

CMS/CANOPIUS NEW BUSINESS PROPOSAL FORM 2010

1. Proposing Entities

- a) Please state below the name of your **main practice**. Please also enter below the full names of **any other entities currently trading** referring again to their Regulator. If applicable, please also list any other trading styles.

Date commenced trading

_____ / ____ / ____
 _____ / ____ / ____

Main Office Address:

Please provide on a separate sheet any other addresses from which the above entities practise.

E-mail: _____ Web Address: _____

Tel No: _____ Fax No: _____

- b) Past Business Entities including predecessors in business for which Run-Off cover is required:

_____ Period of trading _____ to _____

_____ Period of trading _____ to _____

- c) Please tick the box to confirm that none of the above entities is a Limited Company that has been wound up and/or has no assets.

2. Please confirm the date of your last financial year-end prior to the inception date:

____ / ____ / ____

3. Please advise or estimate for the financial year-end identified in Question 2 above and the previous 4 financial years (where applicable), the total gross brokerage/commission/fee income of all Proposing Entities, generated by all principals/employees/self-employed persons.

	Total gross brokerage/commission/fee income, including trail commission
<u>Last complete year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	
<u>Previous year:</u>	



4. Please indicate the total gross brokerage/commission/fee income the entities in Question 1a) currently trading expect to achieve in the current financial year:

5. Please indicate the Regulatory status of each Proposing Entity disclosed in Question 1 above:

a) Direct by FSA Name of Proposing Entity: _____

b) As an Appointed Representative through the authorisation of another directly Regulated Firm or Network
 Name of Proposing Entity: _____

6. Please indicate whether any Proposing Entity operates a 'multi tie' arrangement pursuant to the depolarisation rules.

Yes	No

If YES, please provide details including providers and products involved.

7.

Names of Directors/Partners/Principals	Age	Qualifications	Experience (if under five years' practical insurance experience)

8. Number of permanent staff **other than** Directors/Partners/Principals:

a) Employed persons giving advice	<input style="width: 80%; height: 20px;" type="text"/>
b) All other employed persons	<input style="width: 80%; height: 20px;" type="text"/>
c) Self employed persons	<input style="width: 80%; height: 20px;" type="text"/>

9. Please provide the following details in respect of any past or current Appointed Representatives for which cover is required (continue on separate sheet if necessary):

Trading name	Date of Appointment	Date of termination	Location	Income in last financial year



Please provide details of the methods of control used to monitor and supervise the activities of your Appointed Representatives

10. a) Please indicate the % of gross brokerage/commission/fees for the **Last complete year** as disclosed in Question 3 derived from the following categories.

Please ensure that the Total boxes for Categories i) to v) below add up to 100%.

	Private	Business	Total
i) Pension Sales & Advice (please include GPP business in private)	%	%	%
ii) Investment Sales & Advice	%	%	%
Of the total for i) and ii) above, please indicate the % earned from the following categories			
Equity based collective investments	%		
Fixed Interest based collective investments	%		
Property based collective investment	%		
Other (please specify below)	%		
iii) Life Cover & Protection Sales & Advice (including WOL, ASU, PHI & Medical)	%	%	%
iv) Mortgage Sales & Advice (Including Equity Release and Reversion Schemes)	%	%	%
v) General Insurance Sales & Advice	%	%	%
	Total Private	Total Business	Overall Total
	%	%	100%



10. b) Please indicate the % of gross brokerage/commission/fees for the **2 financial years preceding the year in 10a) above (starting with the most recent)** as disclosed in Question 3, derived from the following categories.

	Private	Business	Total
i) Pension Sales & Advice	%	%	%
ii) Investment Sales & Advice	%	%	%
iii) Life Cover & Protection Sales & Advice (including WOL, ASU, PHI & Medical)	%	%	%
iv) Mortgage Sales & Advice (Including Equity Release and Reversion Schemes)	%	%	%
v) General Insurance Sales & Advice	%	%	%
	Total Private	Total Business	Overall Total
	%	%	100%

	Private	Business	Total
i) Pension Sales & Advice	%	%	%
ii) Investment Sales & Advice	%	%	%
iii) Life Cover & Protection Sales & Advice (including WOL, ASU, PHI & Medical)	%	%	%
iv) Mortgage Sales & Advice (Including Equity Release and Reversion Schemes)	%	%	%
v) General Insurance Sales & Advice	%	%	%
	Total Private	Total Business	Overall Total
	%	%	100%

11. In respect of investments covered by 10a)i) and ii) on the previous page, please indicate the number of single premium or annual investments made in the last financial year where the sum invested was (Please do not include monthly investments.):

- a) less than £10,000
 b) equal to or more than £10,000 but less than £25,000
 c) equal to or more than £25,000 but less than £100,000
 d) equal to or more than £100,000

Number of investments

12. Please indicate whether any Proposing Entity has received, or is on notice of, a visit from the Regulator.

Yes	No

If YES, please confirm date(s) of visit(s) and enclose a copy of the report(s).

Date(s) ___/___/___



13. Please advise whether any advice or other insured activity has been undertaken outside the UK by any proposing entity. (Please note that cover for such work is not available unless specifically agreed)

Yes	No

14. Because of the role of Financial Advisers, fraud by your employees or agents is a significant risk to your business. Please outline briefly, on a separate sheet of paper if necessary, the steps that you take to minimise this risk.

15. Please provide the requested details of the following performance indicators:

- a) Number of policies made Paid Up or lapsed in the last 12 months
- b) Number of policies cancelled within “cooling off” period in the last 12 months
- c) Number of recommendations “Not Taken Up” in the last 12 months
- d) Number of “policy replacement” recommendations made in the last 12 months to discontinue premiums or surrender existing contracts and replace with similar contracts

Number

16. a) Please provide details of the top 3 product providers in terms of commission income in the last 12 months.

Provider	% of total commission income

b) Please provide details of the top 3 product providers in terms of number of new policies in the last 12 months.

Provider	Total number of new policies

17. Please advise how the Compliance Function is managed:

We employ _____ (number) full time compliance staff. (Please provide CV of Compliance Officer.)

We use the following specialist provider: _____

Other, namely: _____

18. Please provide the location of any individuals providing advice that are not based at the **Main Office Address**:



19. Was each individual referred to above the subject of a field compliance audit on their premises in the last 12 months?

Yes	No

20. Please indicate % of new business files reviewed by the Compliance Function in the last 12 months. _____%

21. What is the active client/adviser ratio of your firm? _____

22. Financial Promotions

During the last 5 years has any Proposing Entity issued any direct offer financial promotions to clients promoting a particular product or products? If YES, please complete the table below.

Product Provider and Product Promoted	Date	Number of clients mailed	Number of applications received

23. Pension Transfers From Defined Benefit Occupational Pension Schemes

a) Please provide the number of Pension Transfers from **Defined Benefit Occupation Pension Schemes** that the proposer has arranged in the past 10 years and provide the average and largest transfer value.

Number of transfers	Average Transfer Value	Largest Transfer Value

b) Please provide the names and details of the experience and qualifications of the individuals authorised by the proposer to provide Pension Transfer advice

Names	Qualifications	Experience



24. Pension Review

- a) Does any Proposing Entity require cover in respect of cases that fell within the ambit of the Pension Review (Phases I &II)?
- | | |
|-----|----|
| Yes | No |
| | |

If YES, please answer questions 23 a) to 25 below and complete the table on the next page.

- b) Please confirm that the Pension Review (Phase I and II) has been formally completed and the Regulator notified.
- | | |
|-----|----|
| Yes | No |
| | |

- c) Please give the date of your final Pension Review mailing _____/_____/_____

- d) Please confirm that the Proposing Entities correctly identified and mailed all cases that fell within the ambit of the Pension Review.
- | | |
|-----|----|
| Yes | No |
| | |

- e) Please confirm that all cases mailed under the terms of the Pension Review which requested a Review or complained have been notified on previous Professional Indemnity Insurance policy(s) as a claim or circumstance.

Yes	No

- f) Please confirm that none of the Proposing Entities’ non responding Pension Transfers were from the Miners’ Pension Scheme.

Yes	No

If NO, please provide details on a separate sheet.

- g) Please confirm that none of the Proposing Entities’ non responding Pension Transfers have a transfer value exceeding £20,000.

Yes	No

If NO, please provide details on a separate sheet

Please complete the attached Summary Sheet – Phase I and II

Pension Review Cover

If any Proposing Entity has requested cover and underwriters are prepared to grant it, details will be offered on the quotation sheet and will be restricted to cover for new complaints in respect of cases which were correctly mailed under the terms of the Pension Review but which have not requested a review or complained at the date of inception of the policy.



25. Pension Review – continued

Summary Sheet - Phase I and II

<u>Phase I and II</u>	TOTAL STARTING POPULATION (ALL PERSONAL PENSIONS SOLD IN REVIEW PERIOD) *	<u>Total Population mailed</u> **	RESPONDERS			NON RESPONDERS
			DECLINING REVIEW	EXCLUDED AS NOT REVIEWABLE	REQUIRING REVIEW (LOSS OR COMPLIANCE)	
Opt outs/Non Joiners (including possibles)						
Rebate Only Cases						
Transfers						
<u>TOTAL</u>						

* Including Section 32's and 226's.

** The figures in this column should equal the figures of the 'Responders' columns and 'Non Responders' column combined. If this is not the case, please provide details on a separate sheet.



26. Income Drawdown

Please complete this question if any Proposing Entity has transacted/given advice in respect of Income Drawdown. If not, please put 'not applicable'.

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Number of Income Drawdown cases transacted where original fund value was less than £100,000										
Number of Income Drawdown cases transacted where original fund value was between £100,000 and £300,000										
Number of Income Drawdown cases transacted where original fund value was over £300,000										
Largest Original Income Drawdown fund value										
Number of Annuity cases transacted (excluding Phased Retirement cases)										

a) What % of Income Drawdown cases arranged are taking maximum income? _____%

b) What % of Income Drawdown cases have had the fund value enhanced by rebating commission? _____%

c) How frequently are Income Drawdown cases reviewed? _____

d) i) How many of the above transactions were carried out purely to raise cash? _____

ii) Has the Reason Why Letter always drawn to the client's attention the adverse effects such a withdrawal will have on future pension benefits and establish in each case why the client needed the cash and why other methods of raising finance were less suitable?

Yes	No

e) Has any business ever been transacted where the client has given up a GAR?

Yes	No



f) Please indicate how many Alternatively Secured Pensions have been arranged on behalf of clients.

	2006	2007	2008	2009	2010
Number of Alternatively Secured Pensions arranged					

g) Please provide a brief description of the philosophy used in advising clients in relation to income in retirement.

27. State Earnings Related Pension Scheme (SERPS)/State Second Pension (S2P)

Please indicate the total number of recommendations made to contract out of SERPs/S2P within the following periods.

1988-1992	1993-1996	1997-2001	2002-onwards

- a) How many males were aged over 40 when first advised to contract out?
- b) How many females were aged over 35 when first advised to contract out?
- c) Was it the Proposing Entities' practice to record attitude to risk on file?
- d) Have all recommendations to contract out been reviewed each year?
- e) Have all clients that were recommended to contract out been contacted to review the advice?

Yes	No

28. FSAVC Review

Please state the number of cases the Proposing Entities were required to mail.

- a) Where cases were mailed, please confirm that the Review of FSAVC's has been completed.

Yes	No

If NO, please provide details.



29. In terms of total number of individual investments arranged and total amount of client funds invested please provide details of the top 3 investment funds.

Investment Fund	Number of Investments arranged

Investment Fund	Total Client Funds Invested

30. Has any advice or services been provided with regards to any investment that has had new investment and/or redemptions suspended, had the assets re-valued or is insolvent. **If YES, please provide FULL details below**

Yes	No

Has any advice or services been provided with regards to any investment or deposits with or in securities issued by any Financial Institution that is insolvent or is unlikely to be able to meet it's obligations. **If YES, please provide FULL details below**

Yes	No

Name of Investor	Date of Investment	Value of client's investment portfolio	Original Investment Value	Product	Current Value	Date of Valuation



31. Please indicate whether any Proposing Entity has provided or intends to provide advice or services with regards to investment in any of the following or collective investments that have funds invested in any of the following.

Product/Service	Yes	No
Structured Products		
Hedge Funds		
Unregulated Collective Investments		
Split Capital Investment Trusts		
Any Investment for Tax Structuring, Planning or Mitigation		
Traded Life Policies		
Viatical Settlements		
Traded Endowment Plans		
Offshore Bonds		

If YES, please complete the table below, continue on additional sheet if necessary.

Name of Investor	Date of Investment	Value of client's investment portfolio	Original Investment Value	Product	Current Value	Date of Valuation

Has the Inland Revenue indicated that they intend to challenge the tax status of any of the above products arranged on behalf of any client? **If YES, please provide FULL details on a separate sheet.**

Yes	No



32. Endowments

Have you ever been involved in arranging **Mortgage** Endowments?

Yes	No

If YES, please answer the following questions:

- a) Total number policies sold by the Proposing Entities, excluding cases which have matured?
- b) Total number of complaints received by the Proposing Entities to date?
- c) Approximately, what is the average target maturity value?
- d) The highest value Mortgage Endowment which remains in force, sold by any Proposing Entity?
- e) Have the Proposing Entities always advised investors that the Endowment is not guaranteed to achieve target maturity value?

Yes	No
- f) Have the Proposing Entities always ensured Endowment policies mature before the client's retirement date?

Yes	No

If NO, please state the approximate number of current policies which mature beyond the investor's retirement date.

33. Please indicate whether any Proposing Entity provides advice or services with regards to any of the following products or services. **If YES, please provide FULL details on a separate sheet.**

Product/Service	Yes	No
Own branded Collective Investment Funds		
Discretionary Portfolio Management		
Broker Bonds		
Pension Fund Trustee Services		
Pension Fund Management Services		

34. In respect of Mortgages please confirm the proportion of income derived from the following areas.

i) Residential Mortgages	%
ii) Sub-Prime Mortgages	%
iii) Self Certification Mortgages	%
iv) Buy to Let Mortgages	%
v) Commercial Mortgages (ex Buy to Let)	%
vi) Equity Release/Home Reversion/Lifetime Mortgages/Sale and Rent Back	%



35. Has any proposing entity provided advice or services with regards to Sale and Rent Back?

Yes	No

36. Please indicate the number of Home Income Plans, Equity Release Schemes or Home Reversion Schemes arranged/advised upon by the Proposing Entities in the last 10 years.

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a) Are all providers of the schemes referred to in question 36 above members of SHIP (Safe Home Income Plans Ltd)?

Yes	No

b) Were all other means of raising the capital/income required by the client investigated prior to making the recommendation to release capital from their property?

Yes	No

c) Were the beneficiaries of the clients estate informed and is evidence of this recorded on file for each of the plans arranged?

Yes	No

d) Please provide a brief description of the philosophy used in advising clients in relation to the subsequent investment of monies raised

37. Current Insurance Arrangements

Please provide the following details of the Proposing Entities' expiring Professional Indemnity Insurance Policy:

Insurer	Limit	Excess	Premium	Expiry Date

38. Please confirm whether there have been any claims or circumstances made against the Proposing Entities in the past 10 years.

Yes	No

If YES, please provide details below.

Date	Summary	Amount claimed	Reserve held	Amount paid	Date of the advice/sale leading to the claim



39. Is any Proposing Entity aware, after enquiry, of any circumstances (not stated above) which may result in any claims being made against the Proposing Entities currently trading, their predecessors in business or any of the present or past Directors/ Partners/Principals?

Yes	No

If YES, please give FULL details.

40. Has any Proposing Entity sustained any loss during the past ten years as a result of the fraud or dishonesty of any Director/Partner/Principal/employee/self-employed person?

Yes	No

If YES, please give FULL details.

41. Has any application for insurance on behalf of any Proposing Entity or any of the present Directors, Partners or Principals or, to the knowledge of the Proposing Entities, on behalf of their predecessors in business ever been declined or has any such insurance ever been cancelled or renewal refused?

Yes	No

If YES, please give FULL details on a separate sheet.

42. Have the Proposing Entities notified to previous insurers all Pension Review Cases, FSAVCs, Endowments, SCITs and SCARPs where a client has requested a review or complained?

Yes	No	None

If NO, please list on a separate sheet those cases that have not been notified.

DECLARATION

I/We declare on behalf of the Proposing Entities that the above statements and details 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 Collegiate Management Services Limited of any material alteration to these facts occurring before completion of the Contract of Insurance. Signing this Proposal Form does not bind the Proposing Entities or Collegiate Management Services Limited to complete this insurance.

Signature of:

Director/Partner/Principal _____

Name _____

(in capitals)

Date _____

Please Note: In the absence of any instructions to the contrary, Certificates will show only those firms named in Question 1a of this proposal form.

Data Protection Act:

Some of the information given in this form, will constitute personal data for the purposes of the Data Protection Act 1998. Such personal data will be used by Collegiate and interested underwriters solely for the following purposes:

1. evaluating the proposal with a view to providing the insurance proposed for;
2. validating any information which may have been previously supplied;
3. general statistical purposes.

The information will be held for as long as necessary for the above purposes or as may be required by law or to comply with any contractual, or to meet with any relevant regulatory requirements.

