administrative Staff	

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

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

7. Indicate the percentage of revenues derived from the practice areas below:

Indicate whether or not Engagement Letters are used for each service area listed below.

Service Area	% of Revenue	Engagement Letter Used	Service Area	% of Revenue	Engagement Letter Used
Bookkeeping / Write-ups / Payroll	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Reviews	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Compilations	%	<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
IT – Software or Hardware Sales	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Trustee / Executor / Receiver	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
Notary Public	%	<input type="checkbox"/> Yes <input type="checkbox"/> No	Other (describe*): _____	%	<input type="checkbox"/> Yes <input type="checkbox"/> No
			TOTAL (100%)	%	

* If additional space is needed, provide details on Question 24.

8. Total number of clients for the past 12 months: _____

9. 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," describe: _____

C. RISK MANAGEMENT

10. Do **You** 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:

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

If "No," provide an explanation:

12. 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.

13. Has any **Firm** member 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 24.

Number of **Firm** participants: _____ Date: _____

14. 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

Current Hanover renewal customers do not need to complete #15 and #18

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

15. Within the past 5 years, 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? ☐ Yes ☐ No

16. 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 15 or 16, complete the Claim/Incident Supplement and provide 5 years of currently valued loss run if applicable.*

17. 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

18. **(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 "Yes," explain: _____

E. CURRENT INSURANCE INFORMATION

19. Does the **Firm** currently carry professional liability insurance? ☐ Yes ☐ No

If "Yes," provide a copy of the current declarations page and any applicable endorsements.

F. REQUESTED COVERAGE

20. Desired Effective Date: _____

21. Limit of Liability: _____

22. Deductible: _____ ☐ Per Claim ☐ Aggregate

23. 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.

24.

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.